



This is a translation into English of the statutory auditor's report on the combined financial statements of the Association issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditor's report includes information required by French law, such as verification of the information concerning the Group presented in the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Fédération Handicap International

Year ended December 31, 2021

Statutory auditor's report on the combined financial statements

ERNST & YOUNG et Autres



Fédération Handicap International

Year ended December 31, 2021

Statutory auditor's report on the combined financial statements

To the Annual General Meeting of Fédération Handicap International,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying combined financial statements of Fédération Handicap International for the year ended December 31, 2021.

In our opinion, the combined financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Combined Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2021 to the date of our report.



Justification of Assessments

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the combined financial statements of the current period.

These matters were addressed in the context of our audit of the combined financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the combined financial statements.

As part of our assessment of the accounting principles used by your Association, we have verified that the information contained in the terms and conditions applied to prepare the profit and loss account by origin and destination (CROD) and the annual use-of-resources account (CER) described in Note "Accounting rules and methods described in Note "10.3 Methods of developing the CROD (and CER)" to the combined financial statements is appropriate, that such terms and conditions comply with the preparation bases described in the Notes to the combined financial statements and that they have been correctly applied.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the information in the Board of Directors' Group management report.

We have no matters to report as to its fair presentation and its consistency with the combined financial statements.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Association or to cease operations.

The combined financial statements were approved by the Board of Directors.



Statutory Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our role is to issue a report on the combined financial statements. Our objective is to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these combined financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Association or the quality of management of the affairs of the Association.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the combined financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the combined financial statements.
- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Association to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the combined financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the combined financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.



- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the combined financial statements and for the opinion expressed on these combined financial statements.

Lyon, June 3, 2022

The Statutory Auditor
French original signed by
ERNST & YOUNG et Autres

Lionel Denjean



REPORT ON THE COMBINED ACCOUNTS 2021
FEDERAL HANDICAP INTERNATIONAL NETWORK

COMBINED ACCOUNTS AT 31/12/2021

ASSET BALANCE SHEET

ASSET BALANCE SHEET (IN EUROS)		FINANCIAL YEAR N			FINANCIAL YEAR N-1
		GROSS	DEPRECIATI ON AND AMORTIZATI ON	NET	NET
FIXED ASSETS	Intangible assets	3.489.546	1.495.362	1.994.184	1.694.348
	Concessions, patents, licences, trademarks, processes, software	2.921.243	1.495.362	1.425.881	1.153.833
	Commercial fund	12.958	-	12.958	12.958
	Intangible assets in progress	555.344	-	555.344	527.557
	Tangible assets	28.521.873	13.745.248	14.776.626	14.869.505
	Land	1.400.000	-	1.400.000	1.400.000
	Buildings	7.506.365	3.121.154	4.385.211	4.636.439
	Technical installations, industrial equipment and tools	2.283.071	1.926.504	356.567	756.057
	Other tangible assets	12.495.512	8.697.590	3.797.922	4.544.579
	Property, plant and equipment in progress	73.953	-	73.953	152.973
	Advance payments	31.362	-	31.362	95.562
	Assets received by legacies or donation to be disposed of	4.731.610	-	4.731.610	3.283.896
	Financial assets	1.358.357	10	1.358.348	1.328.507
	Shareholdings and related receivables	4.490	-	4.490	100.150
	Other fixed assets	521.971	-	521.971	516.297
Other financial assets	831.897	10	831.887	712.060	
TOTAL I	33.369.777	15.240.619	18.129.157	17.892.360	
CURRENT ASSETS	Stocks and work in progress	614.198	3.519	610.678	682.570
	Advances and deposits paid on orders	109.032	-	109.032	495.343
	Customer receivables and related accounts	1.044.557	21.078	1.023.478	985.381
	Receivables received by legacies or donation	2.485.176	-	2.485.176	3.331.408
	Receivables Institutional donor	160.996.051	-	160.996.051	177.274.468
	Other receivables	12.580.844	-	12.580.844	14.429.889
	Advance missions	14.649.390	-	14.649.390	12.776.736
	Marketable securities	1.159.407	-	1.159.407	1.006.907
	Cash and cash equivalents	50.696.631	-	50.696.631	50.982.559
	Prepaid expenses	1.239.328	-	1.239.328	1.673.680
	TOTAL II	245.574.614	24.598	245.550.016	263.638.940
Translation adjustment assets (V)	326.995	-	326.995	1.815.860	
GRAND TOTAL (I+II+III+IV+V)	279.271.385	15.265.217	264.006.168	283.347.160	

LIABILITY BALANCE SHEET

LIABILITY BALANCE SHEET (IN EUROS)		FINANCIAL YEAR N	FINANCIAL YEAR N-1
OWN FUNDS	Equity without right of withdrawal	-	-
	Equity with right of withdrawal	-	-
	Reserves	45.248.750	35.991.716
	Statutory or contractual reserves	6.098	6.098
	Reserves for entity projects and Unused restricted funds collected from the public	31.064.387	26.436.994
	Innovation reserve fund	2.000.000	
	Other	153.238	183.886
	Retained earnings	3.827.675	3.298.539
	Surplus or deficit for the year	8.197.351	6.066.199
	Net position	1.188.869	2.391.409
	Consumable equity	-	-
	Investment grants	1.188.869	2.391.409
Regulated provisions	-	-	
Total I	46.437.618	38.383.125	
FUNDS CARRIED OVER AND	Deferred funds related to legacies or donations	5.367.005	5.728.467
	Dedicated funds	782.201	1.246.232
	Total II	6.149.205	6.974.699
PROVISIONS	Provisions for risks	1.862.704	3.944.378
	Provisions for charges	1.658.506	1.908.911
	Provisions for charges on legacies or donations	250	106.071
	Total III	3.521.461	5.959.360
DEBTS	Loans and debts with credit institutions	1.361.761	2.361.714
	Borrowings and other financial liabilities	30.848	30.848
	Customer payables and related accounts	4.532.334	3.986.837
	Tax and social security liabilities	9.691.546	9.303.893
	Debts on fixed assets and related accounts	-	150.200
	Debts from legacies or donations	1.716.870	759.237
	Institutional donor' debts	8.329.184	3.672.988
	Other debts	12.565.222	16.818.317
	Deferred income	168.870.926	194.945.943
	Total IV	207.098.691	232.029.977
Translation differences Liabilities (V)	799.194	-	
GRAND TOTAL (I+II+III+IV+V)	264.006.168	283.347.160	

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (IN EUROS)		FINANCIAL YEAR N	FINANCIAL YEAR N-1
OPERATING INCOME	Contributions	7.306	7.926
	Sales of goods and services	-	-
	- Sales of goods	2.687.263	2.879.437
	o of which sales of donations in kind	0	
	- Sales of services	1.048.836	1.030.528
	o of which sponsorships	-	-
	Income from third-party funders	-	-
	- Public funding and operating subsidies	23.039	214.104
	- Payments from founders or consumption of the expendable endowment	97.051.220	100.072.744
	- Payments to national public Institutional donor	56.276.675	56.969.300
	- Payments to international public Institutional donor	4.730.128	9.822.754
	- Payments to national private Institutional donor	0	-
	- Resources from public generosity :		
	o Manual donations	50.982.511	49.893.507
	o Patronage	603.676	426.390
	o Legacies, gifts and life insurance	6.350.590	5.477.472
	- Financial contributions	-	698.870
Reversals of depreciation, impairment, provisions and expense transfers	3.508.299	1.839.737	
Use of dedicated funds	956.893	504.752	
Stocked production	- 7.389	- 93.730	
Capitalized production	172.354	290.583	
Other products	3.309.234	3.278.510	
Total I	227.700.637	233.312.883	
OPERATING EXPENSES	Purchases of raw materials, goods and other supplies	864.281	844.812
	Change in raw material inventories	57.777	125.377
	Other purchases and external charges	70.102.582	69.012.712
	Financial aid paid by the entity	45.359.003	51.950.325
	Taxes and similar payments	2.858.015	2.554.236
	Wages and salaries	76.942.121	74.699.907
	Social security charges	17.290.854	16.618.529
	Depreciation and amortisation	2.380.580	2.933.330
	Allocation to provisions	1.226.431	4.370.824
	Dedicated funds carried forward	492.861	831.466
	Other expenses	1.478.962	3.337.583
Total II	219.053.465	227.279.101	
1. OPERATING RESULT (I-II)	8.647.171	6.033.782	

PROFIT AND LOSS ACCOUNT (IN EUROS)		FINANCIAL YEAR N	FINANCIAL YEAR N-1
FINANCIAL PRODUCTS	Other interest and similar income	22.428	61.643
	Reversals of provisions, impairments and expense transfers	647	-
	Positive exchange rate differences	1.143.365	343.014
	Total III	1.166.440	404.656
FINANCIAL EXPENSES	Depreciation, amortisation and provisions	2	4
	Interest and similar charges	59.714	87.540
	Negative exchange rate differences	1.093.282	1.789.748
	Net expenses on disposals of marketable securities	639	-
	Total IV	1.153.637	1.877.292
2. FINANCIAL RESULT (III-IV)		12.803	- 1.472.636
3. CURRENT INCOME before taxes (I-II+III-IV)		8.659.974	4.561.146
PRODUCTS EXCEPTIONAL	Extraordinary income from management operations	54.697	2.077.466
	Extraordinary income from capital operations	149.332	95.341
	Reversals of provisions, depreciation and expense transfers	82.094	934
	Total V	286.122	2.173.741
CHARGES EXCEPTIONAL	Exceptional expenses on management operations	314.549	382.886
	Extraordinary expenses on capital transactions	238.106	68.008
	Depreciation, amortisation and provisions	-	83.205
	Total VI	552.655	534.099
4. EXTRAORDINARY RESULT (V-VI)		- 266.533	1.639.642
Income tax (VII)		196.090	134.590
TOTAL INCOME (I+III+V)		229.153.199	235.891.280
TOTAL EXPENSES (II+IV+VI+VII)		220.955.848	229.825.082
SURPLUS OR DEFICIT		8.197.351	6.066.199

VOLUNTARY CONTRIBUTIONS IN KIND

VOLUNTARY CONTRIBUTIONS IN KIND (IN EUROS)	FINANCIAL YEAR N	FINANCIAL YEAR N-1
Donations in kind	56.366	147.540
Benefits in kind	6.024.063	6.518.530
Volunteering	124.973	181.602
TOTAL PRODUCTS	6.205.402	6.847.672
Relief in kind	18.798	146.563
Provision of goods free of charge	12.810	29.131
Benefits in kind	6.028.259	6.490.376
Volunteer staff	145.535	181.602
TOTAL EXPENSES	6.205.402	6.847.672

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1. PRESENTATION OF THE HI NETWORK

A mission of international solidarity

Handicap International is an independent and impartial international solidarity organization, working in situations of poverty and exclusion, conflict and disaster. Working alongside people with disabilities and vulnerable populations, it acts and speaks out to meet their essential needs, improve their living conditions and promote respect for their dignity and fundamental rights.

