



**La chaîne
de l'espoir**

Together, let's save children

Financial **report 2021**



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Treasurer's report

The year 2021 was once again marked by the Coronavirus epidemic. However, the health situation improved thanks to the development of vaccines and large-scale vaccination campaigns. In this still very special context, La Chaîne de l'Espoir contributed to the supply of material linked to the Covid crisis. But with the recovery of economic activity following the vaccination campaigns and the reopening of many borders, La Chaîne de l'Espoir was able to resume many of its activities in the field. This year, once more, the generosity of the general public has not faltered and remains the principal source of income for La Chaîne de l'Espoir. In the framework of the diversification of its funding, the organization also benefited from large and increasing subsidies for different ambitious international projects.

The amount of recorded operating income stands at **K€ 26,147** compared to K€ 5,056 in 2020, up 4% on the previous year.

The total income of La Chaîne de l'Espoir, including financial and extraordinary income, amounted to **K€ 26, 353**.

Total expenditure, including financial and extraordinary expenses, amounted to **K€ 25,720**. These expenses include a provision amounting to **K€ 489** linked to the development of our activity in the United States.

The financial year closes therefore with a surplus of K€ 632, down by K€ 2,240 compared to 2020, which is explained by the resumption of our activities after a year of sharp slowdown caused by the health crisis. Our campaigns appealing for donations resonated with our unfailingly loyal donors, and our private and public partners renewed their confidence in us for the management of our projects. The surplus generated in 2021 will bolster the association funds and will be used to carry out our missions in 2022 and the following years.

The figures commented on below are taken from the Income Statement by Origin and Destination, a document of reference for associations according to the new accounting regulations.

Income

I. Income from public generosity:

Despite a difficult context, the generosity of donors has increased overall (+4% for gifts by hand and -9% for bequests and donations, after an exceptional year) and represents 63% of income. Donations from sponsorship are down, after the year 2020 during which the organization benefited from exceptional funding in the framework of the health crisis. They represent 6% of income.

II. Public subsidies:

Public subsidies amount to K€ 6,755 in 2021, up 17% compared to the previous year and make up a growing part of the income of the organization (26%). These grants come mainly from the French Development Agency, the Ministry of Foreign Affairs and the European fund ECHO, co-financing our projects in Iraq, Afghanistan, Jordan, Togo, Lebanon, Burkina Faso, Ivory Coast, Mali and Venezuela.

III. Other income:

In 2021, other income amounts to K€ 320, a significant increase compared to the previous year (+153%). This includes ancillary income linked to provision of services, membership contributions, financial income, extraordinary income, various management income and reversals of provisions.

IV. Use of previous dedicated funds:

Funding recorded in dedicated funds, unused at the time of closure, are carried over as income in the income statement of the following years, as and when commitments are fulfilled.

In 2021, the use of dedicated funds of previous years amounted to K€ 1,319, and concerned notably projects in Afghanistan, Mali, and school health projects.

Expenses

I. Social missions

Expenditure on implemented programs represents K€ 16,262 spent in 2021 and K€ 3,133 for planned commitments, representing 75 % of total expenses. Thus, in spite of difficulties, funds invested in our missions managed to rise by 17% compared to 2020, marking the resumption of our activities after the COVID restrictions of the previous year.

II. Current expenses

The total amount of current expenses is K€ 6,326. These expenses include fundraising expenses, operating expenses, provisions and taxes. They are up compared to 2020 (+ 11%) but represent a smaller part than in the previous year in the total expenses of the organization (25%).

Operating expenses, the indispensable basis for our missions and the guarantee of sound management of our income, are stable over the financial year (K€ 787 in 2021 vs K€ 773 in 2020).

Development expenses (fundraising, communication, management of donations and tax receipts, donor relations) amount to K€ 5,025 and are stable compared to the previous year (+2%).

Allocations for provisions and depreciations are up sharply, K€ 513 in 2021, due to a provision for depreciation recorded, in accordance with the prudence principle, on a part of the debt obligation towards the affiliated foundation in the USA, amounting to K€ 489.

Taxes are stable at € 320.

Allocation of earnings

The financial year therefore shows a surplus of K€ 632 which the Board of Directors has validated and proposes to allocate in the following manner:

	On 31/12/2021 (before allocation of earnings 2021)	Allocation of earnings 2021		On 31/12/2021 (after allocation of earnings 2021)
		Increase	Decrease	
Association funds without rights of recovery	9 766 704,59	632 467,88		10 399 172,47
Project reserves for Madagascar	1 000 000,00			1 000 000,00
Project reserves for the Middle East	500 000,00			500 000,00
Project reserves for West Africa	500 000,00			500 000,00
Income 2021	632 468,88		632 467,88	0
	12 399 172,47	632 467,88	632 467,88	12 399 172,47

Available reserves represent 5.9 months of activity on 31 December 2021, an amount needed to ensure the continuity of our actions in the field, cover unforeseen funding needs due to emergencies or a sudden decrease in income, and to fund investments and their renewal.

