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Fédération Handicap International

Statutory auditor's report on the combined financial statements

Year ended December 31, 2022

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 members.

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

Association governed by the Law of 1 July 1901

Siège social : 138 avenue des Frères Lumière - 69008 Lyon

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Statutory auditor's report on the combined financial statements

Year ended December 31, 2022

To the members,

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, 2022.

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 of December 31, 2022 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, 2022, to the date of our report.

Justification of Assessments

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:

- Note 10.3 to 10.6 the combined financial statements. These notes set out the terms and assumptions used to prepare the profit and loss account by origin and destination (CROD) and the annual use-of-resources account (CER).

We have assessed that the methods used to prepare the CROD and the CER are appropriately described, comply with the Regulation No. 2018-06 of the French Accounting Standards Authority (Autorité des Normes Comptables, or ANC), as amended by ANC Regulation No. 2020-08 and have been correctly applied.

- We are also assured of the overall presentation of the combined accounts.

These matters were addressed in the context of our audit of the 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.

Specific Vérifications

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

We have no matters to report as to their fair presentation and their 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 taken 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.

The Statutory Auditor,
Mazars

Paris-La Défense and Lyon, September 13th, 2023

Jérôme EUSTACHE

Paul-Armel JUNNE



REPORT ON THE COMBINED ACCOUNTS 2022
FEDERAL HANDICAP INTERNATIONAL NETWORK

COMBINED ACCOUNTS AT 31/12/2022

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	4.794.094	1.730.342	3.063.752	1.994.184
	Concessions, patents, licences, trademarks, processes, software	3.961.306	1.730.342	2.230.963	1.425.881
	Commercial fund	12.958		12.958	12.958
	Intangible assets in progress	819.831		819.831	555.344
	Tangible assets	28.558.806	14.258.923	14.299.883	14.776.626
	Land	1.400.000		1.400.000	1.400.000
	Buildings	7.516.254	3.467.108	4.049.146	4.385.211
	Technical installations, industrial equipment and tools	2.363.123	1.977.949	385.173	356.567
	Other tangible assets	12.310.261	8.813.866	3.496.395	3.797.922
	Property, plant and equipment in progress	36.850		36.850	73.953
	Advance payments	641.017		641.017	31.362
	Assets received by legacies or donation to be disposed of	4.291.302		4.291.302	4.731.610
	Financial assets	1.408.381	11	1.408.370	1.358.348
	Shareholdings and related receivables	4.490		4.490	4.490
	Other fixed assets	521.971		521.971	521.971
Other financial assets	881.920	11	881.909	831.887	
TOTAL I	34.761.282	15.989.276	18.772.005	18.129.157	
CURRENT ASSETS	Stocks and work in progress	653.035		653.035	610.678
	Advances and deposits paid on orders	227.734		227.734	109.032
	Customer receivables and related accounts	975.112	23.296	951.816	1.023.478
	Receivables received by legacies or donation	4.725.059		4.725.059	2.485.176
	Receivables Institutional donor	226.462.107		226.462.107	160.996.051
	Other receivables	15.441.158	1.085.104	14.356.054	12.580.844
	Advance missions	13.574.232		13.574.232	14.649.390
	Marketable securities	1.159.407		1.159.407	1.159.407
	Cash and cash equivalents	51.200.040		51.200.040	50.696.631
	Prepaid expenses	2.845.547		2.845.547	1.239.328
	TOTAL II	317.263.430	1.108.400	316.155.030	245.550.016
Translation adjustment assets (V)	2.556.333		2.556.333	326.995	
GRAND TOTAL (I+II+III+IV+V)	354.581.045	17.097.676	337.483.369	264.006.168	

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	46.308.692	45.248.750
	Statutory or contractual reserves	6.098	6.098
	Reserves for entity projects and Unused restricted funds collected from the public	40.102.022	31.064.387
	Innovation reserve fund	1.926.988	2.000.000
	Other	122.591	153.238
	Retained earnings	3.169.909	3.827.675
	Surplus or deficit for the year	981.084	8.197.351
	Net position	1.385.381	1.188.869
Consumable equity			
Investment grants	1.385.381	1.188.869	
Regulated provisions			
Total I	47.694.073	46.437.618	
FUNDS CARRIED OVER AND	Deferred funds related to legacies or donations	6.880.913	5.367.005
	Dedicated funds	4.600.645	782.201
	Total II	11.481.558	6.149.205
PROVISIONS	Provisions for risks	5.319.888	1.862.704
	Provisions for charges	1.655.873	1.658.506
	Provisions for charges on legacies or donations	250	250
	Total III	6.976.011	3.521.460
DEBTS	Loans and debts with credit institutions	349.655	1.361.761
	Borrowings and other financial liabilities	31.098	30.848
	Customer payables and related accounts	4.274.278	4.532.334
	Tax and social security liabilities	12.057.516	9.691.546
	Debts on fixed assets and related accounts	412.520	-
	Debts from legacies or donations	2.001.840	1.716.870
	Institutional donor' debts	11.422.494	8.329.184
	Other debts	12.479.480	12.565.222
	Deferred income	225.688.080	168.870.926
	Total IV	268.716.962	207.098.691
Translation differences Liabilities (V)	2.614.766	799.194	
GRAND TOTAL (I+II+III+IV+V)	337.483.369	264.006.168	

