



**La chaîne
de l'espoir**

Together, let's save children

Financial report 2020



Financial report 2020

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Treasurer's Report



Members of La Chaîne de l'Espoir

Dear friends,

I am pleased to present the Treasurer's Report for the year 2020.

In 2020, La Chaîne de l'Espoir continues to grow in diversifying its funding sources, according to the strategy voted on in 2016. The operating income recorded was therefore €25,056,000, up 28% from the previous year.

La Chaîne de l'Espoir's total resources, including financial and extraordinary income, were **€25,129,000**. Total expenses, including financial and extraordinary expenses, were **€22,258,000**.

This fiscal year therefore closes with a surplus of €2,872,000, which is explained by the challenges encountered in our work owing to the situation of *force majeure* created by the health crisis. Our fundraising campaigns have been well received by our loyal donors, and our private and public partners have renewed their confidence in how we manage our projects. Most of the surplus generated in 2020 will be allocated to projects reserves so it can be used to carry out our work in 2021 and in the coming years.

The figures commented on below are taken from the Income Statement by Origin and Destination, the reference document for organizations under the new accounting regulations.

Income

I • Resources provided thanks to the public's generosity

In a difficult context, the generosity of donors is increasing (+5% for individual gifts and +112% for bequests and donations) and represents 65% of resources. Sponsor donations are down, given the difficult economic context (-14%). They represent 6% of income.

II • Subsidies

Subsidies were €5,796,000 in 2020, still a strong increase compared to the previous year (+47%) and represent 23% of the organization's resources. These subsidies come mainly from the French Development Agency, the French Ministry of Foreign Affairs and European ECHO funding, which have co-financed our projects in Iraq, Afghanistan, Jordan, Togo, Lebanon, Burkina Faso and Venezuela.

III • Other income

In 2020, other income was €126,000, stable compared to the previous year. They include membership fees, financial income, extraordinary income, miscellaneous income from assets and reversals of provisions.

IV • Reversals of restricted funds

Funding recorded in restricted funds, which has not been used at the close of the fiscal year, is recorded under income in the income statement of subsequent years, as and when the commitments are fulfilled. In 2020, the use of restricted funds from previous years was €1,241,000, and, in particular, concerned projects in Iraq and school health projects.

Expenses

I • Social missions

Program expenditure carried out represents €14,387,000 spent in 2020 and €2,150,000 of programmed commitments, or 74% of total expenses. In 2020, the Covid crisis largely hindered our ability to act (suspension of international flights, closed borders, requisitioned partner hospitals, etc.). However, we continued to work by inventing new ways to help the most disadvantaged, especially in France. As a result, the funds invested in our projects managed to grow by 13% compared to 2019 despite the challenges.

II • Current expenses

Total current expenses was €5,719,000. These expenses include fundraising and operating expenses. They are up from 2019 (+7%) but represent a smaller share of the organization's total expenses (26%) compared to the previous year.

Operating expenses, essential support for projects and a guarantee of good resource management, increased over the year (€773,000 in 2020 vs €717,000 in 2019).

This increase goes hand in hand with the organization's growth, and also reflects the efforts made to continue structuring its operations.

Development costs (fundraising, communications, management of donations and tax receipts, and donor relations) were €4,946,000, they were up on the previous year (€4,616,000 in 2020) due to a contribution of €219,000 to the affiliated organization Cirugia por la Vida, decided upon by the Board of Directors, and in accordance with the agreement signed with our partner in Spain.

Allocation of earnings

As we have seen above, the financial year therefore shows a surplus of €2, 872,000 which the Board of Directors has approved and which I propose to accept today. The Board of Directors proposes to allocate this surplus as follows:

	As at 12/31/2020 (prior to 2020 allocation of earnings)	2020 Allocation of earnings		As at 12/31/2020 (after 2020 allocation of earnings)
		Increase	Decrease	
Net associative funds without right of recovery	8,334,211	1,432,493		9,766,704
COVID projects reserve	560,000		560,000	0
Madagascar projects reserve		1,000,000		1,000,000
Middle East projects reserve		500,000		500,000
West Africa project reserve		500,000		500,000
2020 Earnings	2,872,493		2,872,493	0
	11,766,704	3,432,493	3,432,493	11,766,704

Available reserves represent 6.4 months of operations as of December 31, 2020, an amount necessary to ensure the continuity of our actions in the field, to cover unforeseen financing needs related to emergencies or a sudden decrease in resources, and to finance investments and their renewal.

In 2020, voluntary in-kind contributions suffered from the constraints imposed by the health crisis. In spite of everything, the commitment of our volunteers and the support of our patrons remained intact.

I • Volunteering

Numerous surgeons, doctors, nurses, anesthetists and other medical and technical personnel go on voluntary projects throughout the year, thereby making a decisive contribution to the Social missions and the spirit of La Chaîne de l'Espoir.

Host families, those providing support in hospitals, and volunteers in the regions and at headquarters in Paris all contribute effectively to the organization's various activities.

For each person, precise administrative monitoring of these volunteers lets us know how many days they have devoted to the organization, and to calculate their contribution. In 2020, 7,569 days were committed to La Chaîne de l'Espoir, valued at €978,000.

II • Medical and non-medical consumables and equipment

The collection of medical products and equipment, IT equipment and furniture from various hospitals and laboratories was estimated at €208,000 in 2020.

III • Free services and skills-based sponsorship

The value of advertising, communications (press, radio, TV, reports) and other services offered free of charge to La Chaîne de l'Espoir by the various advertisers, advisors and partners, was €1,023,000 over the year 2020.

Total in-kind resources were therefore estimated at €2,209,000.

Balance sheet

La Chaîne de l'Espoir's balance-sheet total as at 12/31/2020 was €35,597,000, up by €12,873,000 compared to the previous year due to the increase in the organization's activity (signing of new financing agreements in 2020 in particular) and to the changes brought on by the new accounting regulation on bequests.

Assets

Net fixed assets were €9,328,000 (compared to €8,019,000 in 2019). The increase is explained by the inclusion in the statement of financial position of funds related to bequests accepted and not yet collected for €1,487,000.

Current assets were €26,269,000 (compared to €14,705,000 in 2019). This increased under the combined effect of legacy-related receivables (€2,407,000), other receivables (including €451,000 to the affiliated organization USFC in accordance with the signed agreement, and €483,000 for purchases made on behalf of our partner hospitals in the field), and cash and cash equivalents (€14,706,000, funds received for organizing our projects, which will be spent in subsequent years).