In 2021, the commitment of our volunteers and the support of our sponsors remained intact and voluntary in-kind contributions recovered to their level of before the health crisis.

I. Volunteer work

Many surgeons, doctors, nurses, anesthetists, and other medico-technical personnel go throughout the year on voluntary missions in the field and thus contribute in a decisive manner to the social missions and the spirit of La Chaîne de l'Espoir. The host families, the people supporting hospitalized children, the volunteers in the provinces and in the Paris headquarters all make an effective contribution to the different activities of our organization.

A precise administrative monitoring of these volunteers makes it possible to know, by profile, the number of days devoted to the organization and to calculate their contribution. In 2021, La Chaîne de l'Espoir thus benefited from 10,226 days of volunteer work, estimated at K€ 1,648 (+ K€ 671 compared to 2020). This increase can be explained in large part by the resumption of overseas missions by medical and paramedical volunteers.

II. Consumables and medical and non-medical equipment

The collection of medical products and equipment, computer equipment and furniture from different hospital structures, laboratories and our operational partners had an estimated value of K€ 1,257 in 2021. These donations in kind increased sharply compared to previous years, this being explained by a donation of medicines by the Crisis and Support Center for our recipients in Afghanistan, worth a total of K€ 965.

III. Services free of charge and skills-based sponsorship

The value of actions in advertising and communication (press, radio, TV, reports) and other services provided free of charge to La Chaîne de l'Espoir by different advertisers, advisers and partners is estimated at K€ 2,074 for the 2021 financial year.

Thus the total of contributions in kind is estimated at K€ 4,980.

Balance sheet

The balance sheet total of La Chaîne de l'Espoir as at 31 December 2021 amounts to K€ 35,103, down slightly by K€ 494 compared to the previous year.

Assets

Net fixed assets stand at K€ 8,421 (compared to K€ 9,328 in 2020). The decrease of K€ 907 is explained by the on-going amortization of the headquarters of the organization and the cession of goods received by bequests and donations.

Current assets amount to K€ 26,683 (compared to K€ 26, 269 in 2020). This increased by K€ 413 due to the combined effect of the variation of debt obligations linked to bequests (K€ -1,771), other debt obligations (K€ -1,190) and liquid assets (K€ +5,507, funds received for the organization of our missions, which will be spent in the course of the coming financial years.

Liabilities

The association funds before allocation of 2021 earnings amount to K€ 9,767.

Income for the 2021 financial year amounts to K€ 632 and will be incorporated into the association funds. Deferred and dedicated funds are down by K€ 571 due to the effect of the decrease of K€ 2,384 in deferred funds linked to bequests, combined with the increase of K€ 1,814 in funds dedicated to projects. Debts registered under liabilities have decreased by K€ 577. Loans and debts with credit institutions, deferred income and other debts have decreased overall by K€ 1,260 whereas amounts due to our suppliers have increased by K€ 576.

Budget for 2022

The 2022 budget was validated by the Board of Directors on 14 March 2022.

Forecast of income, amounting to K€ 30,612, and of expenses, amounting to K€ 31,076, lead to a net result for the financial year of K€ -464. This deficit will be financed by projects reserves already constituted, thus enabling us to respect the financial strategy of the organization.

This budget is broken down as follows:

Income	K€	Expenses	K€
Public Generosity	13 314	Programs	23 331
Private Partners	2 398	- <i>Healthcare in France</i>	1 409
Bequests & Donations	3 000	- <i>Health Care Abroad</i>	21 923
Public subsidies	7 876	Development	5 614
Other operating income	55	Operations	790
Use of dedicated funds	3 939	Dedicated funds carried forward	1 217
Total operating income	30 581	Total operating expenses	30 952
Financial income	31	Financial expenses	124
Total income	30 612	Total expenses	31 076
		Net income	-464
		Reversal of project reserves	1 000
		Net income adjusted for project reserves	536

Sandrine GUEBIN
Treasurer

Challenges and prospects for 2022

For La Chaîne de l'Espoir, the year 2022 marks a return to normality as regards missions in the field, the deployment of projects and the management of activities.

It's a return to normal also in terms of social links, with the resumption of face-to-face meetings, team-building or fund-raising events. The pleasure of being together, reunited again, is a relief for us all ; the associative world suffered greatly from the isolation imposed by the pandemic.