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (IN EUROS)		FINANCIAL YEAR N	FINANCIAL YEAR N-1
OPERATING INCOME	Contributions	8.040	7.306
	Sales of goods and services	-	-
	- Sales of goods	2.430.044	2.687.263
	o of which sales of donations in kind	-	0
	- Sales of services	1.493.465	1.048.836
	o of which sponsorships	-	-
	Income from third-party funders	-	-
	- Public funding and operating subsidies	21.277	23.039
	- Payments from founders or consumption of the expendable endowment	-	97.051.220
	- Payments to national public Institutional donor	111.656.289	56.276.675
	- Payments to international public Institutional donor	58.853.164	4.730.128
	- Payments to national private Institutional donor	6.877.406	
	- Resources from public generosity :		
	o Manual donations	56.611.788	50.982.511
	o Patronage	935.151	603.676
	o Legacies, gifts and life insurance	8.542.066	6.350.590
	- Financial contributions	2.198.998	-
Reversals of depreciation, impairment, provisions and expense transfers	1.338.578	3.508.299	
Use of dedicated funds	381.910	956.893	
Stocked production	49.038	(7.389)	
Capitalized production	294.719	172.354	
Other products	2.486.758	3.309.234	
Total I	254.178.691	227.700.637	
OPERATING EXPENSES	Purchases of raw materials, goods and other supplies	889.245	864.281
	Change in raw material inventories	67.394	57.777
	Other purchases and external charges	80.693.033	70.102.582
	Financial aid paid by the entity	48.453.142	45.359.003
	Taxes and similar payments	5.717.796	2.858.015
	Wages and salaries	83.929.000	76.942.121
	Social security charges	19.119.439	17.290.854
	Depreciation and amortisation	2.987.055	2.380.580
	Allocation to provisions	4.791.065	1.226.431
	Dedicated funds carried forward	4.200.354	492.861
	Other expenses	1.973.776	1.478.962
Total II	252.821.299	219.053.465	
1. OPERATING RESULT (I-II)	1.357.392	8.647.171	

PROFIT AND LOSS ACCOUNT (IN EUROS)		FINANCIAL YEAR N	FINANCIAL YEAR N-1
FINANCIAL PRODUCTS	Other interest and similar income	52.337	22.428
	Reversals of provisions, impairments and expense transfers		647
	Positive exchange rate differences	1.178.557	1.143.365
	Total III	1.230.894	1.166.440
FINANCIAL EXPENSES	Depreciation, amortisation and provisions	2	2
	Interest and similar charges	29.369	59.714
	Negative exchange rate differences	1.648.270	1.093.282
	Net expenses on disposals of marketable securities		639
	Total IV	1.677.641	1.153.637
2. FINANCIAL RESULT (III-IV)		(446.747)	12.803
3. CURRENT INCOME before taxes (I-II+III-IV)		910.644	8.659.974
PRODUCTS EXCEPTIONAL	Extraordinary income from management operations	38.613	54.697
	Extraordinary income from capital operations	790.834	149.332
	Reversals of provisions, depreciation and expense transfers		82.094
	Total V	829.447	286.122
CHARGES EXCEPTIONAL	Exceptional expenses on management operations	584.893	314.549
	Extraordinary expenses on capital transactions	54.013	238.106
	Depreciation, amortisation and provisions	-	-
	Total VI	638.906	552.655
4. EXTRAORDINARY RESULT (V-VI)		190.541	(266.533)
Income tax (VII)		120.101	196.090
TOTAL INCOME (I+III+V)		256.239.032	229.153.199
TOTAL EXPENSES (II+IV+VI+VII)		255.257.948	220.955.848
SURPLUS OR DEFICIT		981.084	8.197.351

VOLUNTARY CONTRIBUTIONS IN KIND

VOLUNTARY CONTRIBUTIONS IN KIND (IN EUROS)	FINANCIAL YEAR N	FINANCIAL YEAR N-1
Donations in kind	22.822	56.366
Benefits in kind	4.071.792	6.024.063
Volunteering	38.419	124.973
TOTAL PRODUCTS	4.133.033	6.205.402
Relief in kind		18.798
Provision of goods free of charge	18.060	12.810
Benefits in kind	4.076.554	6.028.259
Volunteer staff	38.419	145.535
TOTAL EXPENSES	4.133.033	6.205.402

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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.

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 forty 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.
- By providing, on a secondary basis, services to organizations and individuals of all kinds, interested in the expertise that the Federation has developed in its aforementioned fields of competence.

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 (office)

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 2022
 - 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	2022		2021	
		PROFIT AND LOSS ACCOUNT	BALANCE SHEET	PROFIT AND LOSS ACCOUNT	BALANCE SHEET
Handicap International Canada	CAD (Canadian dollar)	1,3706	1,4440	1,4901	1,4393
Handicap International Switzerland	CHF (Swiss francs)	1,0067	0,9847	1,0852	1,0331
Handicap International UK	GBP (pound sterling)	0,8520	0,8869	0,863	0,8403
Handicap International USA	USD (US dollar)	1,0563	1,0666	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

The military operations in Ukraine that began on February 24, 2022 and the sanctions taken against Russia by many states have had an impact on the global economy. Handicap International had already intervened in Ukraine from 2015 to 2017. There, 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 humanitarian needs and study the possibilities of intervention in support of the most vulnerable people.