Handicap International was awarded the Nobel Peace Prize in 1997 for its work in the International Campaign to Ban Landmines. Since 1999, the organization has had special consultative status with the United Nations.

In 2008, the Nansen Award recognizes the work of deminers in mine action projects in South Lebanon.

In 2011, the Conrad N. Hilton Humanitarian Award is awarded to the association for its overall commitment to people with disabilities living in situations of poverty, exclusion, conflict or natural disasters.

In 2018, the Handicap International movement became Humanity & Inclusion (HI). On the occasion of its 35th anniversary, the global Handicap International movement has changed its name to Humanity & Inclusion. This new name is based on the affirmation of a central value for our organization, the value of humanity. It also expresses the ambition that has motivated our actions for thirty-five years: the inclusion of people with disabilities and vulnerable populations, who are all too often left behind.

Our statutory purpose

"To help people suffering from deficiencies or disabilities, whatever their nature and cause, on the national territory and in all regions of the world. It is also part of the association's purpose to implement any action for the prevention of disability situations in medical, scientific, social, technical and legal fields.

The association may decide to give its human, material and financial support to other associations, whether French or foreign, whose activity would allow the implementation of common actions that could lead to the realization of multidisciplinary programs.

Finally, the association may report or publicize any situation that is contrary to human rights. It may also associate itself with any similar initiative emanating from another organization".

Our vision

Outraged by the injustice experienced by people with disabilities and vulnerable populations, we aspire to a world of solidarity and inclusion, where all differences enrich us and where everyone can "live upright".

Our mission

HI is an independent and impartial international solidarity organization, working in situations of poverty and exclusion, conflict and disaster. Working alongside people with disabilities and vulnerable populations, it acts and speaks out to meet their basic needs, improve their living conditions and promote respect for their dignity and fundamental rights.

How we work

It intervenes in emergency, post-emergency, reconstruction and development contexts. Whenever possible, HI works in partnership with local associations and the authorities of the country in which it intervenes.

The beneficiaries

In 60 countries, HI works with populations at risk of disease, violence or disabling accidents, with vulnerable populations and in particular people with disabilities and people living with chronic disabling diseases, with refugee or disaster populations and with populations exposed to the danger of weapons, munitions and explosive devices.

Our values

Humanity

The value of humanity is the basis of our solidarity action. We consider each person, without discrimination, and recognize the dignity of each person. Our action is marked by respect, benevolence and humility.

Inclusion

We promote the inclusion of everyone in society and the participation of all, respecting diversity, equity and individual choice. We recognize difference as an asset.

Commitment

We commit ourselves with determination, enthusiasm and audacity to develop adapted, pragmatic and innovative responses. We act and mobilize around us to fight injustice.

Integrity

We act in an independent, professional, disinterested and transparent manner.

The functioning of the federal network

Created in 2009, it includes the Federation and eight National Associations. The HI Institute, created in 2015, has joined this HI network. An office in Austria established in 2019 has also joined the HI network. Its structure in the form of a Federation and national associations, which is unique in the humanitarian sphere, enables it to reaffirm its capacity to mobilize human and financial resources for a collective cause: the fight against injustice to the most vulnerable populations.

The HI Federation ensures the cohesion of the network, the coherence of action and the global strategy and carries out the implementation of the social missions common to the federal network.

The National Associations members of the network are: France (1982, founding association), Belgium (1986), Switzerland (1996), Luxembourg (1997), Germany (1998), United Kingdom (1999), Canada (2003), United States (2006). And Austria (2019).

Each member association is represented at the Federation HI General Assembly, which elects the federal Board of Directors. The French association, as a founding member, has a leading role in the governance of the Federation.

Operating rules within the HI federal network have been defined concerning collaboration and financial management. These rules govern the allocation of financial resources collected by the national associations (donations, public and private funding, etc.) and the implementation of the operational projects they finance.

Our social missions / the missions of Federation HI and the network's member associations:

The Handicap International Federation has a twofold mission:

A mission of international solidarity

Federation HI's action is aimed at all territories:

- To populations at risk of disease, violence or disabling accidents;
- Vulnerable populations and in particular people with disabilities and people living with chronic disabling diseases;
- Refugee populations and populations affected or displaced by crises, conflicts and disasters, including the particularly vulnerable, the injured and the disabled;
- To populations exposed to the danger of weapons, munitions and explosive devices in armed conflicts or their aftermath.

The aim of the HI Federation's actions is:

- To achieve rapid and sustainable improvement in the living conditions of individuals, communities and populations, aiming at the highest possible level of well-being;
- In crises, to preserve the life, integrity and dignity of victims and affected persons through appropriate relief and solutions.

The mission of the HI Federation is to achieve:

- By working directly with the populations concerned, and within them, with vulnerable groups and people with disabilities;
- By coordinating our activities, establishing partnerships or supporting other operators;
- By assuming our role as a non-governmental, non-denominational, non-political and non-profit organization towards the people benefiting from our actions, national and international institutions, professional bodies and public opinion;
- By influencing the behavior and policies of stakeholders and institutions through dialogue, dissemination of Handicap International's principles and recommendations, and reference to the relevant conventional instruments relating to human rights and international humanitarian law.

The HI Federation is also responsible for the management and coordination of the HI Federal Network

The Federation embodies at the supranational level the federal network it forms with its member associations (the "**Federal Network**"). It has the authority and responsibility to :

- To guarantee the pre-eminence of the general and global interest of Handicap International's mission over the interest of each of its member associations and the national issues that may be related to them;
- Establish the multi-annual strategy of the Federal Network;
- To monitor the national implementation of the multi-annual strategy by its various member associations;
- To define the policies and operating rules that are binding on the whole network and to monitor compliance by its member associations;
- To decide and conduct, exclusively, the operational activity of international solidarity projects on behalf of its member associations;

- To implement the network's advocacy and political action at the international level and in countries where it does not have a member association, and to ensure the coherence of the advocacy actions carried out at the national level by its member associations;
- Develop the Federal Network by creating or integrating new member associations of the Federation;
- To create any new entity to promote the interests of the Federal Network.

The Missions of the member associations:

The National Associations represent HI in the country where they are based and help to achieve the objectives of the HI federal network. They mobilize financial, technical and human resources for the benefit of the programs implemented by the Federation, contribute to the development of HI's image and reputation through communication and awareness-raising activities aimed at the general public, and promote the values and positions of the federal HI network.

The means used

In order to meet its objectives and achieve its corporate purpose, the association shall have the following means of action, designated according to the aim pursued, in particular by:

- Development and management of programs and actions;
- The implementation of actions in the various fields: risk prevention or management, development of personal skills and adaptation of environmental factors, according to updated methodological modalities adapted to the contexts;
- Accompanying people, associations and communities, supporting systems and technical and administrative services in the countries of intervention;
- Contributing to the orientation of national and international policies, in relation to the fields of competence and activities;
- Raising awareness, informing and mobilizing public opinion at national and international level;
- The mobilization of institutional or private financial resources, as well as financial contributions from member associations for the realization of its activities and operations;
- The recruitment and training of Federation staff, whether volunteers, employees or consultants, in order to implement actions within its mission;
- Cooperation with any association, organization, administration, collective or platform whose objectives are in line with those of Handicap International, whether on an ad hoc or permanent basis;
- Participation in or organization of professional, institutional or cultural events within its fields of competence and action; and
- The implementation of research, evaluation, information and dissemination projects aimed at the professional and institutional sectors or the general public.

For the management and coordination of the Federal Network, the Federation will pursue its objectives, in particular by:

- The regular meeting of the members of the Federation's collegiate bodies and the leaders of its member associations;
- The animation of the Federal Network in order to ensure the coherence of the actions carried out by its member associations and the cohesion of the Federal Network;
- Validation of the annual budget and multi-annual development plan of each of its member associations;
- Management of the consolidated budget of the Federal Network ;

- The permanent consolidated vision and management of the treasury available in all the entities of the Federal Network;
- The management of available funds in all entities of the Federal Network: reserves are immobilized and managed according to common rules set by the Federal Board of Directors; they enable each national association, as well as the Federation, to meet its contractual and legal obligations; the management of all surplus reserves is steered by the Federal Board of Directors,
- Arbitration of possible disagreements within the Federal Network; and
- The provision of all types of administrative services to its member associations;

2. SCOPE AND METHOD OF COMBINING ACCOUNTS

The combination covered the following national associations:

- Handicap International Federation
- Handicap International France
- Handicap International Germany
- Handicap International Canada
- Handicap International Luxembourg
- Handicap International United Kingdom
- Handicap International Switzerland
- Handicap International Belgium
- Handicap International USA
- HI Institute Switzerland
- Handicap International Austria

Their respective auditors have certified the corporate accounts of each national association.

The combination consists of:

- Aggregate the corporate accounts of all entities
- Eliminate reciprocal transactions,
- Homogenize the accounting restatements of the different entities according to the GAAP applied in the accounts of Federation HI.
- The accounts of national associations whose functional currencies are different from the euro are converted into euros as follows
 - Assets and liabilities are translated at the closing rate on 31 December 2021
 - Income and expenses in each profit and loss account are translated at the average Infoeuro exchange rate for the year.