Liabilities

The organization's associative funds before allocation of the 2020 earnings was €8,334,000.

Results for the year 2020 were €2,872,000, of which €2,000,000 will be proposed for projects reserves to ensure the continuity of several identified programs over the coming years.

Deferred and restricted funds increased due to the inclusion in the statement of financial position of deferred funds related to bequests, amounting to €3,794,000, as part of implementing the new accounting regulations, and the increase in restricted funds at the end of the fiscal year, amounting to €2,337,000, reflecting the delays caused by the health crisis. The increase in "Other liabilities" (including funding of €1,500,000 for Afghanistan received on 12/31/2020) and "Deferred income" (share of funding related to future years of multi-year funding agreements) reflect the ever increasing growth of our projects.

2021 Budget

The 2021 budget was validated by the Board of Directors on March 8, 2021. It was developed to take into account the exceptional year that was 2020. Heavily impacted by the Covid crisis, which slowed down some of our projects, the year ended with a surplus of €2,872,000.

From this surplus, projects reserves for Madagascar, the Middle East, and West Africa will be recorded in the balance sheet.

We plan to use these projects reserves in 2021 for an amount of €1,500,000, which will make up for some of the mission delays at the height of the health crisis.

The forecast income of €28,009,000, and expenses of €29,144,000, lead to a net loss of €1,135,000. This deficit will be financed by the previously-drawn up projects reserves, thereby allowing us to follow the organization's financial strategy.

This budget is broken down as follows:

Income	K€	Expenses	K€
Public generosity	17,243	Social missions	23,077
Subsidies	8,329	- <i>Care in France</i>	1,671
Other income	54	- <i>Care and training abroad</i>	19,410
Used of restricted funds	2,320	- <i>Deferred to restricted funds</i>	1,996
Total operating income	27,946	Development	5,314
Financial income	63	Operations	652
Total income	28,009	Total operating expenses	29,043
		Financial expenses	101
		Total expenses	29,144
		Net income	-1,135
		Reversal of projects reserves	1,500
		Net income restated for projects reserves	365

Emile DINET
Treasurer

Challenges and prospects for 2021

La Chaîne de l'Espoir is continuing to develop its activities in 2021, and is redeploying the projects suspended in 2020, albeit in deteriorated conditions in terms of logistics and security. In particular, Mali and Afghanistan are going through a period of high political and security challenges, and Iraq remains very unstable, which complicates our teams' work and requires great vigilance.

In Madagascar, the year 2021 marks the start of work on extending and rehabilitating the technical platform for cardiac surgery at the Centre Hospitalier de Soavinandriana and will allow open-heart surgery, after having strengthened the skills of healthcare workers.

Projects in new regions are being studied and relate to construction, equipment and the transfer of skills, notably in Mauritania and Nigeria. Strengthening the projects in France is also one of our priorities.

The first months of the year have confirmed the loyalty of our donors and the diversification of our sources of funding, notably with the continued development of institutional funding. However, programmatic activities are slightly behind schedule due to the global health context and political instabilities that limit our field of action.

These are extraordinary times, both challenging and unifying, and I would like to sincerely thank our employees and volunteers, in France and abroad, for their professionalism and commitment. My thanks also go to our 90,000 active donors and patrons, our 100,000 followers on social networks, and all those who support us; their commitment and loyalty are indispensable to us.

Anouchka Finker
CEO

Annual financial statements 2020



STATEMENT OF FINANCIAL POSITION

ASSETS	Fiscal year 12/31/2020 (according to ANC 2018-06)			Fiscal year 12/31/2019 (according to CRC 1999-01)
	Gross	Amortization and depreciation (to be deducted)	Net	Net
Fixed assets				
Intangible fixed assets				
Concessions, patents, licenses, trademarks, processes, software, rights and similar assets	148,250	120,440	27,810	
Computer software				55,620
Intangible fixed assets in progress	39,908		39,908	
Tangible fixed assets				
Land	1,380,000		1,380,000	1,380,000
Buildings	7,404,011	1,160,207	6,243,804	6,481,047
Technical installations, plant and equipment	159,069	66,347	92,723	13,193
Construction in progress				3,902
Other tangible fixed assets				28,783
Assets received by legacy or donation held for disposal	1,576,996	89,930	1,487,066	
Financial assets				
Participating interests and related receivables	50,000		50,000	50,000
Other	6,459		6,459	
Deposits and guarantees				6,688
Total I	10,764,693	1,436,923	9,327,770	8,019,232
Current assets				
Advances and deposits paid on orders				22,835
Receivables				
Accounts receivable from clients, users and related accounts				
Donor receivables				2,791,367
Receivables received by bequests or donations	2,407,141		2,407,141	
Other	4,274,561		4,274,561	659,480
Marketable securities	4,653,166	43,810	4,609,355	4,598,899
Cash at bank and in hand	14,705,806		14,705,806	6,446,810
Prepaid expenses	272,224		272,224	185,655
Total II	26,312,898	43,810	26,269,087	14,705,046
GENERAL TOTAL (I + II)	37,077,591	1,480,733	35,596,858	22,724,279

LIABILITIES	Fiscal year 12/31/2020 (according to ANC 2018-06)	Fiscal year 12/31/2019 (according to CRC 1999-01)
Association funds		
Net assets / association funds without right of recovery		
Statutory association funds		
Additional association funds	8,334,211	
Association funds		7,788,302
Reserves		
Reserves for the entity's project	560,000	300,000
Surplus or deficit for the year	2,872,493	805,909
Net position (sub-total)	11,766,705	8,894,211
Total I	11,766,705	8,894,211
Deferred and restricted funds		
Deferred funds related to bequests and donations	3,794,093	
Restricted funds	2,336,727	
Total II	6,130,821	
Provisions		
Provisions for risks	380,000	
Provisions for risks and charges		380,000
Restricted funds		1,427,685
Total III	380,000	1,807,685
Debts		
Loans and debts with credit institutions	4,091,569	
Loans and similar liabilities		4,446,709
Trade payables and related payables	1,430,027	1,228,736
Legacy and donation liabilities	102,698	
Fiscal and social liabilities	617,915	641,116
Other liabilities	2,019,314	82,369
Deferred income	9,057,809	5,623,453
Total IV	17,319,333	12,022,382
GENERAL TOTAL (I + II + III + IV)	35,596,858	22,724,279