At the end of this mission, the decision was taken to reopen the Ukraine program and to open a program in Moldova to respond to this new humanitarian emergency.

Thus, the response to the humanitarian emergency in Ukraine resulted in a volume of activity in Ukraine and Moldova of 6.7 million euros.

3.2. SIGNIFICANT ACCOUNTING EVENTS OF THE YEAR

The current operating rules of the federal HI network stipulate that the national associations must currently have in their own funds the equivalent of 2 months of their activity budget (operational). In this context, the federal Board of Directors meeting of 15 December 2022 voted on the one hand to cancel the "Permanent Advance Agreement from the Handicap International Federation to Handicap International (AN Germany)" signed on 31/12/2013 (payment of a permanent advance, with a right of recovery, from the HI Federation to HI Germany for an amount of +K183 €) and on the other hand voted to increase the HI Germany association's own funds, by the payment of additional financial support for an amount of +K608 € as of 31/12/2022.

3.3. EVENTS AFTER THE BALANCE SHEET DATE

Nothing to report.

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.
- 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, OBSOlesc.	END OF YEAR
Concessions, patents, licences, trademarks, processes, software	2.921.243	1.077.976		37.913	3.961.306
Intangible assets in progress	555.344	897.201	632.715		819.830
Commercial fund	12.958				12.958
GRAND TOTAL	3.489.545	1.975.177	632.715	37.913	4.794.094

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	1.495.362	272.894	37.914	1.730.342
GRAND TOTAL	1.495.362	272.894	37.914	1.730.342

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. The loan will be totally repaid in 2023

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	7.506.365	22.298		12.409	7.516.254
Technical installations and Tools	2.283.071	258.450		178.399	2.363.122
General installations, fittings and miscellaneous	3.760.908	44.534		10.838	3.794.604
Transport Equipment	6.382.532	603.902		586.833	6.399.600
Office and computer Equipment	2.003.865	129.587		340.148	1.793.304
Other tangible assets	348.207	10.936		36.390	322.753
Property, plant and equipment in progress	73.953	142.523	179.626		36.849
Advance payments	31.363	807.156	197.501		641.018
GRAND TOTAL	23.790.263	2.019.387	377.127	1.165.017	24.267.506

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 €71K of which €53K are office and computer equipment.

5.2.2. Table of changes in depreciation

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Buildings	3.121.154	358.364	12.409	3.467.108
Technical installations and tools	1.926.505	229.843	178.398	1.977.950
General installations, fittings and miscellaneous	1.608.433	221.127	4.533	1.825.027
Transport equipment	5.027.829	674.461	544.841	5.157.449
Office and computer equipment	1.753.807	123.365	328.165	1.549.007
Other tangible assets	307.520	9.865	35.004	282.381
GRAND TOTAL	13.745.248	1.617.024	1.103.350	14.258.922

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	4.731.610	2.430.678		2.870.986	4.291.302
GRAND TOTAL	4.731.610	2.430.678	-	2.870.986	4.291.302

Acquisitions concern assets received in 2022 from legacies, accepted by the Board of Directors and not sold by 31 December 2022.

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	4.490				4.490
Loans and other financial assets	1.353.867	779.604		729.580	1.403.892
GRAND TOTAL	1.358.357	779.604		729.580	1.408.382

This item consists mainly of deposits and guarantees paid by :

- Handicap International headquarters and national associations for an amount of €129K.
- Handicap International's programs abroad for an amount of €753K.

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)	31/12/2022	31/12/2021
Raw materials, procurement	520.051	557.449
Intermediate and finished products	125.303	50.310
Goods	7.681	6.438
GRAND TOTAL	653.035	614.197
DEPRECIATION OF STOCKS		3.519
TOTAL NET OF DEPRECIATION	653.035	610.678

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 €399K gross.

46 K€ of raw material stocks and 125 K€ of finished products concern the solidarity products "Plio Kits", "Christmas Tree Bags" and "Gift Pouches" 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.

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	1.403.891		1.403.891
Doubtful or disputed customers	7.150	7.150	
Other receivables	967.962	967.962	
Personnel and related accounts	152.509	152.509	
State, other communities income tax	66.123	66.123	
State, other authorities: value added tax	18.569	18.569	
Receivables received by legacies or donation	4.725.059	4.725.059	
Claims with HI Network members	26.464	26.464	
Institutional Donors	13.574.232	13.574.232	
Advance missions	10.431.031	10.431.031	
Partners / Suppliers projects missions	226.462.107	226.462.107	
Income and donations receivable	2.148.502	2.148.502	
Miscellaneous debtors	2.825.694	2.825.694	
Prepaid expenses	2.845.547	2.845.547	
GRAND TOTAL	265.659.330	264.250.948	1.408.381

Other "trade receivables" are represented for €952K 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 2022. These receivables are classified at less than one year due to their liquid nature. As at 1 January 2022, receivables received through legacies and donations amounted to €2.485k.

The miscellaneous debtors concern for €1.888K receivables from our service providers on our programmes and €846K from the service providers of the federation's head office and national associations, of which €426K in the UK national association and €92K of active combination difference.

It is not possible to present a definite schedule of receivables with a maturity of more than one year and less than one year with regard to the lenders because the collection of receivables is linked to the progress of the projects. A portion of these receivables may be collected in more than one year, but the amount cannot be estimated with certainty.