- The functional currencies and exchange rates used for this exercise, of the national associations, are as follows

ENTITY	DEVICE	2021	
		PROFIT AND LOSS ACCOUNT	BALANCE SHEET
Handicap International Canada	CAD (Canadian dollar)	1,4901	1,4393
Handicap International Switzerland	CHF (Swiss francs)	1,0852	1,0331
Handicap International UK	GBP (pound sterling)	0,863	0,8403
Handicap International USA	USD (US dollar)	1,1891	1,1326

The principles adopted for the restatement of differences arising from the recognition of reciprocal income and expenses are as follows:

- Expenses transferred by one National Association and not accounted for by the other, in part or in full, are included in the combined expense accounts.
- Income retroceded by one national association and not accounted for by the other is recorded in the combined income accounts.
- For retrocessions of funding allocated by foreign national associations to programs managed by the HI Federation, and in compliance with the principle of prudence, the restatement method adopted is as follows.
 - Where the HI Federation has allocated and accounted for less funding, the difference in expense to the foreign national association has been regularized.
 - Where the foreign national association has allocated and passed on less funding than that recorded by HI Federation, the difference in income recorded by HI Federation has been adjusted.

3. SIGNIFICANT FACTS

3.1. SIGNIFICANT EVENTS OF THE YEAR

Rien à signaler

3.2. SIGNIFICANT ACCOUNTING EVENTS OF THE YEAR

Since this year, Handicap International Austria has been combined in the accounts of the federal network.

3.3. EVENTS AFTER THE BALANCE SHEET DATE

The military operations in Ukraine that started on 24 February 2022 and the sanctions taken against Russia by many states will have an impact on the global economy. Handicap International was already involved in Ukraine from 2015 to 2017. It carried out actions to help injured, disabled or vulnerable people, for whom access to healthcare services was made difficult by the conflict.

Following the outbreak of the military conflict, a Handicap International team was sent to the region to assess the humanitarian needs and study the possibilities of intervention in support of the most vulnerable

people. Following this mission, the decision was taken to reopen the Ukraine programme and to open a programme in Moldova to respond to this new humanitarian emergency. However, the Association's activities could be impacted by the direct or indirect consequences of the conflict, which it is not possible to quantify precisely at this time.

4. ACCOUNTING RULES AND METHODS

4.1. SCOPE AND ACCOUNTING POLICY

The combined financial statements for the year ended have been prepared and presented in accordance with the following accounting policies, taking into account the principle of prudence and independence of financial years, and on a going concern basis:

- Accounting regulation ANC 2014-03 relating to the general chart of accounts (art 833-1 to 833-2) subject to the specific provisions contained in ANC regulations n°2018-06 and n°2020-08
- The consistency and comparability of accounting information over successive periods is based on the consistency of accounting methods (valuation and recognition methods, methods of presenting the accounts, in accordance with Article 121-5 of the ANC accounting regulation no. 2014-03 ;
- The combined accounts have been prepared in accordance with ANC regulation 2020-01, which succeeds to CRC regulation 99-02, applicable for financial years beginning on or after 1 January 2021 and which defines the specific rules for combined accounts. Implementation of this new regulation has not generated any significant impact on the accounts closed on 31 December 2021 of the Federal Network.
- The combined accounts are expressed in euros.
- All the accounts of the entities belonging to the network have been closed in accordance with French accounting principles in order to be integrated into the combined accounts.

4.2. ACCOUNTING METHOD FOR LEGACIES AND INSTITUTIONAL FUNDS

4.2.1. Legacies, gifts and life insurance

All legacies and donations are recognized from the date of acceptance by the Board of Directors in the specific accounts as assets and liabilities.

The consideration is recognized as income, unless the testator/donor stipulates that the entity's equity be strengthened.

In the case of suspensive conditions, the recognition of legacies and donations is deferred until the last of these conditions is fulfilled. A temporary account "Legacies and donations in progress - 475" is then used.

Life insurance policies are accounted for on the date of receipt.

Temporary income and expenses are recognized in the profit and loss account in the year to which they relate until the sale of the donated or bequeathed assets is completed.

4.2.2. Institutional funds

These are grants awarded by institutional donors of public and private origin and intended to finance mainly the implementation of social missions. A financing agreement is established between the association and the donor, which defines the reference period (less than, equal to or greater than one year), the activities financed and the obligations to justify the expenses incurred in carrying out these activities.

The portion of the funding to be recognized as revenue in the year is determined :

- Or, by the financial report when it is made before the closing of the accounts. In this case, the sum to be allocated as income corresponds to the expenditure actually justified.
- Or, by an assessment of the expenditure incurred in the reference period of the contract, where the financial report has not been drawn up before the closure of the accounts.

Given the relatively long processing times for certain financing requests, it may happen that, although there is confirmation that the financing has been granted, this is not materialized by a written confirmation (signature of the financing contract or decision of agreement established by the donor). In this case, the financing is recognized as accrued income, but a provision for risks for the same amount is recognized as an expense for the year.

Two accounting schemes are applicable for the recognition of institutional funding.

- **Case of funding for which the HI Federation is a signatory :**

Once a grant contract is signed by Federation HI, the entire grant is recognized as income, with a corresponding receivable from the lessor recorded as an asset on the balance sheet.

At the close of the accounts, the income is adjusted to the expenses incurred during the financial year: the portion of the grant relating to future financial years is entered at the close of the financial year in a "Deferred income from donors" account. The receivable from the donor is adjusted during the year on the basis of the donor's payments.

- **Case of funding for which the National Associations of the HI network are signatories:**

As implementation is carried out by the HI Federation, the portion of the funding to be recognized as income in the year is determined by the expenditure incurred by the HI Federation. The full amount of the grant is accounted for within the national associations.

5. ADDITIONAL INFORMATION ON BALANCE SHEET ITEMS - ASSETS

5.1. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are valued at acquisition cost or production cost and are amortized on a straight-line basis over the following periods:

- For the purchase of standard software and licenses for a period between 1 and 3 years

- For software developments for a period of between 4 and 10 years.

5.1.1. Statement of changes in intangible assets

HEADINGS	BEGINNING OF THE YEAR	ACQUISITION	DISPOSALS BY TRANSFER	TRANSFER, OBSOLES.	END OF YEAR
Concessions, patents, licences, trademarks, processes, software	2.764.763	458.924		302.444	2.921.243
Intangible assets in progress	527.557	484.711	456.924		555.344
Commercial fund	12.958				12.958
GRAND TOTAL	3.305.278	943.635	456.924	302.444	3.489.545

Intangible assets are mainly composed of licences, software development and our domain names "Hi.org" and "Hi.fr".

The intangible assets in progress are mainly related to 3 projects in progress on the implementation of information systems (CRM donors, IS Log, IS HR) which are composed of several batches and of which some batches have not yet been activated this year.

5.1.2. Table of changes in depreciation

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Concessions, patents, licences, trademarks, processes, software	1.610.930	183.706	299.274	1.495.362
GRAND TOTAL	1.610.930	183.706	299.274	1.495.362

5.2. TANGIBLE ASSETS AND DEPRECIATION

Tangible fixed assets are valued at their acquisition cost (purchase price and accessory costs) or at their market value when these assets are donated to the association free of charge and are depreciated on a straight-line basis over the following periods

- Construction 6 to 40 years
- Fixtures and fittings 2 to 20 years
- Technical installations, equipment and tools 3 to 5 years
- Transport equipment 3 to 5 years
- Office, audiovisual and computer equipment 3 to 7 years
- Furniture and household appliances 4 to 10 years

Investments made on our programs will only be in the following categories with a minimum amount of 1.500 euros and are depreciated on a straight-line basis according to the following periods

- Generators, solar panels 3 years
- Transport equipment (car, ambulance, truck...) 4 years
- Servers 3 years
- Photocopiers and printers 3 years
- Demining machine 4 years
- Construction equipment 4 years

For the headquarters, the investment threshold is 1.500 euros per asset.

The premises acquired in 2001 by the Luxembourg national association are depreciated on a straight-line basis over 25 years.

Property, plant and equipment include the purchase of Handicap International's premises in Lyon on 1 June 2014 for a total of €8 million, of which €1.4 million is classified as "land". This building is financed in parallel by an €8 million bank loan, of which €2.4 million was repaid early in 2017 to reduce the duration of the loan and the interest payable.

5.2.1. Statement of changes in property, plant and equipment

HEADINGS	BEGINNING OF THE YEAR	ACQUISITION	DISPOSALS BY TRANSFER	TRANSFER, OBSOLESC.	END OF YEAR
Land	1.400.000	-		-	1.400.000
Buildings	7.404.875	101.490			7.506.365
Technical installations and Tools	2.304.983	160.631		182.544	2.283.071
General installations, fittings and miscellaneous	3.674.951	87.443		1.485	3.760.908
Transport Equipment	7.445.268	484.773		1.547.509	6.382.532
Office and computer Equipment	2.256.622	76.654		329.411	2.003.865
Other tangible assets	501.838	8.318		161.948	348.207
Property, plant and equipment in progress	152.973	314.168	393.188		73.953
Advance payments	95.562	36.223	100.423		31.363
GRAND TOTAL	25.237.071	1.269.700	493.611	2.222.898	23.790.264

Acquisitions during the year consisted mainly of the purchase of vehicles for the implementation of missions in the various programs.

The acquisitions of the national associations represent €62K of which €56K are office and computer equipment.

5.2.2. Table of changes in depreciation

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Buildings	2.768.436	352.718		3.121.154
Technical installations and tools	1.548.927	512.057	134.479	1.926.505
General installations, fittings and miscellaneous	1.396.461	212.233	261	1.608.433
Transport equipment	5.564.267	930.881	1.467.319	5.027.829
Office and computer equipment	1.921.161	160.522	327.875	1.753.807
Other tangible assets	452.211	15.757	160.448	307.520
GRAND TOTAL	13.651.463	2.184.167	2.090.382	13.745.248

5.3. FIXED ASSETS OF LEGACIES

Legacies are valued at their market value on the date of acceptance of the legacies.