INCOME STATEMENT

INCOME STATEMENT

	Fiscal year 12/31/2020 (according to ANC 2018-06)	Fiscal year 12/31/2019 (according to CRC 1999-01)
Operating income		
Contributions	880	
Sales of goods and services		
Sales of services	13,043	
Income from third-party funders		
Government grants and operating subsidies	5,795,985	
Subsidies		3,946,602
Donations and sponsorships		13,575,618
Resources from public generosity		
Individual gifts	12,276,590	
Sponsorships	1,617,019	
Bequests, donations and life insurance	4,072,308	1,924,727
Reversals of depreciation, amortization, impairment, provisions and transfer of expenditure	37,014	
Used of restricted funds	1,241,064	
Other income	2,444	79,074
Total I	25,056,347	19,526,021
Operating expenses		
Other purchases and external expenses	10,833,705	
Purchases and external services		12,066,746
Financial aid	3,662,714	
Taxes and similar payments	379,016	329,141
Wages and salaries	3,355,236	
Staff remuneration		3,099,849
Social security costs	1,261,925	1,177,899
Depreciation and amortization	389,760	346,310
Restricted funds carried forward	2,150,107	
Other expenses	104,601	
Financial contributions and other management expenses		1,065,428
Total II	22,137,064	18,085,374
1. OPERATING INCOME (I - II)	2,919,284	1,440,647
Financial income		
Other interest and similar income	28,137	32,231
Reversals of provisions, impairments transfer of expenditure	1,721	
Foreign exchange gains	41,612	33,487
Total III	71,470	65,718
Financial expenses		
Depreciation, amortization, impairment and provisions		41,495
Interest and similar expenses	38,386	75,366
Foreign exchange losses	76,403	40,126
Net expenses on the disposal of marketable securities		74,333
Total IV	114,790	231,320
2. FINANCIAL INCOME (III - IV)	(43,320)	(165 602)
3. INCOME FROM ORDINARY ACTIVITIES BEFORE TAXES (I - II + III - IV)	2,875,964	1,275,045

INCOME STATEMENT	Fiscal year 12/31/2020 (according to ANC 2018-06)	Fiscal year 12/31/2019 (according to CRC 1999-01)
Extraordinary income		
On management operations	1,465	15,907
Total V	1,465	15,907
Extraordinary expenses		
On management operations	4,567	60,397
On capital transactions		459,167
Total VI	4,567	519,564
4. EXTRAORDINARY INCOME (V - VI)	(3,103)	(503 657)
Employee profit sharing (VII)		
Tax on profits (VIII)	368	830
Total income (I + III + V)	25,129,282	19,607,646
Total expenses (II + IV + VI + VII + VIII)	22,256,789	18,837,087
Interim balances		
+ Carry-over of unused resources from previous years		1,276,691
- Commitments to be made from allocated resources		1,241,340
SURPLUS OR DEFICIT	2,872,493	805,909
Voluntary contributions in kind		
Donations in kind	208,344	316,209
Services provided in kind	1,022,994	1,670,125
Volunteering	977,683	2,057,540
TOTAL	2,209,021	4,043,874
Expenses for voluntary contributions in kind		
Donations in kind	208,344	
Services provided in kind	1,022,994	
Volunteer staff	977,683	
Social missions		1,542,529
Fundraising expenses		1,952,175
Operating and other expenses		549,170
TOTAL	2,209,021	4,043,874



APPENDIX TO THE 2020 FINANCIAL STATEMENTS

Preamble

The fiscal year ending 12/31/2020 has a duration of 12 months. The accounts are drawn up in euros. As at December 31, 2020, the balance-sheet total before allocation of earnings was €35,596,858. The financial year shows a surplus of €2,872,493.

The information given below forms an integral part of the annual financial statements which have been approved by the Board of Directors.

Note 1 • The organization's purpose, projects and resources used

Purpose of the organization

La Chaîne de l'Espoir is a humanitarian organization of general interest whose purpose is to help the most disadvantaged children, their families and their communities.

Social missions

- To care in France or abroad for children and mothers who cannot be cared for lack of technical and financial means and specialized knowledge in their country of origin;
- To provide training for local medical staff in specialist fields, responding to the various pathologies;
- To transfer medical technology, equipment and consumable materials to countries where health facilities are inadequate;
- To promote the development of specialist hospital facilities adapted to local needs;
- To contribute to the medical and social care of women and children in vulnerable situations;
- To provide medical assistance to impoverished populations, primarily to mothers and children, including the acquisition and shipment abroad of medicines and health and nutrition products;
- To provide humanitarian assistance during conflicts or natural disasters;
- To promote access to education for disadvantaged children and women;
- To relieve human distress by all means possible.

Resources used

- Collaboration with international organizations, local authorities, public and private organizations in France and abroad;
- Partnership with any other body or organization pursuing goals similar to ours, in France and abroad;
- Encouragement of the creation of other organizations with the same purpose in foreign countries;
- With the help of host families, care for children transferred to and treated in France for the duration of their stay.

Note 2 • Significant events during the year

The health crisis had a considerable impact on delivering our social missions and generated a budgetary gap of -55% on this expense item as a whole, while our income was above budget and up by 20% compared to 2019, notably due to a strong increase in bequests and institutional funds.

Public fundraising remained stable, with continued growth in regular direct debit donations.

Only corporate sponsorship was impacted by the crisis, notably due to the cancellation of events planned for the year.

This postponement of program activity expenditure to 2021, even though the expected income to finance them has been recorded, resulted in a surplus of €2.9 million.

Note 3 • Post balance sheet events

The organization is not aware of any significant post balance sheet events.

Note 4 • General valuation rule

The annual financial statements are prepared in accordance with the following regulations:

- ANC No. 2018-06 of December 5, 2018 as amended by ANC Regulation No. 2020-08 on the annual financial statements of private not-for-profit legal entities,
- ANC No. 2014-03 of June 5, 2014, as amended, relative to the general chart of accounts for provisions not covered by ANC Regulation No. 2018-06 of December 5, 2018, as amended.

The following conventions have been applied in accordance with the principle of prudence and the following basic rules:

- Going concern,
- Consistency of accounting methods from one year to the next, except for the impact of ANC regulation 2018-06, applicable as of this year,
- Independence of financial years

Note 5 • Changes in presentation, valuation or accounting methods

As of fiscal years beginning on January 1, 2020, private not-for-profit legal entities required to prepare annual financial statements, including associations, foundations and endowment funds, must apply ANC Regulation No. 2018-06, which succeeds CRC Regulation No. 1999-01.