From a global perspective, 2022 is unfortunately historic, with humanitarian needs reaching record levels, a looming worldwide food crisis, due to the combined effect of armed conflicts, the increase in the number of displaced people, the consequences of climate change and the socio-economic effects of the health crisis.

In Afghanistan, the worst drought for 27 years and the cumulative effects of more than four decades of conflict have had a severe impact on food security. As a result, the management and financing model of our French hospital in Kabul has had to be totally revamped so as to ensure the continuity of its functioning while taking account of the destitution of a population faced with an unprecedented humanitarian crisis. What is more, multiple violations of international humanitarian law jeopardize people's safe and unhindered access to humanitarian aid ; security challenges are therefore an increasing preoccupation.

The territories of action of La Chaîne de l'Espoir are therefore mostly in situations of crisis and instability. This affects our modes of intervention which must be more responsive, more global and on shorter time scales.

In this tense context, the tragedy of Ukraine immediately mobilized us. La Chaîne de l'Espoir set up a project to support the hospital and aid network, delivering traumatology kits, consumables, medicines, infant milk... But we also created a training center for war surgery and shipped medical devices and medicines specifically for the treatment of war wounded.

The provisional budget for the year 2022 amounts to 30 M€ with one third of institutional funding, for our programs in Afghanistan, Iraq, Ukraine, West Africa, Lebanon, Jordan, Togo and Venezuela.

The diversification of our modes of financing, combined with the loyalty of our 100,000 donors, our big institutional partners and our sponsors, enable us to ensure the development of our activities, in spite of the economic difficulties which affect all sectors.

I wish to address my heartfelt thanks to them and to all our collaborators, employees and volunteers who support us and who are the lifeblood of our Chaîne de l'Espoir.

Anouchka FINKER
General Director

Annual financial statements 2021

ASSETS	2021			2020
	Gross	Amortizations and depreciation	Net	Net
I - FIXED ASSETS				
Intangible fixed assets	222 588	152 650	69 938	67 718
Concessions, licenses, trademarks, software and similar assets	174 650	152 650	22 000	27 810
Intangible fixed assets in progress	47 938		47 938	39 908
Tangible fixed assets	9 008 901	1 590 624	7 418 277	7 716 527
Land	1 380 000		1 380 000	1 380 000
Buildings	7 404 011	1 491 385	5 912 626	6 243 804
Technical installations, plant and equipment	224 890	99 239	125 651	92 723
Assets received by legacy or donation held for disposal	925 934	1 930	924 004	1 487 066
Financial assets	8 283		8 283	56 459
Participating interests and related receivables				50 000
Other	8 283		8 283	6 459
TOTAL FIXED ASSETS	10 165 706	1 745 204	8 420 502	9 327 770
II - CURRENT ASSETS				
Receivables	4 208 700	488 750	3 719 950	6 681 702
Receivables received by bequests or donations	635 837		635 837	2 407 141
Others	3 572 863	488 750	3 084 113	4 274 561
Marketable securities	2 660 836	46 917	2 613 918	4 609 355
Cash at bank and in hand	20 212 945		20 212 945	14 705 806
Prepaid expenses	135 716		135 716	272 224
TOTAL CURRENT ASSETS	27 218 197	535 667	26 682 530	26 269 087
TOTAL ASSETS (I + II)	37 383 903	2 280 871	35 103 032	35 596 858

LIABILITIES	2021	2020
I - ASSOCIATION FUNDS AND RESERVES		
Association funds without right of recovery	9 766 705	8 334 211
Statutory association funds		
Additional association funds	9 766 705	8 334 211
Reserves	2 000 000	560 000
Reserves for the entity's project	2 000 000	560 000
Surplus or deficit for the year	632 468	2 872 493
NET TOTAL ASSOCIATION FUNDS AND RESERVES	12 399 172	11 766 705
II - DEFERRED AND RESTRICTED FUNDS		
Deferred funds related to bequests and donations	1 409 749	3 794 093
Restricted funds	4 150 492	2 336 727
TOTAL DEFERRED AND RESTRICTED FUNDS	5 560 241	6 130 821
III - PROVISIONS		
Provisions for risks	401 600	380 000
TOTAL PROVISIONS	401 600	380 000
IV - DEBTS		
Loans and debts with credit institutions	3 742 188	4 091 569
Supplier payables and related payables	2 006 363	1 430 027
Legacy and donation liabilities	151 383	102 698
Fiscal and social liabilities	675 185	617 915
Other liabilities	1 799 717	2 019 314
Deferred income	8 367 182	9 057 809
TOTAL DEBTS	16 742 018	17 319 333
TOTAL LIABILITIES (I + II + III + IV)	35 103 032	35 596 858