Items not identified at the date of acceptance and known subsequently do not give rise to a change in the net assets representing the legacies or donation recognized at the date of acceptance.

These items have been recognized as income and expenses as they arise.

HEADINGS	BEGINNING OF THE YEAR	ACQUISITION	DISPOSAL BY TRANSFER	TRANSFER OBSOlesc.	END OF YEAR
Assets received by legacies or donation for disposal	3.283.896	4.080.140		2.632.426	4.731.610
GRAND TOTAL	3.283.896	4.080.140	-	2.632.426	4.731.610

Acquisitions concern assets received in 2021 from legacies, accepted by the Board of Directors and not sold by 31 December 2021.

Disposals relate to sales made during the year.

5.4. FINANCIAL ASSETS

These fixed assets include, on the one hand, participating interests and related receivables and, on the other hand, other financial assets, such as long-term advances granted to third parties and deposits and guarantees paid.

Equity investments and other long-term investments are valued at the price for which they were acquired, excluding costs incurred for their acquisition.

A provision for impairment is recognized on financial advances made to other associations or other legal entities where recovery is uncertain.

A provision for depreciation is recorded on the financial investments held by the association according to their financial situation.

5.4.1. Statement of changes in financial assets / deposits and guarantees

HEADINGS	BEGINNING OF THE YEAR	ACQUISITION	DISPOSAL BY TRANSFER	TRANSFER OBSOlesc.	END OF YEAR
Other participations	100.150	4.340		100.000	4.490
Loans and other financial assets	1.229.011	272.114	147.257		1.353.867
GRAND TOTAL	1.329.161	276.454	47.257	100.000	1.358.357

This item consists mainly of deposits and guarantees paid by :

- Handicap International headquarters and national associations for an amount of €126K.
- Handicap International's programs abroad for an amount of €706K.

The deposits and guarantees of the programs correspond to the guarantee deposits paid for the rental of offices and housing.

In 2018, Federation HI took out a 100% euro fund capitalization contract of €500K with the insurer CARDIF. This investment is in line with the organization's prudent investment policy and offers a higher return than DAT (Term Deposits), passbook accounts and interest-bearing accounts.

5.5. STOCKS

The gross value of goods and supplies includes the purchase price and incidental costs.

Inventories of finished goods, merchandise and materials are valued at the last known purchase price.

Inventories have, where necessary, been written down to their current value at the year-end date.

The exception to this rule is the stock of supplies and materials relating to shelters made by the association on the programs, but intended to be allocated to the beneficiaries at the end of the project, so that neither ownership nor use reverts to the association.

Furthermore, these shelters are fully financed by institutional donors. Thus, all the expenses related to these constructions are recorded as expenses and the corresponding financing as income.

INVENTORIES AND WORK IN PROGRESS (GROSS AMOUNTS)	31/12/2021	31/12/2020
Raw materials, procurement	557.449	625.450
Intermediate and finished products	50.310	57.699
Goods	6.438	5.296
GRAND TOTAL	614.197	688.445
DEPRECIATION OF STOCKS	3.519	5.875
TOTAL NET OF DEPRECIATION	610.678	682.570

The stock of raw materials and supplies consists mainly of a stock of emergency kits at the HI Federation, which at the end of this financial year amounted to €427K gross.

The balance of raw materials and finished products relates to the solidarity products "Plio Kits", "Christmas Tree Bags", "Gift Pouches" and "Tablecloths" which are manufactured and marketed within the French national association.

The stock of goods consists of products bought and resold in our solidarity shop in France.

The depreciation of stock corresponds solely to the "tablecloth" products of the French national association, which are depreciated in their entirety.

5.6. RECEIVABLES

Receivables are recorded at their nominal value. A provision for depreciation is made when there is a risk of non-recovery.

This item includes "cash advances to programs". Thus, the total mentioned under the heading "Advances to Missions" corresponds to the amount of cash available at the closing date of the financial year for all programs. Although this item is made up of the cash available in each mission, these sums are not intended to be recovered by the association's head office but will be justified by future expenditure and therefore used exclusively in the context of the mission. The presentation in this balance sheet item therefore reflects the unavailability of these sums to the association's headquarters.

Where transactions are conducted in foreign currencies, the conversion method used is as follows:

- Transfers made abroad are converted according to the bank's exchange rate.
- All expenditure and income denominated in foreign currency are converted at the InforEuro rate of the month of expenditure.

Receivables and payables denominated in foreign currencies at the end of the financial year are converted on the basis of the exchange rate in force at the end of the financial year under the heading "conversion difference". Unrealized exchange losses are subject to a provision for risks.

5.6.1. Maturity of receivables at year-end

STATEMENT OF RECEIVABLES	GROSS AMOUNT	1 YEAR OR LESS	OVER 1 YEAR
Receivables from equity investments	4.490		4.490
Other financial assets	1.353.867		1.353.867
Doubtful or disputed customers	7.150		
Other receivables	1.037.407	1.037.407	
Personnel and related accounts	58.338	58.338	
State, other authorities: value added tax	8.018	8.018	
Receivables received by legacies or donation	2.485.176	2.485.176	
Claims with HI Network members	7.579	7.579	
Institutional Donors	14.649.390	14.649.390	
Advance missions	6.535.066	6.535.066	
Partners / Suppliers projects missions	160.996.051	160.996.051	
Income and donations receivable	2.475.084	2.475.084	
Miscellaneous debtors	3.605.792	3.605.792	
Prepaid expenses	1.239.328	1.239.328	
GRAND TOTAL	194.462.735	193.097.228	1.358.357

Other "trade receivables" are represented for €1.002K by receivables related to solidarity products and mail order sales of the French national association.

Receivables received by bequest or donation" relate to bank receivables. These receivables have been accepted by the Board of Directors and represent the amount to be received from liquidations or sales of current assets at 31 December 2021. These receivables are classified at less than one year due to their liquid nature. As at 1 January 2021, receivables received through legacies and donations amounted to €3,331k.

The miscellaneous debtors concern for 1.188K€ receivables from our service providers on our programmes and 1.476K€ from the service providers of the federation's head office and national associations, of which 1.377K€ in the UK national association.

5.6.2. Prepaid expenses

They relate to current expenses and correspond mainly to expenditure on rent, insurance in our programs and various maintenance, insurance for the Lyon headquarters and the national associations.

.PREPAID EXPENSES	31/12/2021	31/12/2020
Headquarters expenditure	565.180	791.457
Field expenses	570.602	847.528
Mailing expenses	103.545	133.022
GRAND TOTAL	1.239.328	1.772.007

5.6.3. Accrued income

ACCRUED INCOME	31/12/2021	31/12/2020
Trade receivables and related accounts	-	-
Customers invoices to be issued	-	-
Other receivables	2.553.396	2.658.173
Suppliers: credit notes receivable	78.312	115.450
State: accrued income	-	122.841
Other accrued income	1.117.538	1.431.369
Donations to be cashed	1.357.546	988.512
GRAND TOTAL	2.553.396	2.658.173

The amount of €122K corresponds to the receivable to be recovered from the State relating to "partial unemployment" in France

The other income corresponds mainly to service contracts for which payment is made according to the milestones set out in the contracts by the donors.

Donations to be cashed are cheques dated before 31 December 2021 but cashed in January 2022.

5.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet include cash at bank and in hand. Cash and cash equivalents in foreign currencies are shown in the balance sheet at their equivalent value in euros at the year-end rate. Translation differences at the end of the financial year are entered in the accounts 666 "exchange losses" or 766 "exchange gains".

5.8. CONVERSION DIFFERENCE

Grants received in advance are shown in the balance sheet at their equivalent value in euros at the Banque de France rate on 31 December of the year.

The unrealized translation differences of these grants are calculated by currency to determine a currency position. The net result between the unrealized gains and losses of each of these currencies is recorded as an exchange difference asset for exchange losses and an exchange difference liability for exchange gains.

A provision for foreign exchange risk equivalent to the amount of unrealized losses is recognized where appropriate.

6. ADDITIONAL INFORMATION ON BALANCE SHEET ITEMS - LIABILITIES

6.1. EQUITY

6.1.1. Statement of changes in equity

CHANGE IN EQUITY	AT THE BEGINNING OF THE YEAR	ALLOCATION OF THE RESULT	INCREASE	REDUCTION OR CONSUMPTION	AT THE END OF THE FINANCIAL YEAR
Statutory reserve	6.098				6.098
Revaluation differences					-
Reserves allocated to the associative project and Unused restricted funds collected from the public	26.436.994	4.066.199	561.194		31.064.387
Innovation reserve fund		2.000.000			2.000.000
Other reserves	183.886			30.648	153.238
Retained earnings	3.298.539		529.135		3.827.675
Surplus or deficit for the year	6.066.199	(6.066.199)	8.197.351		8.197.351
Net position	35.991.716	-	9.287.681	30.648	45.248.750
Consumable equity					
Investment grants	2.391.409		(1.004.129)	198.412	1.188.869
Regulated provisions					
TOTAL	38.383.125	-	8.283.552	229.059	46.437.618

6.1.2. Allocation of the result for the year

The surplus for the year, of €6.066.199 definitively acquired on 31 December 2020, was allocated after approval by the general meeting in June 2021 as funds assigned to the associative project and Unused restricted funds collected from the public for €4.066.199 and €2.000.000 in the creation of a reserve fund dedicated to innovation.

6.2. INVESTMENT GRANTS

This item consists of grants received and used for the acquisition of fixed assets in the programs, which are then not recognized as operating income.

These grants are added back to the result of the year at the same rate as the depreciation of the assets to which they relate.

The profit recorded under operating income offsets the corresponding depreciation.

Grants are calculated per asset acquired in our programs according to the financing rate of each asset since the year 2020.

Concerning the past (grants were calculated with an average rate of financing per year for all acquisitions), no restatement is made. The rates will be identical until the end of the depreciation periods.