In this sense, the annual financial statements for the year ended 12/31/2020 have been prepared and presented in accordance with the provisions of ANC Regulation No. 2018-06.

This change in regulation is considered a change in method. This change in accounting regulations has little impact on the organization except for the change in the statement of financial position and income statement formats and some accounting reclassifications, as well as the change in the method of accounting for bequests:

Bequests, donations and life insurance

Life insurance

Life insurance policies are recognized as income on the date the funds are received by the organization.

Bequests

- Assets and liabilities received by legacy are recognized on the date the legacy is accepted by the entity's authorized body (Board of Directors or Executive Committee).
- The assets are recorded as fixed assets in the account "Assets received by legacy or donation held for disposal", the receivables as current assets in the account "Receivables received by legacy or donation", the debts of the deceased in the account "Bequest and donation liabilities", with a counterpart in the income account "Bequests, donations and life insurance".

At year end, the income from bequests not yet realized is neutralized by recognizing "Deferred funds related to bequests and donations".

The annual statement for the use of funds collected from the public for the fiscal year 2020 has been prepared in accordance with the provisions of ANC Regulation 2018-06 without a comparative column for fiscal year 2019.

The annual statement for the use of funds collected from the public for the fiscal year 2020 has been prepared in accordance with the provisions of ANC Regulation 2018-06 without a comparative column for fiscal year 2019. Taking into account the first application of regulation ANC 2018-06.

The amount of deferred resources related to public generosity at the beginning of fiscal year 2020 is not the same as the amount reported in the CER as at 12/31/2019. This revaluation results mainly from the restatement of sponsorship and financial income.

Note 6 • Fixed assets

The organization's fixed assets are recognized and valued, in accordance with the standards set forth in the Asset Regulation, at their acquisition cost (price and incidental expenses) or production cost.

Note 6.1 • Fixed assets located in France

Fixed assets located in France, at the organization's headquarters, are depreciated using the straight-line method over their useful life:

- Computer software.....	3 years
- Buildings.....	25 years
- Fixtures and fittings.....	8 to 20 years
- Technical installations, plant and equipment.....	3 years
- Transport equipment.....	3 years
- Office and computer equipment.....	3 years

Note 6.2 • Fixed assets located abroad

Within the scope of its activities, the organization may be required to purchase, on its intervention sites abroad, assets that meet the accounting definition of fixed assets.

Given:

a) the specificities of the context

- geographical distance that makes it difficult to monitor physical existence,
- specific operating conditions that create uncertainty with respect to the physical condition of the assets,
- the purpose of these acquisitions, made within the context of the organization's project and to be used locally and permanently,
- past agreements with funding agencies.

b) application of the accounting principle of prudence

these capital assets are recorded directly in the projects' expense accounts.

The changes noted during the year were as follows:

GROSS FIXED ASSETS	12/31/2019	Impact of the new regulation	Increase	Decrease	12/31/2020
Computer software	128,647				128,647
Trademarks	19,602				19,602
Intangible fixed assets in progress			39,908		39,908
Intangible fixed assets	148,250		39,908		188,158
Headquarters land	1,380,000				1,380,000
Headquarters building	6,779,041				6,779,041
Headquarters fixtures and fittings	536,041		88,930		624,970
Technical installations, plant and equipment	25,862		30,340		56,202
Transport equipment	7,500		13,521		21,021
Office and computer equipment	39,183		42,663		81,846
Assets received by legacy or donation held for disposal		1,649,591	1,468,969	1,541,564	1,576,996
Construction in progress - Headquarters	3,902		32,896	36,798	
Tangible fixed assets	8,771,528	1,649,591	1,677,319	1,578,362	10,520,076
Equity interests - CDE Medical Engineering	50,000				50,000
Deposits and guarantees	6,688		2,679	2,907	6,459
Financial fixed assets	56,688		2,679	2,907	56,459
GENERAL TOTAL	8,976,465	1,649,591	1,719,906	1,581,269	10,764,693

The main movements during the year relate to the integration of assets received by legacy according to the new regulation n° 2018-06.

AMORTIZATION	12/31/2019	Increase	Decrease	12/31/2020
Computer software	73,027	27,810		100,837
Trademarks	19,602			19,602
Intangible fixed assets	92,630	27,810		120,440
Headquarters building	767,259	271,162		1,038,420
Headquarters fixtures and fittings	66,775	55,011		121,786
Technical installations, plant and equipment	12,669	11,698		24,367
Transport equipment	2,778	6,143		8,921
Office and computer equipment	15,122	17,936		33,059
Tangible fixed assets	864,603	361,950		1,226,553
GENERAL TOTAL	957,233	389,760		1,346,993

DEPRECIATION	12/31/2019	Increase	Decrease	12/31/2020
Assets received by legacy or donation held for disposal		89,930		89,930
GENERAL TOTAL		89,930		89,930

The value of assets from bequests for disposal is recognized at the present value through depreciation.

Note 7 • Receivables

Receivables are valued at their nominal value. An impairment is recognized when there is a risk of non-recovery.

	Amount	Less than 1 year	1 to 5 years	More than 5 years
Donor receivables	2,887,761	2,315,929	571,832	
French Development Agency	2,141,540	1,800,000	341,540	
European Union	480,292	250,000	230,292	
Regional Council of Île-de-France	31,004	31,004		
Other private donors	234,925	234,925		
Receivables received by bequests or donations	2,407,141	2,018,583	388,558	
Other receivables	1,386,800	916,123	470,677	
TOTAL	6,681,702	5,250,634	1,431,068	

Note 7.1 • Accrued income

	Less than 1 year
Suppliers (credit notes receivable)	2,384
Miscellaneous accrued income	23,929
TOTAL RECEIVABLE INCOME	26,313

Note 8 • Prepaid expenses

Prepaid expenses of €272,224 relate mainly to expenses for “Other purchases and external services”.

Note 9 • Marketable securities

Marketable securities are recorded in the statement of financial position at their acquisition cost. Disposals are recognized using the first-in, first-out method (FIFO).