5.6.2. Impairment of receivables

	Balance at the beginning of the year	Changes during the year		Balance at the end of the year
		Increase	Decrease	Total amount
Impairment of doubtful receivables	21.078	11.145	8.978	23.296
Impairment of other receivables		1.085.104		1.085.104
GRAND TOTAL	21.078	1.096.249	8.978	1.108.140

The amount of € 1.085.104 of the depreciation of other receivables corresponds for €285 K to risks of non-recovery from partners on our land and for €800 K to the risk of non-recovery of a payment from an institutional donor within the federation.

5.6.3. Prepaid expenses

They relate to current expenses and correspond mainly to rent and insurance costs for our sites.

Concerning the Lyon headquarters and the national associations, €659K correspond to various maintenance and insurance expenses and €1,242K correspond to costs carried forward to 2023 concerning service contracts in the UK national association.

.PREPAID EXPENSES	31/12/2022	31/12/2021
Headquarters expenditure	1.900.702	565.180
Field expenses	867.201	570.602
Mailing expenses	77.643	103.545
GRAND TOTAL	2.845.547	1.239.328

5.6.4. Accrued income

ACCRUED INCOME	31/12/2022	31/12/2021
Trade receivables and related accounts	94.314	-
Customers invoices to be issued	94.314	-
Other receivables	2.170.387	2.553.396
Suppliers: credit notes receivable	21.885	78.312
State: accrued income	-	-
Other accrued income	1.216.582	1.117.538
Donations to be cashed	931.920	1.357.546
GRAND TOTAL	2.264.701	2.553.396

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 2022 but cashed in January 2023.

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	31.064.387	8.270.363	767.272		40.102.023
Innovation reserve fund	2.000.000	(73.012)			1.926.988
Other reserves	153.238			30.648	122.590
Retained earnings	3.827.675			657.766	3.169.909
Surplus or deficit for the year	8.197.351		981.084	8.197.351	981.084
Net position	45.248.750	8.197.351	1.748.357	8.885.765	46.308.692
Consumable equity					
Investment grants	1.188.869		231.691	35.178	1.385.381
Regulated provisions					
TOTAL	46.437.618	8.197.351	1.980.047	8.920.943	47.694.073

6.1.2. Allocation of the result for the year

The surplus for the year, of €8,197,351, definitively acquired on December 31, 2021, has been allocated after approval of the general assembly in June 2022 in funds allocated to the associative project and unused funds collected from the public for €8,270,363 and €73,012 in decrease of the reserve fund dedicated to innovation.

6.1.3. 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	7.086.478	984.559	630.406	7.440.630
TOTAL I - NOMINAL AMOUNT	7.086.478	984.559	630.406	7.440.630
Allocated to non-renewable assets				
Allocated to renewable assets	5.897.609	752.868	595.227	6.055.249
TOTAL II - SHARES TRANSFERRED TO INCOME	5.897.609	752.868	595.277	6.055.249
NET GRANT (I-II)	1.188.869	231.691	35.178	1.385.380

6.2. DEDICATED FUNDS AND DEFERRED FUNDS

6.2.1. 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		TRANSFERS	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
RESTRICTED FUNDS CONTRACTS :							
CAMBODIA (20200254)	101.007		71.568			29.439	
HAITI (20220002)	10.125		10.125			-	
NEPAL (20210209)	25.727		25.727			-	
ATLAS LOGISTIQUE (20190237)	12.927		12.927			-	
DRT - DSI (20190032)	14.541					14.541	
D3I - INNOVATION (20220130)		135.385				135.385	
MADAGASCAR (20220190)		70.013				70.013	
TOGO (20220249)		67.997				67.997	
UKRAINE (20220263)		195.000				195.000	
SIERRA LEONE (20220342)		48.817				48.817	
SIERRA LEONE (20220343)		48.226				48.226	
SIERRA LEONE (20220344)		148.226				148.226	
RESTRICTED FUNDS PROGRAMS :							
AFGHANISTAN	204.121		204.121			-	
HAITI	35.026		35.026			-	
CAMBODIA	221.293	196.485				417.778	
UKRAINE		1.653.153				1.653.153	
ASIAN REGION		45.891				45.891	
RESTRICTED FUNDS PROJECTS :							
KENYA - Ubuntu care (H41_049)	10.270		747			9.523	
LEBANON - Beirut Blast Emergency	30.956					30.956	
DRC - Projet santé maternelle et infantile (H38_040)	12.203		12.203			-	
UKRAINE - Alliance Urgence		172.653				172.653	
NEPAL - Empowering a new generation with education (B41_012)		28.014				28.014	
NEPAL - Physical rehabilitation (B41_022)		126.994				126.994	
COLOMBIA - Armed violence reduction (C61_026)		6.557				6.557	
KENYA - Early Childhood Development (D41_068)		11.821				11.821	
MALI - Protect against gender based violence (E31_063)		3.793				3.793	
TOGO - Inclusive education (E81_046)		23.018				23.018	
RESTRICTED FUNDS O'DONNEL (USA)	33.836		9.467			24.369	
RESTRICTED FUNDS IN NAs :							
RESTRICTED FUNDS HI FRANCE (Film Debout)	15.000	8.081				23.081	
RESTRICTED FUNDS HI FRANCE (Fablife)	55.169	67.681				122.850	
RESTRICTED FUNDS HI FRANCE (Fresque)		4.967				4.967	
RESTRICTED FUNDS HI BELGIUM (Committee 12-12)		1.137.586				1.137.586	
TOTAL	782.202	4.200.357	381.910	-	-	4.600.649	-

6.2.2. 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	5.367.004	6.586.578	5.072.668	6.880.914

6.3. 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.