INVESTMENT GRANTS	BALANCE AT THE BEGINNING OF THE YEAR	CHANGES DURING THE YEAR		BALANCE AT THE END OF THE YEAR
		INCREASE	DECREASE	TOTAL AMOUNT
Allocated to non-renewable assets		-		
Allocated to renewable assets	8.452.209	795.570	570.161	7.086.478
TOTAL I - NOMINAL AMOUNT	8.452.209	795.570	570.161	7.086.478
Allocated to non-renewable assets				
Allocated to renewable assets	6.060.799	208.559	371.750	5.897.609
TOTAL II - SHARES TRANSFERRED TO INCOME	6.060.799	208.559	371.750	5.897.609
NET GRANT (I-II)	2.391.410	1.004.129	198.412	1.188.869

6.3. DEDICATED FUNDS AND DEFERRED FUNDS

6.3.1. DEDICATED FUNDS

At the end of the financial year, this heading of the liabilities records the part of the resources allocated by donors, patrons or legatees to defined projects, which could not yet be used during the financial year in accordance with the commitment made to them.

Thus, when the association receives, during a given financial year, funds allocated by the donor to specific actions of social missions and these funds are not used during the financial year, the resource thus

generated by these funds is cancelled by an expense of the same amount in profit and loss account and allocated to "dedicated funds".

The use of these funds in subsequent years generates income in the profit and loss account each year concerned for the amount effectively consumed and gives rise to a decrease in the "dedicated funds" item in the balance sheet for the same value.

CHANGE IN RESTRICTED FUNDS FROM OPERATING GRANTS	AT THE BEGINNING OF THE YEAR	REPORTS	USES		TRANSFER S	AT THE END OF THE FINANCIAL YEAR	
			Overall amount	of which reimbursements		Overall amount	of which dedicated funds corresponding to projects with no expenditure in the last two years
AFGHANISTAN		204.121				204.121	
ALGERIE - 20190220	1.775		1.775			-	
CAMBODGE	444.751	12.849	236.307			221.293	
CAMBODGE - 20190157	23.718		23.718			-	
CAMBODGE - O2018085	4.102		4.102			-	
CAMBODGE - 20200254		101.007				101.007	
HAITI		35.026				35.026	
HAITI - 20220002		10.125				10.125	
KENYA UBUNTU	72.093		61.823			10.270	
LEBANON BERUT BLAST EMERGENCY	61.461		30.505			30.956	
NEPAL - 20190119	56.575		56.575			-	
NEPAL - 20190119	24.182		24.182			-	
NEPAL - 20210209		25.727				25.727	
MADAGASCAR - 20190221	5.034		5.034			-	
MADAGASCAR - 20190222	6.651		6.651			-	
MADAGASCAR - 20200164	69.595		69.595			-	
MADAGASCAR - 20200287	35.082		35.082			-	
MYANMAR THAILAND - 20200030	5.194		5.194			-	
YEMEN - 20190161	2.003		2.003			-	
ATLAS LOGISTIQUE - 20190237	118.058		105.131			12.927	
DRT DSI - 20190032	14.541					14.541	
DRT INSERTION - 20180319	32.870		32.870			-	
DRT SOCIAL & INCLUSION - 20180319	40.908		40.908			-	
PROJET SANTE MATERNELLE ET INFANTILE	56.718		44.515			12.203	
COVID	170.921		170.921			-	
23 - FD O DONNEL USA		33.836				33.836	
DONS AFFECTES PROJETS (Fablife-divers)		70.169				70.169	
TOTAL	1.246.232	492.861	956.892	-	-	782.202	-

6.3.2. DEFERRED FUNDS

After the date of acceptance of the legacies and donations, the part of the resources recognized as operating income during the financial year, which is not received or transferred at the end of the financial year, is recorded in a liability heading called "Deferred funds linked to legacies or donations", with a corresponding charge recorded in the "Deferred funds" account. These sums entered in liabilities under "Deferred funds linked to legacies or donations" are reported in the profit and loss account during the following financial years, as and when the legacy or donation is realized.

	BALANCE AT THE BEGINNING OF THE YEAR	CHANGES DURING THE YEAR		BALANCE AT THE END OF THE YEAR
	BEGINNING OF THE YEAR	INCREASE	DECREASE	TOTAL AMOUNT
TOTAL	5.728.467	3.515.935	3.877.397	5.367.004

6.4. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are established when, at the end of the financial year, the association has an obligation to a third party which is likely or certain to result in an outflow of resources to the third party, without at least equivalent consideration being expected from the latter.

6.4.1. Table of provisions for liabilities and charges

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Provisions for foreign exchange losses	1.557.021	326.995	1.557.021	326.995
Other provisions for risks and charges	4.296.268	899.436	2.001.489	3.194.216
GRAND TOTAL	5.853.289	1.226.431	3.558.510	3.521.211

The allocations for other provisions for risks and charges concern

- 585 K€ to risks on donor financing
- 136 K€ to costs related to the end of projects on our programmes
- 166 K€ to a dispute on a succession case
- 12 K€ to a provision for risk

Reversals of other provisions for risks and charges relate to

- 1,359 K€ to risks related to the financing of completed lessors
- 385 K€ to the reversal of costs on the end of projects on our programmes
- 103 K€ for the end of an inheritance dispute
- 154 K€ to provisions for risk

6.4.2. Provisions for legacies or donations

The entity's commitment to the obligations stipulated by the testator or donor is the subject of a provision recorded in the account "Provision for charges on legacies or donations".

Liabilities are estimated as best as possible at the time the transactions are recorded, bearing in mind that most of the information is provided to us by the notaries in charge of the transactions.

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Provisions for charges on legacies or donations	106.071		105.821	250
Depreciation of assets received by legacies or donation for disposal	-	-	-	-
GRAND TOTAL	106.071	-	105.821	250

6.5. DEBTS

6.5.1. Maturity of debts at the end of the financial year

STATEMENT OF DEBTS	GROSS AMOUNT	1 YEAR OR LESS	BETWEEN 1 AND 5 YEARS
Borrowings and debts credit institutions	1.361.761	1.012.105	349.656
Borrowings and other financial liabilities	30.848	30.848	
Suppliers and related accounts	4.532.334	4.532.334	
Personnel and related accounts	4.245.449	4.245.449	
Social security and other social organizations	4.764.795	4.764.795	
States and other authorities: income tax	67.240	67.240	
States and other authorities: value added tax	81.913	81.913	
States and other authorities: other taxes	532.149	532.149	
Group and associates	29.458	29.458	
Debts on legacies or donations	1.716.870	1.716.870	
Partners and suppliers of projects on our land	3.424.495	3.424.495	
Accrued expenses land	5.910.815	5.910.815	
Other debts	3.200.455	3.200.455	
Donors	8.329.184	8.329.184	
Deferred income	168.870.926	168.870.926	
GRAND TOTAL	207.098.691	206.749.035	349.656

Debts arising from legacies or donations, amounting to €1.717 K, consist of:

- Debts which the deceased had not discharged on the day of his death;
- Debts on the property transferred to the beneficiary of the donation;
- All obligations resulting from the stipulations of the testator or donor that the entity undertakes to assume as a consequence of the acceptance of the legacy or donation.

These are shown as liabilities of up to one year as we have no visibility on the movement of legacies and donations.

Debts are estimated as best as possible at the time of recording the transactions, bearing in mind that most of the information is provided to us by the notaries in charge of the transactions.

Notaries' fees are valued and recognized as liabilities at the time of entry in the balance sheet. Any differences that may subsequently arise are recognized in the profit and loss account in the account "fees on legacies or donations held for sale".

As at 1 January 2021, liabilities related to legacies and donations amounted to €759K and consisted solely of liabilities relating to the French national association

6.5.2. Accrued expenses

The amount of accrued expenses included in the balance sheet items is broken down as follows

ACCRUED EXPENSES	31/12/2021	31/12/2020
Borrowings and financial debts		16.100
Trade accounts payable	959.245	1.017.750
Tax and social security liabilities	6.424.524	6.778.259
Accrued expenses land	5.910.815	10.186.296
Accrued expenses head office	500.796	1.382.169
GRAND TOTAL	13.795.380	19.380.574

Tax and social security liabilities correspond for €1.484.920 to the termination benefits of fixed-term contracts due to national staff for all contracts ending after this financial year. The remainder concerns the tax and social security liabilities (RTT, CET, CP, etc.) of our international and head office staff.

The accrued land charges are mainly composed of expenses incurred by our partners and justified at the beginning of the following year.

6.5.3. Deferred income

Deferred income consists mainly of grants received in advance, i.e. the portion of grants due in future years.

When grants are awarded to finance actions spread over several financial years, they are allocated according to the periods or stages defined in the agreements or, failing that, pro rata temporis. The portion of grants due in future years, corresponding to grants received in advance, is recorded as a liability under "deferred income - donor grants".

DEFERRED INCOME	31/12/2021	31/12/2020
Headquarters and field revenue	1.412.153	147.368
Income from donor funding	167.458.773	194.798.575
GRAND TOTAL	168.870.926	194.945.943

7. ADDITIONAL INFORMATION ON PROFIT AND LOSS ACCOUNT ITEMS

7.1. DETAIL OF OPERATING INCOME

- Sales of goods for €2.687 K, of which €2.674 K correspond to sales of solidarity products from the French national association.
- The €158.058 K correspond to the expenses carried out on the land and financed by financing contracts with the various institutional backers of the HI network.
- Donations include all resources from private fundraising, regardless of their destination. All income from private donations is attached to the financial year according to the date of their effective payment, or according to the fiscal year of attachment when the donation was sent before the closing date of the financial year.
- Details of legacies, donations and life insurance as at 31 December 2021 :

PRODUCTS	12.490.352
Life insurance	1.423.047
Legacies or donations	4.621.330
Other income from legacies or donations	1.000
Sale price of assets received by legacies or donation to be disposed of	2.545.502
Use of deferred funds related to legacies or donations	3.899.473
CHARGES	6.156.316
Net book value of assets received by legacies or donation to be disposed of	2.643.882
Allocation to provisions for legacies or donations	-
Deferred funds related to legacies or donations	3.512.434
BALANCE	6.334.036

- The other products are for :
 - €1.351 K foreign exchange gain related to foreign currency activity
 - €1.510 K of Investment Grant reversal
 - €448 K of other miscellaneous current management income

7.2. DETAILS OF OPERATING EXPENSES

- The €70.102 K of other purchases and external charges correspond mainly to :
 - €19.000 K in purchases of studies and services
 - €7.550 K for the purchase of non-capitalized supplies and equipment
 - €11.259 K of property rentals and other rentals
 - €4.544 K of maintenance, insurance and servicing contracts
 - €1.857 K in fees
 - €8.721 K of mailings, call for donations, advertising, communication support
 - €9.605 K in transport and travel costs
 - €2.213 K postage and telecommunications
 - €5.353 K of various expenses
- The financial aid paid by the entity for €45.359 K corresponds for €45.331 K to expenses made by our partners or paid directly to our beneficiaries for the various projects on our land.
- The other expenses correspond to :
 - €1.041K of foreign exchange losses related to foreign currency activity.
 - €143 K loss on bad debts
 - €58 K of other expenses on legacies or donations
 - €237 K in other miscellaneous current management income

7.3. FINANCIAL RESULT

Financial income and expenses correspond mainly to exchange rate differences related to the revaluation at Banque de France rates on 31 December 2021 of banks and cash in foreign currencies at the head office and in all our programs.