Investments are made in guaranteed capital products payable in arrears. The changes noted during the year were as follows:

	12/31/2019	Increase	Decrease	12/31/2020
Agéas endowment contract	1,051,564	5,358		1,056,922
Vie Plus endowment contract	1,592,867	3,377		1,596,244
Cholet-Dupont endowment contract	2,000,000		2,000,000	
Hottinguer endowment contract		2,000,000		2,000,000
GENERAL TOTAL	4,644,431	2,008,735	2,000,000	4,653,166

The Vie plus endowment contract was subject to a provision for impairment in 2015, adjusted annually based on the valuation of the contract in the event of early withdrawal. At 12/31/2020, the provision is €43,810.

Note 10 • Cash at bank and in hand

Cash held in France and in foreign projects (banks and petty cash) includes amounts in foreign currencies. They have been valued in euros at the exchange rate in effect on December 31. Foreign exchange differences at the end of the year are recorded as foreign exchange gains or losses in the income statement.

Note 11 • Funds

La Chaîne de l'Espoir has two types of reserves:

- funds without right of recovery, whose purpose is to ensure the organization remains a going concern
- Projects reserves, intended to finance operational projects

The changes noted during the year were as follows:

Information on the allocation of earnings included in the minutes of the General Meeting of July 6, 2020.

Change in association funds	At the beginning of the year		Allocation of earnings		Increase		Decrease or consumption		At the end of the year
	Amount	Amount	Of which public generosity	Amount	Of which public generosity	Amount	Of which public generosity	Amount	
Association funds without right of recovery	7,788,302	545,909	545,909						8,334,211
Africa Projects Reserve	300,000	-300,000							
COVID Projects Reserve		560,000	260,000						560,000
Surplus for the year	805,909	-805,909	-805,909	2,872,493	2,872,493				2,872,493
TOTAL	8,894,211			2,872,493	2,872,493				11,766,705

Note 12 • Provisions for risks and charges

Provisions are made for risks identified at the end of the financial year that have a reasonable probability

	12/31/2019	Increase	Decrease	12/31/2020
Provisions for risks	380,000			380,000
TOTAL	380,000			380,000

of occurring and are of a material amount. The changes noted during the year were as follows:

The provision for risks on operations in Iraq, recognized in the 2017 accounts in the amount of €380,000, has been maintained.

Note 13 • Deferred funds

	12/31/2019	Impact of the new regulation	Increase	Decrease	12/31/2020
Deferred funds relating to bequests and donations		3,857,494	2,775,439	2,838,840	3,794,093
TOTAL		3,857,494	2,775,439	2,838,840	3,794,093

Note 14 • Restricted funds

Restricted funds record the portion of resources allocated by third-party funders to designated projects that could not yet be used at year-end.

The changes noted during the year were as follows:

Change in restricted funds from:	At the start of the year	Deferrals	Uses	At the end of the year	
				Total amount	of restricted funds without expense over the two previous years
Operating subsidiaries					
Afghanistan	149,445	253,114	149,445	253,114	
Burkina Faso	68,229	62,973	68,229	62,973	
Lebanon	3,342	62,929	3,342	62,929	
Iraq	327,579	544,354	327,579	544,354	
Comoros	181,875			181,875	181,875
Jordan	15,300	121,242	15,300	121,242	
Venezuela		118,855		118,855	
Togo	36,918	52,249	36,918	52,249	
All Zones		134,863		134,863	
	782,687	1,350,578	600,812	1,532,453	181,875
Resources from public generosity					
France	857	11,433	857	11,433	
Afghanistan	4,470		4,470		
Bangladesh	15,201		15,201		
Mozambique	19,145		19,145		
Mali		189,638		189,638	
Senegal	57,811	86,702	57,811	86,702	
Benin	4,746			4,746	
Democratic Republic of Congo	22,459		22,459		
Thailand	81,640		81,640		
Togo		658		658	
All projects	438,669	511,098	438,669	511,098	
	644,998	799,528	640,252	804,274	
TOTAL	1,427,685	2,150,107	1,241,064	2,336,727	181,875

The Comoros dedicated fund recognizes funding received from the Indian Ocean Regional Health Agency in FY 2016.

For political reasons beyond the control of the organization, and in full transparency with the donor, no resources could be allocated to the Comoros project. The dedicated fund is therefore still present at 12/31/2020.

Note 15 • Debts

Liabilities are valued at their nominal value.

Bank loans were taken out in 2016 for an initial sum of €5,500,000 to finance the acquisition of La Chaîne de l'Espoir's headquarters.

	Amount	less than 1 year	1 to 5 years	more than 5 years
Debts fixed assets	4,091,569	358,045	1,449,076	2,284,448
Loans	4,090,424	356,900	1,449,076	2,284,448
Other financial liabilities	1,145	1,145		
Misc liabilities	4,169,954	4,169,954		
Trade payables and related payables	1,430,027	1,430,027		
Legacy and donation liabilities	102,698	102,698		
Tax and social security liabilities	617,915	617,915		
Other liabilities	2,019,314	2,019,314		
TOTAL	8,261,523	4,527,999	1,449,076	2,284,448

Note 15.1 • Accrued expenses

	less than 1 year
Trade payables and related payables	343,174
Fiscal and social liabilities	278,321
Other liabilities	1,577,311
TOTAL ACCRUED EXPENSES	2,198,806

Note 16 • Deferred income

Deferred income recognizes financing granted by agreement for future years.

The due dates for each country at the end of the fiscal year are as follows:

	Amount	less than 1 year	1 to 5 years
Healthcare Projects	8,827,516	8,224,823	602,692
- Afghanistan	1,805,150	1,805,150	
- Burkina Faso	56,905	56,905	
- Jordan	487,500	487,500	
- Iraq	5,149,999	4,775,000	374,999
- Lebanon	375,000	375,000	
- Venezuela	253,333	253,333	
- Mali / Ivory Coast	461,027	233,333	227,693
- Senegal	171,342	171,342	
- Mali	67,259	67,259	
School Health Projects	230,294	230,294	
- Togo	230,294	230,294	
TOTAL	9,057,809	8,455,117	602,692

Note 17 • Details of the entry “Bequests, donations and life insurance” on the income statement

The item “Bequests, donations and life insurance” on the income statement includes the accumulated net balance of the various accounts concerned by these transactions, both as expenses and income.