6.3.1. Table of provisions for liabilities and charges

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Provisions for foreign exchange losses	326.995	2.556.333	326.995	2.556.333
Other provisions for risks and charges	3.194.216	2.234.731	999.163	4.419.428
GRAND TOTAL	3.521.211	4.791.065	1.326.158	6.975.761

The allocations for other provisions for risks and charges concern

- 1.670 K€ to risks on donor financing.
- 124 K€ to costs related to the end of projects on our programs.
- 103 K€ to three provisions for risk
- 337 K€ to three provisions for expenses

Reversals of other provisions for risks and charges relate to

- 363 K€ to risks related to the financing of completed donors.
- 212 K€ to the reversal of costs on the end of projects on our programs
- 172 K€ for the end of provisions for risk
- 252 K€ for the end of provisions for expenses

6.3.2. 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	250			250
Depreciation of assets received by legacies or donation for disposal				
GRAND TOTAL	250			250

6.4. DEBTS

6.4.1. 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	349.655	349.655	
Borrowings and other financial liabilities	31.098	31.098	
Suppliers and related accounts	4.274.278	4.274.278	
Personnel and related accounts	4.589.858	4.589.858	
Social security and other social organizations	6.960.417	6.960.417	
States and other authorities: value added tax	41.202	41.202	
States and other authorities: other taxes	466.039	466.039	
Debts on fixed assets and related accounts	412.520	412.520	
Group and associates	1.330	1.330	
Debts on legacies or donations	2.001.840	2.001.840	
Partners and suppliers of projects on our land	2.909.097	2.909.097	
Accrued expenses land	7.427.503	7.427.503	
Other debts	2.141.550	2.141.550	
Donors	11.422.494	11.422.494	
Deferred income	225.688.080	225.688.080	
GRAND TOTAL	268.716.962	268.716.962	-

Debts arising from legacies or donations, amounting to €2.002K, 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 2022, liabilities related to legacies and donations amounted to €1.717K and consisted solely of liabilities relating to the French national association

It is not possible to present a fixed schedule of debts with a maturity of more than one year and less than one year because the disbursement of debts is linked to the progress of the projects. A portion of these liabilities may be due in more than one year, but the amount cannot be estimated with certainty.

6.4.2. Accrued expenses

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

ACCRUED EXPENSES	31/12/2022	31/12/2021
Borrowings and financial debts		
Trade accounts payable	742.366	959.245
Tax and social security liabilities	9.389.343	6.424.524
Accrued expenses land	7.427.503	5.910.815
Accrued expenses head office	400.162	500.796
GRAND TOTAL	17.959.374	13.795.380

Tax and social security liabilities correspond for €1.718.708 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.

6.4.3. 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	31/12/2022	31/12/2021
Headquarters and field revenue	2.297.981	1.412.153
Income from donor funding	223.390.099	167.458.773
GRAND TOTAL	225.688.080	168.870.926

7. ADDITIONAL INFORMATION ON PROFIT AND LOSS ACCOUNT ITEMS

7.1. DETAIL OF OPERATING INCOME

- Sales of goods for €2.430 K, of which €2.419 K correspond to sales of solidarity products from the French national association.
- The financial payments of the institutional donors for €177.387 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 31 December 2022:

PRODUCTS	16.583.369
Life insurance	1.980.492
Legacies or donations	8.336.296
Other income from legacies or donations	2.000
Sale price of assets received by legacies or donation to be disposed of	2.817.422
Use of deferred funds related to legacies or donations	3.447.159
CHARGES	8.041.303
Net book value of assets received by legacies or donation to be disposed of	2.844.042
Allocation to provisions for legacies or donations	-
Deferred funds related to legacies or donations	5.197.261
BALANCE	8.542.066

- Financial contributions correspond to foundation funds.
- The other products are for:
 - €1.178 K foreign exchange gain related to foreign currency activity.
 - €608 K of Investment Grant reversal
 - €700 K of other miscellaneous current management income

7.2. DETAILS OF OPERATING EXPENSES

- The €80.693 K of other purchases and external charges correspond mainly to :
 - €20.976 K in purchases of studies and services
 - €9.605 K for the purchase of non-capitalized supplies and equipment
 - €12.611 K of property rentals and other rentals
 - €4.390 K of maintenance, insurance, and servicing contracts
 - €1.633 K of seconded personnel costs
 - €1.148 K in fees
 - €7.453 K of mailings, call for donations, advertising, communication support.
 - €14.093 K in transport and travel costs
 - €3.867 K postage and telecommunications
 - €4.917 K of various expenses

- Financial aid paid by the entity for €48.453 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:
 - €1.396 K of foreign exchange losses related to foreign currency activity.
 - €248 K loss on bad debts
 - €179 K of other expenses on legacies or donations
 - €151 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 2022 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 at the balance sheet date are estimated at €477 K and for those of the national association in France at €58 K.

The assumptions used for the calculation are as follows:

- Economic assumptions
 - Voluntary departures
 - Discount rate: 3.77%.
 - Annual salary increase: 2%.
 - 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 €7.583K for the HI Federation.