8. OFF-BALANCE SHEET COMMITMENTS

Only the significant off-balance sheet commitments are detailed below and concern mainly the HI Federation and the French national association.

8.1. COMMITMENTS GIVEN FOR RETIREMENT BENEFITS

Pursuant to ANC recommendation no. 2013-02, retirement benefits are recognized when paid and do not constitute a provision.

Retirement benefits accruing to employees of the Federation HI Lyon headquarters present at the balance sheet date are estimated at €430 K and for those of the national association in France at €65 K.

The assumptions used for the calculation are as follows:

- Economic assumptions
 - Voluntary departures
 - Discount rate: 1.5%.
 - Annual salary increase: 1%.
 - Rate of social security contributions: 45%.
 - Retirement age :
 - If the employee is less than or equal to 45 years old, the retirement age is 67
 - If the employee is older than 45, the retirement age is 62
- Demographic assumptions
 - Staff turnover rate :
 - If the employee is younger than 50, according to the average turnover rate by employee group
 - If the employee is 50 years of age or older, the turnover rate is 0%.
 - Mortality table :
 - If the employee is less than or equal to 60 years old, according to the mortality table from INSEE data,
 - If the employee is older than 60 years, then 100% of the salary is paid to the employee.

This information is only relevant to the staff of the French National Association and the HI Federation.

8.2. COMMITMENT GIVEN OF LATENT SOCIAL LIABILITIES

The valuation of latent social liabilities relating to programs and corresponding to indemnities acquired by local staff at the balance sheet date and which would be payable in the event of closure of the programs concerned amounts to €5.671K for the HI Federation.

8.3. COMMITMENTS RECEIVED

- Loan for the purchase of the building: the repayment is guaranteed by the following securities taken by separate deeds:
 - Guarantee from the Metropolis of Lyon for € 671.243,86
 - Guarantee from the city of Lyon for € 335.621,93
- Loan for building works: the repayment is guaranteed by the following securities taken by separate deeds:
 - Guarantee from the Metropolis of Lyon for € 690.516,75
 - Guarantee from the city of Lyon for € 345.258,37
- In 2018, the lease of the Paris office was renewed in the name of Federation HI. As such, Federation HI received a guarantee from LCL for an amount of € 208.244.

The commitments detailed above do not include the commitments of the entire HI network included in the scope of consolidation.

9. FURTHER INFORMATION

9.1. VALUING VOLUNTEER WORK AND IN-KIND CONTRIBUTIONS

In accordance with the accounting regulations for associations, voluntary contributions have been entered in the accounts at the foot of the profit and loss account under specific headings.

They are, by nature, free of charge and take several forms:

- Regular 'or quasi-permanent' volunteering
- Non-regular volunteering: events during the year
- Free provision of persons by third parties
- Provision of goods: a meeting room, equipment or any other goods necessary for the performance of HI's activities.
- Donations in kind received and then redistributed or consumed as is by the association.

Depending on their nature, several evaluation methods are available:

- Media plans: Visual free of charge for poster campaigns and advertising (radio, TV, Internet...) that contributed to the mobilization of the general public and the sale of shared products. The accounting is done via contracts and certificates signed with our partners. Most of the freebies are not subject to a tax receipt.
- Donations in kind and free services: All services or goods offered are subject to an invoice or a sponsorship contract. The evaluation is made by the sponsoring company at cost price. The company clearly states that the service or goods are offered. They give rise to the issue of a tax receipt.
- Skills sponsorship: This consists of a contribution in human resources, i.e. the transfer (free of charge, but with tax incentives) of skills from the company to Handicap International, through employees working during their working hours. It is to be distinguished from volunteering. It can take two forms:
 - Or a service provision
 - Or the provision of personnel.

The evaluation of this donation in kind corresponds to its cost price, i.e. the salaries and related social charges of the employees made available free of charge. From a tax point of view, skills sponsorship is treated as a donation in kind and therefore benefits from a tax reduction for the sponsoring company.
- Volunteering: *"A volunteer is any person who freely commits himself/herself to carry out a non-salaried action for others, outside his/her professional and family time"*. A distinction is made between regular and non-regular volunteering:
 - Regular volunteers are those who work on a regular basis for part of their time in different departments in order to carry out administrative tasks such as processing donations, filing and archiving files, running a branch, supporting a project, etc. They are part of the daily life of the association.
 - Non-regular volunteering corresponds to a very short commitment, half a day or a day, in the context of a demonstration or an event.

An inventory is made once a year to compile information for each service. No tax receipts are issued for "voluntary" services.

The amount of these contributions amounts to €6.205 K for this financial year and is made up of €6.028K of services in kind. These benefits are due to poster campaigns and advertising costs (radio and TV spots, etc.) mainly within the American and French national associations.

9.2. TAX REGIME

The various national Handicap International associations have non-profit status and are therefore not taxed on the surplus generated by their operations.

However, following the tax directives issued in 1998 and the study carried out by the French administration on the activities developed by the French national association, an ancillary part of these activities was subject to commercial taxes from the 2000 financial year. In 2001, the tax authorities reviewed the scope of the association's taxable sector, corresponding mainly to the sale of its solidarity products. The income tax related to this taxation and recorded as an expense for the year 2021 amounts to €196.080.

The HI Federation has been taxed on income from movable assets for €10 in 2021.

9.3. BREAKDOWN OF THE ASSOCIATION'S SALARIED STAFF

The number of employees is defined as all persons with an employment contract and paid directly by the association.

Staff made available means staff seconded or loaned by the association.

AVERAGE WORKFORCE	2021	2020
Permanent Seats :	402	378
Employees of the Handicap International Federal Network headquarters	399	375
Expatriates assigned to headquarters Handicap International Federation	3	3
Staff made available to other Structures :	-	-
Made available to other Structures	-	-
Staff Missions :	357	375
Volunteers assigned Programs	2	3
Employees affected Programs	67	59
Employees Expatriates assigned Programs	288	312
TOTAL	759	753

These numbers are calculated in full-time equivalent and do not include national staff contracted by the programs.

9.4. REMUNERATION PAID TO MANAGEMENT BODIES

In accordance with the new regulations for associations, we inform you about the remuneration received by the association's officers:

The members of the board of directors of the association are volunteers and do not receive any remuneration for their mandate.

There was no reimbursement of expenses to Board members in 2021.

In the interests of transparency, we would like to point out that the total gross annualized salaries paid to the three highest paid employees amount to €338.721 for the year 2021.

10. ANNUAL USE OF RESOURCES ACCOUNT AND PROFIT AND LOSS ACCOUNT BY ORIGIN AND DESTINATION

A - INCOME AND EXPENSES BY ORIGIN AND DESTINATION	YEAR 2021		YEAR 2020	
	TOTAL	Of which public generosity	TOTAL	Of which public generosity
PRODUCTS BY ORIGIN				
1 - INCOME FROM THE PUBLIC'S GENEROSITY	56.882.790	56.882.790	54.717.483	54.717.483
1.1 Contributions without counterparts	7.306	7.306	-	-
1.2 Donations, legacies and sponsorship	56.164.336	56.164.336	53.833.773	53.833.773
- Manual donations	48.944.414	48.944.414	47.478.653	47.478.653
- Legacies, gifts and life insurance	6.327.728	6.327.728	5.498.617	5.498.617
- Sponsorship	892.194	892.194	856.503	856.503
1.3 Other income from public generosity	711.148	711.148	883.711	883.711
2 - INCOME NOT RELATED TO THE PUBLIC'S GENEROSITY	12.912.988		16.747.169	
2.1 Contributions with counterparts	-		-	
2.2 Business sponsorship	-		-	
2.3 Financial contributions without counterparts	-		2.000.000	
2.4 Other income not related to public generosity	12.912.988		14.747.169	
3 - GRANTS AND OTHER PUBLIC SUBSIDIES	154.864.443		161.994.673	
TOTAL INCOME	224.660.221	56.882.790	233.459.326	54.717.483
4 - REVERSALS OF PROVISIONS AND DEPRECIATION	3.508.946		1.839.737	
5 - USES OF PREVIOUS EARMARKED FUNDS	956.893	956.893	504.752	504.752
TOTAL	229.126.060	57.839.683	235.803.814	55.222.235
EXPENSES BY DESTINATION				
1 - SOCIAL MISSIONS	184.811.620	33.161.550	191.430.401	31.250.727
1.1 Carried out at national level	9.065.103	5.458.892	8.280.152	5.859.359
- Actions carried out by the organization	9.065.103	5.458.892	8.280.152	5.859.359
- Payments to a central body or to other bodies operating in France	-	-	-	-
1.2 Carried out abroad	175.746.517	27.702.658	183.150.250	25.391.368
- Actions carried out by the organization	175.746.517	27.702.658	183.150.250	25.391.368
- Payments to a central body or to other bodies operating abroad	-	-	-	-
2 - FUNDRAISING COSTS	21.221.883	18.231.508	19.794.592	16.344.056
2.1 Costs of appealing to the public	17.766.355	17.712.539	16.252.104	16.144.912
2.2 Costs of finding other resources	3.455.528	518.969	3.542.488	199.144
3 - OPERATING COSTS	13.161.986	25.000	13.111.632	-
TOTAL EXPENSES	219.195.489	51.418.057	224.336.626	47.594.783
4 - PROVISIONS AND DEPRECIATION	1.240.359	-	4.569.524	-
5 - INCOME TAX	-	-	-	-
6 - CARRY-OVER OF FUNDS FOR THE YEAR	492.861	492.861	831.466	831.466
TOTAL	220.928.709	51.910.918	229.737.616	48.426.249
SURPLUS OR DEFICIT	8.197.351	5.928.764	6.066.199	6.795.986