Income	Amount
Amount received for life insurance	721,702
Amount for the income entry "Bequests or donations defined in section 213-9"	3,292,859
Sale price of assets received by legacy or donation held for disposal	1,625,840
Use of deferred funds related to bequests or donations	2,838,840
Total income	8,479,241
Expenses	Amount
Net book value of assets received by legacy or donations held for disposal	1,541,564
Allowance for impairment of assets received by way of legacy or donation and held for disposal	89,930
Restricted funds related to bequests and donations carried forward	2,775,439
Total expenses	4,406,933
TOTAL	4,072,308

Life insurance policies are recognized as income on the date the funds are received by the organization. Assets and liabilities received by legacy are recognized on the date the legacy is accepted by the entity's authorized body.

Note 18 • Operating subsidies

The subsidies awarded to the organization in fiscal year 2020 are as follows:

	Amount
French Development Agency	2,200,000
European Union	1,649,999
The Crisis and Support Center (MEAE)	5,693,661
TOTAL	9,543,660

Note 19 • Voluntary contributions in kind

During fiscal year 2020, La Chaîne de l'Espoir benefited from voluntary contributions in kind, which are presented at the foot of the income statement, and are estimated, for fiscal year 2020, at €2,209,021.

Note 19.1 • Volunteering

Numerous surgeons, doctors, nurses, anesthetists and other medical-technical personnel go on voluntary trips throughout the year on voluntary to contribute to the organization's Social missions.

Other volunteers also contribute to the organization's various activities, through their actions at headquarters, in hospitals, and in host families and regional branches.

For each person, precise administrative monitoring of these volunteers allows us to track the number of days they have dedicated and to calculate their contribution at replacement value.

In 2020, 7,569 days were committed to La Chaîne de l'Espoir.

	Number of people	Number of days	Valuation in euro
Board of Directors Volunteers	21	698	222,920
Headquarters Volunteers	19	896	141,400
Overseas Program Volunteers	61	636	200,683
France Program Volunteers	366	4,831	336,480
Branch Volunteers	76	508	76,200
TOTAL	543	7,569	977,683

Note 19.2 • Medical consumables and equipment

In 2020, the value of medical products and equipment collected from various hospitals and laboratories was estimated at €208,344.

Note 19.3 • Communications and public relations

During the financial year 2020, La Chaîne de l'Espoir benefited from various services free of charge, mainly informational messages produced by television and radio stations. These services were valued at €1,021,829.

Note 19.4 • Skills volunteered

In the fiscal year 2020, La Chaîne de l'Espoir benefited from the services of a Groupe Open employee, whose services were valued at €1,165.

Note 20 • Off-balance sheet commitments

Note 20.1 • Retirement indemnity

The retirement indemnity is calculated using the retrospective projected unit credit method.

The salary base is the end-of-career salary and the rights calculated on the basis of the final prorated seniority.

This method is consistent with that prescribed by the international accounting standard IAS 19.

The end-of-career indemnity for the staff present on December 31, 2020 was estimated at €137,272.

This amount did not result in the recognition of a provision in the financial statements for the year ended December 31, 2020.

The indemnity was estimated taking into account the terms of the French Labor Code, in the absence of a specific collective agreement, and the mortality tables in force at that date.

The following assumptions were made to calculate the indemnity:

- Expected rate of salary increase: 2% (inflation)
- Staff turnover rate: 0%
- Life expectancy: INSEE 0709 Mortality table
- Discount rate: 0.35%
- Retirement age: 67 years (for everyone)
- Applicable collective agreement: none (provisions of the labor code)

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Note 20.2 • Commitments given on projects

Within the framework of its social missions, La Chaîne de l'Espoir is committed to financially supporting its partner, the Fann University Hospital in Senegal, to help train the hospital's staff within the framework of the Centre Cardio-Pédiatrique Cuomo (agreement of 06/15/2015; €60,000 for 2021).

In addition, La Chaîne de l'Espoir signed a lease agreement with option to purchase with Siemens Financial Services on 09/19/2018 for a period of 36 months (€726,400 between 2019 and 2021).

Through this contract, the organization undertakes to rent an AERA MRI machine on behalf of its partner, the French Medical Institute for Mothers and Children (FMIC). This organization has in turn committed, through a sublease agreement dated 09/19/2018, to reimburse the organization according to the same schedule.

Note 21 • Workforce

	2020	2019	2018
Managers	30	29	27
Non-managers	23	19	23
TOTAL WORKFORCE	53	48	50

The organization's workforce is calculated as of December 31, taking into account the number of employees in France, expressed as full-time equivalents, based on the average number of employees determined each month. As at 12/31/2020, the organization also had 79 employees in the field.

Note 22 • Audit fees

The auditor's fees to certify the financial statements for the year 2020 were €18,000 including tax, and €10,000 including tax to for specific audits (project audits).

Note 23 • Remuneration and benefits in kind

Note 23.1 • Remuneration and benefits in kind for members of the Board of Directors

In accordance with the statutory provisions and article 261-7-1° of the General Tax Code, La Chaîne de l'Espoir remunerates the function of Chairman of the Board of Directors.

The maximum amount of this remuneration is set at three times the social security ceiling applicable in the year of the decision. The remuneration paid for 2020 amounts to €37,708.

The bylaws do not provide for the allocation of assets to members of the Board of Directors at any time.

Note 23.2 • Remuneration and benefits in kind for the three most senior executives

Article 20 of the law n° 2006-586 of May 23, 2006 relative to voluntary work and associative commitment provides that: "Each year, organizations with an annual budget of more than €150,000 must publish, in the financial statements, the remuneration of the three highest paid volunteer and salaried executives as well as their benefits in kind".

The three most senior executives of the organization are the Chairman, the CEO and the Deputy CEO. For the year 2020, the total gross annual remuneration and benefits paid were €220,248.

Note 24 • Income statement by origin and destination (CROD)

The CROD is drawn up according to the regulation's model. ANC No. 2018-06, with no N-1 comparative column.

It includes two main parts:

- income by origin (income linked or not to public generosity and subsidies) and expenses by destination (Social missions, fundraising expenses, operating expenses in particular).
- voluntary contributions in kind, income by origin and expenses by destination.

Note 24.1 • Income by origin

Income from public generosity

This entry contains resources collected from the public, both earmarked and non-earmarked, bequests and life insurance policies received by the organization, and funds from corporate sponsorship and French and foreign foundations.

Income not related to public generosity, operating subsidies

These entries include subsidies from institutional donors and various income including the provision of services.

Voluntary contributions in kind

see Note 19.