8.3. COMMITMENTS RECEIVED

- Loan for building works: the repayment is guaranteed by the following securities taken by separate deeds:
 - Guarantee from the Metropolis of Lyon for € 349.655,47
 - Guarantee from the city of Lyon for € 174.827,73
- 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 €4.133 K for this financial year and is made up of €4.072K 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 2022 amounts to €119.759.

The HI Federation has been taxed on income from movable assets for €342 in 2022.

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	2022	2021
Permanent Seats:	424	402
Employees of the Handicap International Federal Network headquarters	423	399
Expatriates assigned to headquarters Handicap International Federation	1	3
Staff made available to other Structures:	-	-
Made available to other Structures	-	-
Staff Missions:	357	357
Volunteers assigned Programs	3	2
Employees affected Programs	73	67
Employees Expatriates assigned Programs	281	288
TOTAL	781	759

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.

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 €345.226 for the year 2022.

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

A - INCOME AND EXPENSES BY ORIGIN AND DESTINATION	YEAR 2022		YEAR 2021	
	TOTAL	Of which public generosity	TOTAL	Of which public generosity
RESOURCES BY ORIGIN				
1 - INCOME FROM THE PUBLIC'S GENEROSITY	66.230.887	66.230.887	56.882.790	56.882.790
1.1 Contributions without counterparts	7.810	7.810	7.306	7.306
1.2 Donations, legacies and sponsorship	63.456.494	63.456.494	56.164.336	56.164.336
- Manual donations	52.401.853	52.401.853	48.944.414	48.944.414
- Legacies, gifts and life insurance	8.750.255	8.750.255	6.327.728	6.327.728
- Sponsorship	2.304.387	2.304.387	892.194	892.194
1.3 Other income from public generosity	2.766.583	2.766.583	711.148	711.148
2 - INCOME NOT RELATED TO THE PUBLIC'S GENEROSITY	16.996.324		12.912.988	
2.1 Contributions with counterparts	-		-	
2.2 Business sponsorship	-		-	
2.3 Financial contributions without counterparts	1.025.405		-	
2.4 Other income not related to public generosity	15.970.919		12.912.988	
3 - GRANTS AND OTHER PUBLIC SUBSIDIES	171.175.163		154.864.443	
TOTAL INCOME	254.402.374	66.230.887	224.660.221	56.882.790
4 - REVERSALS OF PROVISIONS AND DEPRECIATION	1.330.108		3.508.946	
5 - USES OF PREVIOUS EARMARKED FUNDS	381.910	381.910	956.893	956.893
TOTAL	256.114.392	66.612.797	229.126.060	57.839.683
EXPNDITURES BY DESTINATION				
1 - SOCIAL MISSIONS	208.326.391	39.618.568	184.811.620	33.161.550
1.1 Carried out at national level	10.823.338	5.281.473	9.065.103	5.458.892
- Actions carried out by the organization	10.823.338	5.281.473	9.065.103	5.458.892
- Payments to a central body or to other bodies operating in France	-	-	-	-
1.2 Carried out abroad	197.503.053	34.337.095	175.746.517	27.702.658
- Actions carried out by the organization	197.503.053	34.337.095	175.746.517	27.702.658
- Payments to a central body or to other bodies operating abroad	-	-	-	-
2 - FUNDRAISING COSTS	22.647.290	16.901.080	21.221.883	18.231.508
2.1 Costs of appealing to the public	18.822.440	16.901.080	17.766.355	17.712.539
2.2 Costs of finding other resources	3.824.850	-	3.455.528	518.969
3 - OPERATING COSTS	14.116.276	4.539	13.161.986	25.000
TOTAL EXPENSES	245.089.956	56.524.187	219.195.489	51.418.058
4 - PROVISIONS AND DEPRECIATION	5.842.997		1.240.359	
5 - INCOME TAX				
6 - CARRY-OVER OF FUNDS FOR THE YEAR	4.200.354	4.200.354	492.861	492.861
TOTAL	255.133.308	60.724.541	220.928.709	51.910.919
SURPLUS OR DEFICIT	981.084	5.888.256	8.197.351	5.928.764

B - VOLUNTARY CONTRIBUTIONS IN KIND	YEAR 2022		YEAR 2021	
	TOTAL	Of which public generosity	TOTAL	Of which public generosity
PRODUCTS BY ORIGIN				
1 - Voluntary contributions from the public	4.133.033	4.133.033	6.205.402	6.205.402
2 - Voluntary contributions not linked to public generosity				
3 - Public assistance in kind				
TOTAL	4.133.033	4.133.033	6.205.402	6.205.402
EXPENSES BY DESTINATION				
1 - Voluntary contributions to social missions	886.052	886.052	1.371.181	1.371.181
2 - Voluntary contributions to fundraising	2.270.191	2.270.191	1.658.691	1.658.691
3 - Voluntary contributions to the admin. costs	976.790	976.790	3.175.530	3.175.530
TOTAL	4.133.033	4.133.033	6.205.402	6.205.402