B - VOLUNTARY CONTRIBUTIONS IN KIND	YEAR 2021		YEAR 2020	
	TOTAL	Of which public generosity	TOTAL	Of which public generosity
PRODUCTS BY ORIGIN				
1 - Voluntary contributions from the public	6.205.402	6.205.402	6.847.578	6.847.578
2 - Voluntary contributions not linked to public generosity				
3 - Public assistance in kind				
TOTAL	6.205.402	6.205.402	6.847.578	6.847.578
EXPENSES BY DESTINATION				
1 - Voluntary contributions to social missions	1.371.181	1.371.181	1.211.518	1.211.518
2 - Voluntary contributions to fundraising	1.658.691	1.658.691	2.182.282	2.182.282
3 - Voluntary contributions to the admin. costs	3.175.530	3.175.530	3.453.778	3.453.778
TOTAL	6.205.402	6.205.402	6.847.578	6.847.578

11. TABLE CER – ANNUAL ACCOUNT OF RESOURCES COLLECTED FROM THE PUBLIC

USE OF FUNDS BY DESTINATION	YEAR 2021	YEAR 2020	RESOURCES BY ORIGIN	YEAR 2021	YEAR 2020
USE OF FUNDS OF THE YEAR			RESOURCES FOR THE YEAR		
1 - SOCIAL MISSION	33.161.550	31.250.727	1 - RESOURCES FROM THE PUBLIC'S GENEROSITY	56.882.790	54.717.483
1.1 Carried out at national level	5.458.892	5.859.359	1.1 Contributions without counterparts	7.306	-
- Actions carried out by the organization	5.458.892	5.859.359	1.2 Donations, legacies and sponsorship	56.164.336	53.833.773
- Payments to a central body or to other bodies operating in France	-	-	- Manual donations	48.944.414	47.478.653
1.2 Carried out abroad	27.702.658	25.391.368	- Legacies, gifts and life insurance	6.327.728	5.498.617
- Actions carried out by the organization	27.702.658	25.391.368	- Sponsorship	892.194	856.503
- Payments to a central body or to other bodies operating abroad	-	-	1.3 Other resources from public generosity	711.148	883.711
2 - FUNDRAISING COSTS	18.231.508	16.344.056			
2.1 Costs of appealing to the public	17.712.539	16.144.912			
2.2 Costs of finding other resources	518.969	199.144			
3 - OPERATING COSTS	25.000	-			
TOTAL USE OF FUNDS	51.418.057	47.594.783	TOTAL RESOURCES	56.882.790	54.717.483
4 - PROVISIONS AND DEPRECIATION	-	-	4 - REVERSALS OF PROVISIONS AND DEPRECIATION		
5 - DEFERRED FUNDS FROM THE YEAR	492.861	831.466	5 - USES OF PREVIOUS EARMARKED FUNDS	956.893	504.752
EXCEDENT OF THE GENEROSITY OF THE PUBLIC OF THE YEAR	5.928.764	6.795.986	DEFICIT OF THE PUBLIC'S GENEROSITY FOR THE YEAR		
TOTAL	57.839.683	55.222.235	TOTAL	57.839.683	55.222.235

RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE BEGINNING OF THE YEAR (EXCLUDING DEDICATED FUNDS)	31.972.608	25.293.176
(+) surplus or (-) shortfall of public generosity	5.928.764	6.795.986
(+) net investments and (-) disinvestments related to the generosity of the public during the year	- 571.694	- 116.554
RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE END OF THE YEAR (EXCLUDING DEDICATED FUNDS)	37.329.679	31.972.608

VOLUNTARY CONTRIBUTIONS IN KIND	YEAR 2021	YEAR 2020	CONTRIBUTIONS VOLONTAIRES EN NATURE	YEAR 2021	YEAR 2020
EXPENSES IN EUROS			RESOURCES IN EUROS		
1 - VOLUNTARY CONTRIBUTIONS TO SOCIAL MISSIONS	1.371.181	1.211.518	VOLUNTARY CONTRIBUTIONS FROM THE PUBLIC	6.205.402	6.847.578
Carried out at national level	1.345.180	911.338	Volunteering	124.973	171.275
Carried out abroad	26.001	300.180	Benefits in kind	6.024.063	6.518.530
2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING	1.658.691	2.182.282	Donations in kind	56.366	157.774
3 - VOLUNTARY CONTRIBUTIONS TO THE ADMIN. COSTS	3.175.530	3.453.778			
TOTAL	6.205.402	6.847.578	TOTAL	6.205.402	6.847.578

11.1. RULES AND METHODS FOR THE PREPARATION OF THE PROFIT AND LOSS

ACCOUNT BY ORIGIN AND DESTINATION (CROD) AND THE CER

11.1.1. Methods of developing the CROD (and REC)

The Profit and loss account by Origin and Destination (CROD) integrates all the uses and resources committed by the HI Network.

It complies with the accounting plan applicable to associations and foundations, which recommends the creation of a provision for expenses, up to the amount of resources dedicated to the programs and not used during the financial year. This provision thus materializes the association's obligation to use these funds in accordance with the commitments made to donors.

The annual Use of Resources Collected from the Public (CER) account, which is produced by the CROD, specifies the origin of the resources collected from the public and their use by the association during the financial year.

These tables have been drawn up in accordance with the regulations relating to the control of operations calling on public generosity (Decree No. 92-1011 of 17/9/92) and in compliance with the new regulation 2018-06, which sets out the accounting regulations applicable to the annual accounts of non-profit legal entities as from ¹January 2020.

The combined CROD and CER are established by the French federal entity, based on the analytical data of each network entity. When the accounting methods of foreign National Associations differ from the French standard, adjustments are made in order to ensure overall consistency. This is the case, in particular, for dedicated funds managed by the Belgian national association.

Although this regulation only concerns French associations, the federal network has decided to apply it to the combined accounts drawn up under the responsibility of the HI Federation. Indeed, Handicap International's combined accounts are published in France and communicated to the French association's donors.

11.2. CONTENT OF THE JOBS HEADINGS

11.2.1. Direct cost allocation

The amount of each of the headings making up the CROD is made up of the costs that can be directly assigned to them in the cost accounting system, when the operations are recorded in the general accounting system.

- To this end, the association's cost accounting system makes it possible to allocate all operations to a budget heading (or cost centre), both expenses and income. The nomenclature used thus makes it possible to identify the various activities implemented by the association, in particular the programs in the field and their projects.
- The attachment of all expenditure to a funding line, allowing the traceability of the use of funds granted by institutional donors, as well as any other resources allocated to the various activities.

11.2.2. Allocation of personnel costs

Each heading also includes the staff remuneration costs (HR costs) corresponding to each activity: employees at the headquarters of each network entity, expatriates (employees and volunteers) and finally, national staff recruited in the various countries of intervention.

The basis of allocation, as far as headquarters staff are concerned, is the time dedicated to each activity, in line with their job descriptions. The allocation keys thus determined are applied to the cost of salaries, including the related social charges, in connection with the establishment of the payroll.

As for expatriate staff (employees and volunteers), they are allocated to each programme on the basis of the time spent in the field by applying an average cost per month of presence on each programme, in line with the management of expatriation contracts.

11.2.3. Breakdown of overheads

These costs are made up solely of all external expenses of a general nature incurred by the entities of the HI network and linked to the occupation of the buildings, telecommunications costs, IT costs, and supplies and consumables. These costs also include personnel costs.

Due to their nature, these costs cannot be charged directly to each activity. This is why all these costs are divided between the different activities (social missions, fundraising and general operations), in proportion to the time spent by the staff on the different activities.

Total overheads of €3.62 M are broken down as follows

- €1.41 M (or 39%) on steering and support services for actions on the ground.
- €0.03 M (or 1%) on the HI Institute.
- €0.43 M (or 12%) on development education, the International Campaign against Landmines and Cluster Bombs, advocacy to reduce the impact of explosive weapons on civilians (EWIPA), awareness-raising and mobilization for the rights and integration of people with disabilities

- €0.77 M (or 21%) on fundraising activities.
- €0.99 M (or 27%) on operating costs.

11.2.4. Social missions

The volume of social missions amounts to **€184.81 million**, divided between social missions abroad and those carried out at national level.

The jobs of the social missions abroad, i.e. **€175.75 M**, are made up of :

- €160.82 M of direct expenditure committed on the ground in the implementation
- €14.23 M of mission management costs
- €0.70 M of other costs and exceptional expenses related to the programs

The management costs of missions abroad concern:

- The management of operations, the monitoring of missions, which totaled €4.45 M,
- The recruitment of expatriate staff, their social management, as well as the costs of initial and ongoing training, for €2.09 M,
- Technical resources and coordination and support services (accounting, management control, logistics) for a total of €7.69 M,

Exceptional costs and expenses relating to actions abroad, which totaled €0.70 M, consisted mainly of :

- €162 K in foreign exchange losses, due to fluctuations in the foreign exchange market and the devaluation of national currencies. These exchange losses were partially offset by exchange gains (€+1.41 M). The net impact is therefore €1.24 M. HI is naturally exposed to exchange rate effects due to the structure of its resources (institutional financing in foreign currencies) and its expenses (58 currencies used in the implementation of missions abroad).
- €525 K of expenditure incurred in the context of the closure of projects ;
- €17 K of funding loss from previous years.