Note 24.2 • Expenses by destination

The expenses incurred by the organization are identified using cost accounting, under three entries used: Social missions, fundraising expenses, and operating expenses.

Direct costs are allocated by entry according to the services and activities concerned.

Expenses related to activities that can be allocated to more than one entry are broken down between the relevant items according to the number of employees and the workload involved in the various activities.

This includes the following expenses:

- staff costs (salaries and social security costs) related to the administrative, financial and human management of Social missions at headquarters and to the development of procedures and tools for management and internal controls.
- headquarter overheads: energy, supplies and printed materials, general maintenance, postage, telephone and internet.

Social missions

Childcare related expenses in France are recognized among the direct actions in France:

- expenditure for foreign children cared for in France, which include the following types of expenses:
- possible expenses reimbursed to the host family (volunteer work), hospital visit, convalescence etc.
- hospital costs (stay, surgery etc.) in Paris and/or provinces
- transport (ambulance, flight etc.).
- ancillary costs: tests, medication, X-rays etc.
- salaries of the people who manage this department at the organization's headquarters

The funds collected from the public finance the expenses incurred in France.

Directly implemented actions abroad include expenditure related to healthcare, training, school health and construction programs abroad:

- expenditure related to medical and surgical project teams sent to countries in Africa, Asia and the Middle East, to perform surgeries and deliver training
- shipping medical materials and equipment, medicines and other consumables
- payments to organizations in which La Chaîne de l'Espoir is partially or fully involved in implementing operational actions under the terms of current agreements

Some programs abroad are carried out with local partners. The amounts that are retroceded to them in the context of our Social missions are recognized under the sub-entry "payment to a central body or other bodies". Projects carried out abroad are financed in part by funds collected from the public (philanthropists or sponsors), and by institutional funds.

Fundraising expenses

This entry contains all the expenses incurred in collecting donations from the general public (marketing campaigns, telephone and email campaign costs, processing donations and costs related to tax receipts, management of bequests), and to find funding from private partners.

Operating costs

This entry contains the expenses related to the operating the organization and the general departments at La Chaîne de l'Espoir's headquarters.

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Note 25 • Use-of-funds statement (CER)

The 2020 CER is based on the regulatory template. ANC No. 2018-06, with no N-1 comparative column. The statements for previous year, drawn-up in accordance with CRC regulation no. 2008-12, is presented separately.

It consists of three main parts:

- Uses by destination and resources by origin
- Deferred resources linked to public generosity (excluding restricted funds)
- Voluntary contributions in kind (linked to public generosity)

Use by destination and resources by origin

The information in the annual statement for the use of funds from public generosity corresponds to the information included in the column "of which public generosity" in the CROD.

Deferred resources from public generosity (excluding restricted funds)

The amount of deferred resources related to public generosity is equal to the balance of available association funds collected from the public. Due to method changes resulting from the accounting reform, the amount of these resources at the beginning of fiscal year 2020 is not identical to the amount reported in the ERC at 12/31/2019. This revaluation results mainly from the restatement of sponsorship and financial income.

Voluntary contributions in kind

See second part of the CROD.

INCOME STATEMENT BY ORIGIN AND DESTINATION

A - INCOME AND EXPENSES BY ORIGIN AND DESTINATION	Fiscal year 12/31/2020	
	Total	Of which public generosity
INCOME BY ORIGIN		
1 - INCOME FROM PUBLIC GENEROSITY	17,994,825	17,994,825
1.1 Unmatched contributions	880	880
1.2 Donations, bequests and sponsorship		
- Individual donations	12,276,590	12,276,590
- Bequests, donations and life insurance	4,072,308	4,072,308
- Sponsorship	1,617,019	1,617,019
1.3 Other income from public generosity	28,028	28,028
2 - INCOME NOT RELATED TO PUBLIC GENEROSITY	95,686	
2.1 Matching contributions		
2.2 Corporate Sponsorship		
2.3 Unmatched Financial Contributions		
2.4 Other income not related to public generosity	95,686	
3 - SUBSIDIES AND OTHER PUBLIC AID	5,795,985	
4 - REVERSALS OF PROVISIONS AND IMPAIRMENTS	1,721	1,721
5 - USE OF PREVIOUS Restricted funds	1,241,064	640,252
TOTAL	25,129,282	18,636,798
EXPENSES BY DESTINATION		
1 - Social missions	14,387,213	9,340,885
1.1 Undertaken in France	904,400	904,400
- Actions undertaken by the body	694,242	694,242
- Payments to a central body or other bodies operating in France	210,158	210,158
1.2 Undertaken abroad	13,482,813	8,436,485
- Actions undertaken by the body	10,030,257	6,777,989
- Payments to a central body or other bodies operating abroad	3,452,556	1,658,497
2 - FUNDRAISING EXPENSES	4,945,960	4,926,009
2.1 Public appeal costs	4,705,743	4,705,743
2.2 Research costs for other resources	240,217	220,266
3 - OPERATING EXPENSES	773,142	696,738
4 - PROVISIONS AND DEPRECIATION		
5 - CORPORATE TAX	368	
6 - Restricted funds CARRIED FORWARD FOR THE YEAR	2,150,107	799,528
TOTAL	22,256,789	15,763,161
SURPLUS	2,872,493	2,873,638

B - VOLUNTARY CONTRIBUTIONS FROM THE PUBLIC	Fiscal year 12/31/2020	
	Total	Of which public generosity
INCOME BY ORIGIN		
1 - VOLUNTARY CONTRIBUTIONS FROM PUBLIC GENEROSITY		
Volunteering	977,683	977,683
Services provided in kind	1,022,994	1,022,994
Donations in kind	208,344	208,344
2 - VOLUNTARY CONTRIBUTIONS NOT FROM PUBLIC GENEROSITY		
3 - PUBLIC GRANTS IN KIND		
Services provided in kind		
Donations in kind		
TOTAL	2,209,021	2,209,021
EXPENSES BY DESTINATION		
1 - VOLUNTARY CONTRIBUTIONS TO Social missions		
Undertaken in France	336,480	336,480
Undertaken abroad	409,027	409,027
2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING	1,098,029	1,098,029
3 - VOLUNTARY CONTRIBUTIONS TO OPERATIONS	365,485	365,485
TOTAL	2,209,021	2,209,021

ANNUAL STATEMENT FOR THE USE OF FUNDS COLLECTED FROM THE PUBLIC (Law No. 91-772 of August 7, 1991)