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

USE OF FUNDS BY DESTINATION	YEAR 2022	YEAR 2021	RESOURCES BY ORIGIN	YEAR 2022	YEAR 2021
USE OF FUNDS FOR THE YEAR			RESOURCES FOR THE YEAR		
1 - SOCIAL MISSION	39.618.568	33.161.550	1 - RESOURCES FROM THE PUBLIC'S GENEROSITY	66.230.887	56.882.790
1.1 Carried out at national level	5.281.473	5.458.892	1.1 Contributions without counterparts	7.810	7.306
- Actions carried out by the organization	5.281.473	5.458.892	1.2 Donations, legacies and sponsorship	63.456.494	56.164.336
- Payments to a central body or to other bodies operating in France	-	-	- Manual donations	52.401.853	48.944.414
1.2 Carried out abroad	34.337.095	27.702.658	- Legacies, gifts and life insurance	8.750.255	6.327.728
- Actions carried out by the organization	34.337.095	27.702.658	- Sponsorship	2.304.387	892.194
- Payments to a central body or to other bodies operating abroad	-	-	1.3 Other resources from public generosity	2.766.583	711.148
2 - FUNDRAISING COSTS	16.901.080	18.231.508			
2.1 Costs of appealing to the public	16.901.080	17.712.539			
2.2 Costs of finding other resources	-	518.969			
3 - OPERATING COSTS	4.539	25.000			
TOTAL USE OF FUNDS	56.524.187	51.418.058	TOTAL RESOURCES	66.230.887	56.882.790
4 - PROVISIONS AND DEPRECIATION	-	-	4 - REVERSALS OF PROVISIONS AND DEPRECIATION	-	-
5 - DEFERRED FUNDS FROM THE YEAR	4.200.354	492.861	5 - USES OF PREVIOUS EARMARKED FUNDS	381.910	956.893
Excedent of the public's generosity for the year	5.888.256	5.928.764	Deficit of the public's generosity for the year	-	-
TOTAL	66.612.797	57.839.683	TOTAL	66.612.797	57.839.683

RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE BEGINNING OF THE YEAR (EXCLUDING DEDICATED FUNDS)	37.329.679	31.972.608
(+) surplus or (-) shortfall of public generosity	5.888.256	5.928.764
(+) net investments and (-) disinvestments related to the generosity of the public during the year	- 2.122.628	- 571.694
RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE END OF THE YEAR (EXCLUDING DEDICATED FUNDS)	41.095.307	37.329.679

VOLUNTARY CONTRIBUTIONS IN KIND	YEAR 2022	YEAR 2021	CONTRIBUTIONS VOLONTAIRES EN NATURE	YEAR 2022	YEAR 2021
EXPENSES IN EUROS			RESOURCES IN EUROS		
1 - VOLUNTARY CONTRIBUTIONS TO SOCIAL MISSIONS	886.052	1.371.181	VOLUNTARY CONTRIBUTIONS FROM THE PUBLIC	4.133.033	6.205.402
Carried out at national level	862.832	1.345.180	Volunteering	61.891	124.973
Carried out abroad	23.220	26.001	Benefits in kind	4.048.320	6.024.063
2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING	2.270.191	1.658.691	Donations in kind	22.822	56.366
3 - VOLUNTARY CONTRIBUTIONS TO THE ADMIN. COSTS	976.790	3.175.530			
TOTAL	4.133.033	6.205.402	TOTAL	4.133.033	6.205.402

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 center), 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 program on the basis of the time spent in the field by applying an average cost per month of presence on each program, 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 €4.87 M are broken down as follows:

- €2.06 M (or 42%) on steering and support services for actions on the ground.
- €0.04 M (or 1%) on the HI Institute.
- €0.50 M (or 10%) 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
- €0,82 M (or 17%) on fundraising activities.
- €1,46 M (or 29%) on operating costs.

11.2.4. Social missions

The volume of social missions amounts to €208,33 million, divided between social missions abroad and those carried out at national level.

The jobs of the social missions abroad, i.e. €197.50 M, are made up of :

- €175.01 M of direct expenditure committed on the ground in the implementation
- €16.55 M of mission management costs
- €5,94 M of other costs and exceptional expenses related to the programs

The management costs of missions abroad concern:

- The management of operations and support services, which totaled €6.89 M,
- The recruitment of expatriate staff, their social management, as well as the costs of initial and ongoing training, for €2.55 M,
- Technical coordination and logistics, the monitoring of missions for a total of €7.11 M,

Exceptional costs and expenses relating to actions abroad, which totaled €5,94 M, consisted mainly of:

- €1.57 M 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 (€+1.25 M). The net impact is therefore €0.33 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).
- €4.37 M of accrued expenses and indemnities and expenditure incurred in the context of the closure of projects (€0.07 M)

The social missions carried out at national level (HI Federation headquarters and HI network National Associations), which total €10.82 M include:

- 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,
- Fablife project.

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, €2.71 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. €4.40 M, are financed by public and private funds, up to €0.68 M.

In addition, €125 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 €444 K.

The total volume of social missions implemented in 2022 is divided into the following themes:

Thematics	Volume (K€)
Health Services	33,992
Armed violence reduction	23,058
Other protection and risk reduction activities	23,193
Rehabilitation Services	40,261
Inclusive education	16,927
Economic integration	28,713
Other inclusive services	23,648
Logistics platforms	12,447
Advocacy & mobilization of the general public	6,087
Total	208,326

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 €18.82 M. Of this total, €15.86 M corresponds to the costs of collecting donations, legacies and corporate sponsorship, of which €14.36 M relate to the direct costs of collection operations (mainly direct mail, internet and couponing), €1.50 M to donor management costs (collection of donations and sending of tax receipts) and €2.96 M to other collection costs.