The social missions carried out at national level (HI Federation headquarters and HI network National Associations), which total €9.07 M include

- Fablife project
- The International Campaign to Ban Landmines and Cluster Munitions (Cluster Munitions),
- Advocacy to reduce the impact of explosive weapons on civilians (EWIPA),
- The HI network's awareness-raising and mobilization actions for the rights and integration of people with disabilities,
- The HI Institute, in charge of ethical issues, positioning and experience sharing, and finally, study and development projects for new actions, and capitalization of know-how.

Indeed, the costs incurred in development education actions, in accordance with the association's purpose and the definition of the HI network's social mission, are classified under "Social missions". This is the case, in

particular, for costs incurred by the association in mobilizing the general public, in the context of the campaign against the manufacture and use of anti-personnel mines and the EWIPA campaign. Advocacy against landmines and other explosive weapons is one of the association's social missions, forming an integral part of its identity and its daily struggle.

Thus, €2.59 M of the costs incurred by the Association Nationale France in the context of the appeal for donations, but relating to public awareness and lobbying activities carried out within the International Campaign to Ban Landmines and Cluster Bombs (ICBL) and the EWIPA campaign to reduce the impact of explosive weapons on civilian populations, are charged to this heading for 2021.

The total costs incurred by the HI network for these campaigns, i.e. €4.14 M, are financed by public and private funds, up to €0.69 M.

In addition, €101 K of costs incurred in raising awareness and mobilizing the general public, through various communication actions such as newspapers and exhibitions, are linked to awareness and mobilization for the integration of people with disabilities. The total cost of development education and awareness raising for the integration of people with disabilities is €343 K.

The total volume of social missions implemented in 2021 is divided into the following themes

Thematics	Volume (K€)
Health Services	35,113
Armed violence reduction	23,133
Other protection and risk reduction activities	18,874
Rehabilitation Services	30,721
Inclusive education	14,766
Economic integration	30,886
Other inclusive services	18,523
Logistics platforms	7,110
Advocacy & mobilization of the general public	5,686
Total	184,812

Each project in the field was thematically associated. Then the fixed and coordination costs of the programs, as well as the exceptional costs not directly attributable to a project, were broken down in proportion to the volumes of projects carried out by the programs. This allocation key was also used for programs steering costs.

The projects carrying the volume of social missions carried out at national level have been associated with one of these themes.

11.2.5. Fundraising costs

The total costs incurred in the appeal for public generosity amount to €17.77 M. Of this total, €14.73 M corresponds to the costs of collecting donations, legacies and corporate sponsorship, of which €13.28M relate to the direct costs of collection operations (mainly direct mail, internet and couponing), €1.44 M to donor management costs (collection of donations and sending of tax receipts) and €3.04 M to other collection costs.

€1.87M are incurred in the costs of obtaining and managing institutional funding contracts, both from public sources and from foundations and corporate sponsorship. This management is carried out by the same department in each of the entities of the HI network, so it is not possible to dissociate this cost.

Lastly, this heading includes the costs incurred by the Association Nationale France for the sale of solidarity products, i.e. €1.59 M (including €192 K in corporate tax relating to this activity).

11.2.6. Operating costs

They are made up of the general services of each HI network entity, such as information system management, accounting, treasury, reception, management of head office staff and management of premises and equipment. Their cost amounts to €9.77 M. These costs also include the costs of the Directorate General and the legislative bodies.

This heading also includes public information costs totalling €2.34 M.

11.3. THE RESOURCES

The total resources of the HI network, before reversal of provisions and dedicated funds carried forward, amount to €224.66 M.

11.3.1. Resources collected from the public

The total resources collected from the public in 2021 amount to €56.88 M and are broken down as follows

- €56.16 M in donations, sponsorships, patronage and legacies collected by the HI network,
- €0.71 M of other appeals to the public's generosity
- €0.01 M in uncompensated memberships.

11.3.2. Income not related to the public's generosity

The total of this heading, i.e. €12.91 M, includes €4.38 M from other foreign and national private organizations, €2.84M from the proceeds of solidarity sales or shared products, €2.08 M from other private income, €2.43 M from financial income and €1.18 M from other management income.

11.3.3. Grants and other public assistance

The total of public aid allocated as income amounts to €154.86 M and is mainly composed of :

- €56.82 M from international bodies, notably the European Union and the United Nations,
- €98.02 M from government grants.

11.3.4. The "administrative package" granted by institutional donors

Institutional donors, both public and private, provide a flat-rate contribution to finance the association's operating costs. To these costs may be added those relating to steering and support services, when these costs are not eligible as direct expenditure for the implementation of actions. This contribution amounts to €11.08 M for the entire HI network.

This lump sum finances part of the fundraising costs (€0.98 M) and operating costs, which total €12.11 M.

11.4. MONITORING OF RESOURCES COLLECTED FROM THE PUBLIC

The CROD clearly shows the leverage effect of funds from public generosity on obtaining funding from institutional donors. It is the balanced combination of these two resources that enables HI to finance its programs throughout the world, preserve its independence and perpetuate its action.

11.4.1. The use of resources from the general public

The resources collected from the public by the HI network in 2021 amount to €56.88 M.

This amount, added to the initial balance (i.e. €31.97 M) and the change in dedicated funds (€0.46 M), constitutes the total resources from the public, available to finance the uses of the exercise, i.e. €89.32 M.

The use of these resources, for each of the CER headings, is calculated as the difference between total uses and other assigned resources (excluding resources from the public), on the basis of the analytical accounts. The total amount used is thus €51.99M.

On 31 December 2021, the final balance of resources collected from the public and not used, amounts to €37.33M.

11.4.2. Fundraising as a lever to obtain institutional funding from donors

These two sources are indeed interdependent, as donors usually only grant funding to associations that demonstrate their capacity to co-finance a significant part of the projects concerned. The financial strength of an association is therefore a guarantee of credibility, seriousness and viability. At the end of 2021, HI's own funds amounted to €46.44 M, including €37.33 M of unused funds. In addition to the necessary credibility, they constitute a financial security to face the variations of resources and thus allowing to preserve the social missions. Finally, they allow the programs in the field to be advanced the cash needed to implement actions while waiting for payments from donors.

Each euro collected from the public gives the association more weight and argument to solicit and obtain funds. For each euro invested in the collection, the HI network obtains €3.20 net thanks to the generosity of the donors.

In this way, each euro collected from the public gives the association more weight and arguments to solicit and obtain funds, and thus acts as a lever.

11.5. VALUATION OF CONTRIBUTIONS IN KIND AND FREE GIFTS

The value of in-kind and volunteer contributions received by the association in 2021 is included at the foot of the profit and loss account in the general accounts and the Use of Resources Account.

Total valuations for 2021 amount to €6.21 M compared to €6.85 M in 2020.

€1.66M of these costs are for fundraising, mainly media campaigns for the sale of shared products, as well as poster sites for the annual campaign, €1.37 M for social missions and the remaining €3.18 M for operating costs.

12.DETAILS OF DONOR FUNDING

x FINANCEUR / DONOR	AFFECTATION EURO / ALLOCATION EURO
TOTAL FONDS INSTITUTIONNELS PUBLICS ET PRIVÉS / TOTAL PUBLIC AND PRIVATE FUNDS	158.027.145
Fonds publics internationaux / International publics funds	56.387.065
Commission Européenne / European Commission	42.492.149
Commission Européenne / European Commission - ECHO	21.528.735
Commission Européenne / European Commission - EUROPEAID/ DEV CO	12.348.403
Commission Européenne / European Commission - Trust Funds	8.615.011
Nations Unies / United Nations	12.775.730
Nations Unies / United Nations - HCR	2.707.256
Nations Unies / United Nations - OCHA (humanitarian Affairs)	2.651.224
Nations Unies / United Nations - UNICEF	3.485.958
Nations Unies / United Nations - UNOPS	545.328
Nations Unies / United Nations - World Health Org.	552.635
Nations Unies / United Nations - UNDP	276.934
Nations Unies / United Nations - Mines Action	517.892
Nations Unies / United Nations - Wold Food Programme	907.482
Nations Unies / United Nations - Autres / Other	1.131.022
Autres agences internationales / Other international agencies	1.119.186
Fonds publics nationaux / Public national funds	97.241.503
Fonds publics nationalité AN / Public funds NA nationality	84.002.028
Fonds publics Allemagne / Public funds Germany	11.389.750
Fonds publics Belgique / Public funds Belgium	7.304.517
Fonds publics Canada / Public funds Canada	7.346.753
Fonds publics France / Public funds France	16.297.377
Fonds publics Luxembourg / Public funds Luxembourg	5.422.857
Fonds publics Royaume-Uni / Public funds UK	8.918.771
Fonds publics Suisse / Public funds Suisse	2.009.249
Fonds publics USA / Public funds USA	25.312.755
Fonds publics hors nationalité AN / Public funds other NA nationality	13.239.475
Fonds publics Australie / Public funds Australia	779.173
Fonds publics Danemark / Public funds Denmark	560.091
Fonds publics Irlande / Public funds Ireland	135
Fonds publics Italie / Public funds Italy	92.168
Fonds publics Japon / Public funds Japan	522.859
Fonds publics Monaco / Public funds Monaco	435.164
Fonds publics Norvège / Public funds Norway	5.277.593
Fonds publics Pays-Bas / Public funds Netherlands	3.014.981
Fonds publics Suède / Public funds Sweden	2.516.356
Autres Fonds publics autres / Other Public funds	40.956
Fonds privés / Private funds	4.398.577
Fonds privés nationalité AN / Private funds NA nationality	3.532.026
Fonds privés Allemagne/ Private funds Germanie	718.789
Fonds privés Belgique / Private funds Belgium	151.360
Fonds privés Canada / Private funds Canada	571.141
Fonds privés France / Private funds France	462.957
Fonds privés Royaume-Uni / Private funds UK	453.312
Fonds privés Suisse / Private funds Switzerland	739.837
Fonds privés USA / Private funds USA	434.630
Fonds privés hors nationalité AN / Private funds other NA nationality	866.552