USES BY DESTINATION	Fiscal year 12/31/2020
USES FOR THE YEAR	
1 - Social missions	9,340,885
1.1 Undertaken in France	904,400
- Actions undertaken by the body	694,242
- Payments to a central body or other bodies operating in France	210,158
1.2 Undertaken abroad	8,436,485
- Actions undertaken by the body	6,777,989
- Payments to a central body or other bodies operating abroad	1,658,497
2 - FUNDRAISING EXPENSES	4,926,009
2.1 Public appeal costs	4,705,743
2.2 Research costs for other resources	220,266
3 - OPERATING EXPENSES	696,738.42
TOTAL USES	14,963,632
4 - PROVISIONS AND DEPRECIATION	
5 - Restricted funds CARRIED FORWARD FOR THE YEAR	799,528
PUBLIC GENEROSITY SURPLUS	2,873,638
TOTAL	18,636,798

RESOURCES BY ORIGIN	Fiscal year 12/31/2020
RESOURCES FOR THE YEAR	
1 - RESOURCES FROM PUBLIC GENEROSITY	17,994,825
1.1 Unmatched contributions	880
1.2 Donations, bequests and sponsorships	
- Individual donations	12,276,590
- Bequests, donations and life insurance	4,072,308
- Sponsorships	1,617,019
1.3 Other resources from public generosity	28,028
TOTAL RESOURCES	17,994,825
2 - REVERSALS OF PROVISIONS AND IMPAIRMENTS	1,721
3 - USE OF PREVIOUS DEDICATED FUNDS	640,252
PUBLIC GENEROSITY DEFICIT FOR THE YEAR	
TOTAL	18,636,798
RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE BEGINNING OF THE YEAR (EXCLUDING Restricted funds)	8,894,211
(+) Surplus or (-) shortfall of public generosity	2,873,638
(-) Net investments and (+) divestments related to public generosity during the year	159,972
RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE END OF THE YEAR (EXCLUDING Restricted funds)	11,607,877

VOLUNTARY CONTRIBUTIONS IN KIND	Fiscal year 12/31/2020
USES FOR THE YEAR	
1 - VOLUNTARY CONTRIBUTIONS TO Social missions	
Undertaken in France	336,480
Undertaken abroad	409,027
2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING	1,098,029
3 - VOLUNTARY CONTRIBUTIONS TO OPERATIONS	365,485
TOTAL	2,209,021

VOLUNTARY CONTRIBUTIONS IN KIND	Fiscal year 12/31/2020
RESOURCES FOR THE YEAR	
1 - VOLUNTARY CONTRIBUTIONS FROM PUBLIC GENEROSITY	
Volunteering	977,683
Services provided in kind	1,022,994
Donations in kind	208,344
TOTAL	2,209,021

For the record, here is a reminder of the table relating to restricted funds for the part that comes under public generosity.

Restricted funds FROM PUBLIC GENEROSITY	Fiscal year 12/31/2021
Restricted funds FROM PUBLIC GENEROSITY AT THE BEGINNING OF THE YEAR	644,998
(-) Use	
(+) Carried forward	159,276
Restricted funds FROM PUBLIC GENEROSITY AT THE END OF THE YEAR	804,274

Statutory auditor's report on the financial statements

For the year ended 31 December 2020

This is a translation into English of the statutory auditor's report on the 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 information about the appointment of the statutory auditor or verification of the management report and other documents provided to stakeholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Assembly of LA CHAINE DE L'ESPOIR

Opinion

In compliance with the engagement entrusted to us by your General Assembly, we have audited the accompanying financial statements of the association LA CHAINE DE L'ESPOIR for the year ended 31 December 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Association, as at 31 December 2020 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 Financial Statements» section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditor, for the period from 01 January 2020 to the date of our report.

Emphasis of Matter

We draw attention to the change in accounting policy relating to the first application of accounting standard ANC n°2018-06, described in Note 5 to the financial statements. Our opinion is not modified in respect of this matter.

Justification of Assessments

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

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 following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

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 financial statements.

As part of our review of the accounting policies used by your Association, we confirm that the criteria selected for the preparation of the income statement by origin and destination and of the annual statement of utilization of funds collected from the public, set in notes 24 et 25 to the annual financial statements, were disclosed appropriately, are in line with accounting standard ANC n°2018-06 requirements and were correctly applied.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information with respect to the financial position and the financial statements given in the management report of the treasurer and in the other documents provided to members.

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

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

In preparing the 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 financial statements were approved by the board of directors.

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

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the 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 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 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 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 financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris-La Défense, June 16, 2021

The Statutory Auditor

French original signed by Deloitte & Associés

Djamel Zahi

Statutory Auditor's Special Report on Regulated Agreements

Members' Meeting on the approval of the financial statements for the year ended December 31, 2020

To the General Assembly of LA CHAINE DE L'ESPOIR

In our capacity as Statutory Auditor of your Association, we hereby report to you on regulated agreements. It is our responsibility to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention, or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 612-6 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

We performed the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE MEMBERS' MEETING

Agreements authorised during the year

Pursuant to Article R. 612-7 of the French Commercial Code, we have been informed of the following agreements, as mentioned in Article L. 612-5 of the French Commercial Code, which were authorised during the year.

Directors compensation agreement

Director concerned: Eric CHEYSSON, Chairman of the Board

The amount recognized as an expense for the compensation received by Eric Cheysson amounts to €37,708 for the period from July 1, 2020 to December 31, 2020.

Agreement with the French Medical Institute for Children-FMIC

Director concerned: Eric CHEYSSON, Chairman of the board of directors

Agreement on the treatment of indigent children.

The expenses recorded for the year ended December 31, 2020 amount to €4,197,168.

Agreement with the affiliated foundation United Surgeons for Children (United States)

Director concerned: Eric CHEYSSON

The amount recognized as a cash advance for the year ended December 31, 2020 amounts to €450,677.

Agreement with the affiliated foundation Cirugia Por La Vida (Spain)

Directors concerned: Eric CHEYSSON, Emile DINET, Sylvain CHAUVAUD

The amount recognized as a financial contribution (expense) for the year ended December 31, 2020 amounts to €218,741.

Paris-La Défense, June 16, 2021

The Statutory Auditor

French original signed by Deloitte & Associés

Djamel Zahi



**La chaîne
de l'espoir**

Together, let's save children

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