€2.19 M 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. €1.64 M (including €117 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 €10.64 M. These costs also include the costs of the Directorate General and the legislative bodies.

This heading also includes public information costs totaling €2.98 M.

11.3. THE RESOURCES

The total resources of the HI network, before reversal of provisions and dedicated funds carried forward, amount to €254.40 M.

11.3.1. Resources collected from the public

The total resources collected from the public in 2022 amount to €66.23 M and are broken down as follows:

- €63.46 M in donations, sponsorships, patronage and legacies collected by the HI network,
- €2.77 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. €17.00 M, includes €6.85 M from other foreign and national private organizations, €2.50 M from the proceeds of solidarity sales or shared products, €3.12 M from other private income, €2.24 M from financial income and €2.28 M from other management income.

11.3.3. Grants and other public assistance

The total of public aid allocated as income amounts to €171.18 M and is mainly composed of:

- €58.58 M from international bodies, notably the European Union and the United Nations,
- €112.57 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 €15.28 M for the entire HI network.

This lump sum finances part of the fundraising costs (€3.82 M) and operating costs (€11.45 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 2022 amount to €66.23 M.

This amount, added to the initial balance (i.e. €37.33 M) and the change in dedicated funds (€-3.82 M), constitutes the total resources from the public, available to finance the uses of the exercise, i.e. €99.74 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 €58.65 M.

On 31 December 2022, the final balance of resources collected from the public and not used, amounts to €41.10 M.

The variance includes an adjustment of -1.484 K€, related to the acquisition of intangible assets in 2020 and 2021, in the light of new information systems that are deployed in batches.

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 2022, HI's own funds amounted to €50.70 M, including €41.10 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 €3.52 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 2022 is included at the foot of the profit and loss account in the general accounts and the Use of Resources Account.

Total valuations for 2022 amount to €4.13 M compared to €6.21 M in 2021.

€2.27 M of these costs are for fundraising, mainly media campaigns for the sale of shared products, as well as poster sites for the annual campaign, €0.89 M for social missions and the remaining €0.98 M for operating costs.

12.DETAILS OF DONOR FUNDING

FINANCEUR / DONOR		AFFECTATIONS EURO / ALLOCATIONS EURO
TOTAL FONDS INSTITUTIONNELS PUBLICS ET PRIVÉS / TOTAL PUBLIC AND PRIVATE FUNDS		178 797 687
Fonds publics internationaux / International publics funds		58 849 664
Commission Européenne / European Commission		42 550 305
Commission Européenne / European Commission - ECHO		25 912 000
Commission Européenne / European Commission - EUROPEAID/ DEV CO		11 842 593
Commission Européenne / European Commission - Trust Funds		4 795 712
Nations Unies / United Nations		15 017 186
Nations Unies / United Nations - HCR		2 147 498
Nations Unies / United Nations - OCHA (humanitarian Affairs)		6 337 604
Nations Unies / United Nations - UNICEF		2 854 316
Nations Unies / United Nations - UNOPS		588 718
Nations Unies / United Nations - World Health Org.		0
Nations Unies / United Nations - UNDP		230 248
Nations Unies / United Nations - Mines Action		0
Nations Unies / United Nations - Wold Food Programme		612 905
Nations Unies / United Nations - Autres / Other		2 245 897
Autres agences internationales / Other international agencies		1 282 173
Fonds publics nationaux / Public national funds		113 306 917
Fonds publics nationalité AN / Public funds NA nationality		97 524 490
Fonds publics Allemagne / Public funds Germany		16 726 557
Fonds publics Belgique / Public funds Belgium		6 578 545
Fonds publics Canada / Public funds Canada		4 661 280
Fonds publics France / Public funds France		17 588 770
Fonds publics Luxembourg / Public funds Luxembourg		6 807 643
Fonds publics Royaume-Uni / Public funds UK		6 600 770
Fonds publics Suisse / Public funds Suisse		1 881 009
Fonds publics USA / Public funds USA		36 679 916
Fonds publics hors nationalité AN / Public funds other NA nationality		15 782 427
Fonds publics Australie / Public funds Australia		491 973
Fonds publics Danemark / Public funds Denmark		615 369
Fonds publics Irlande / Public funds Ireland		18 427
Fonds publics Italie / Public funds Italy		107 200
Fonds publics Japon / Public funds Japan		877
Fonds publics Monaco / Public funds Monaco		417 701
Fonds publics Norvège / Public funds Norway		7 505 385
Fonds publics Pays-Bas / Public funds Netherlands		4 163 821
Fonds publics Suède / Public funds Sweden		2 448 983
Autres Fonds publics autres / Other Public funds		12 691
Fonds privés / Private funds		6 641 106
Fonds privés nationalité AN / Private funds NA nationality		4 947 330

Fonds privés Allemagne/ Private funds Germanie	1 349 363
Fonds privés Belgique / Private funds Belgium	120 088
Fonds privés Canada / Private funds Canada	664 220
Fonds privés France / Private funds France	142 602
Fonds privés Royaume-Uni / Private funds UK	1 860 100
Fonds privés Suisse / Private funds Switzerland	549 417
Fonds privés USA / Private funds USA	261 540
Fonds privés hors nationalité AN / Private funds other NA nationality	1 693 776