INCOME STATEMENT	2021	2020
I - PRODUITS D'EXPLOITATION		
Contributions	40	880
Sales of goods and services	51 879	13 043
Sales of services	51 879	13 043
Income from third-party funders	24 713 976	23 761 902
Government grants and operating subsidies	6 755 437	5 795 985
Resources from public generosity	17 958 539	17 965 917
- Individual gifts	12 798 871	12 276 590
- Sponsorships	1 463 877	1 617 019
- Bequests, donations and life insurance	3 695 791	4 072 308
Reversals of amortization, depreciation, provisions and transfer of expenditure	61 969	37 014
Use of restricted funds	1 318 978	1 241 064
Other income	33	2 444
TOTAL OPERATING INCOME	26 146 875	25 056 347
II - OPERATING EXPENSES		
Other purchases and external expenses	13 360 296	10 833 705
Financial aid	2 361 886	3 662 714
Taxes and similar expenses	413 511	379 016
Wages and salaries	3 940 285	3 355 236
Social security costs	1 407 378	1 261 925
Depreciation and amortization	419 946	389 760
Restricted funds carried forward	3 132 742	2 150 107
Other expenses	45 342	104 601
TOTAL OPERATING EXPENSES	25 081 385	22 137 064
1. OPERATING INCOME (I - II)	1 065 490	2 919 284
III - FINANCIAL INCOME		
Other interest and similar income	118 300	28 137
Reversals of provisions, depreciations, impairments and transfer of expenditure		1 721
Foreign exchange gains	74 553	41 612
TOTAL FINANCIAL INCOME	192 853	71 470
IV - FINANCIAL EXPENSES		
Depreciation, amortization, impairment and provisions	3 107	
Interest and similar expenses	36 570	38 386
Foreign exchange losses	65 437	76 403
TOTAL FINANCIAL EXPENSES	105 115	114 790
2. FINANCIAL INCOME (III - IV)	87 738	-43 320
3. INCOME FROM ORDINARY ACTIVITIES BEFORE TAXES (I - II + III - IV)	1 153 228	2 875 964
V - EXTRAORDINARY INCOME		
On management operations	13 023	1 465
TOTAL EXTRAORDINARY INCOME	13 023	1 465
VI - EXTRAORDINARY EXPENSES		
On management operations	23 112	4 567
Amortization, depreciations and provisions	510 350	
TOTAL EXTRAORDINARY EXPENSES	533 462	4 567
4. EXTRAORDINARY EXPENSES (V - VI)	-520 440	-3 103
Tax on profits (VIII)	320	368

INCOME STATEMENT	2021	2020
TOTAL INCOME (I + III + V)	26 352 751	25 129 282
TOTAL EXPENSES (II + IV + VI + VII + VIII)	25 720 283	22 256 789
SURPLUS OR DEFICIT	632 468	2 872 493
VOLUNTARY CONTRIBUTIONS IN KIND		
Donations in kind	1 257 180	208 344
Services provided in kind	2 074 061	1 022 994
Volunteering	1 648 350	977 683
TOTAL	4 979 591	2 209 021
EXPENSES FOR VOLUNTARY CONTRIBUTIONS IN KIND		
Donations in kind	1 257 180	208 344
Services provided in kind	2 074 061	1 022 994
Volunteer staff	1 648 350	977 683
TOTAL	4 979 591	2 209 021

APPENDIX TO THE 2021 FINANCIAL STATEMENTS

Preamble

The financial year ending 12/31/2021 has a duration of 12 months. The accounts are drawn up in euros.

As at December 31, 2021, the balance-sheet total before allocation of earnings was € 35,103,032.

The financial year shows a surplus of € 632,468.

The information given below is 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 means used

Purpose of the organization

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

Social missions

- To provide medical care in France or abroad for children and mothers who cannot get treatment in their own countries due to lack of technical and financial means and specialist know-how;
- 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 healthcare 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 by 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.

Means used

- Collaboration with international organizations, local authorities, public and private bodies in France and abroad;
- Partnership with any other body or association pursuing goals similar to ours, in France or abroad;
- Encouraging the creation in foreign countries of other organizations with the same goal;
- 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 of the year

None

Note 3: Post balance sheet events

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

Note 4: General valuation rule

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

- ANC n° 2018-06 of December 5, 2018 as amended by ANC regulation n° 2020-08 on the annual financial statements of private not-for-profit legal entities;
- ANC n° 2014-03 of June 5, 2014, as amended, relative to the general chart of accounts for provisions not covered by ANC regulation n° 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 principles from one financial year to the next;
- Independence of financial years.

Note 5: Change in presentation, valuation or accounting methods

None

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

In the framework 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 regarding the physical condition of the assets,
- the purpose of these acquisitions, made within the framework of the organization's project and meant for permanent local use,
- agreements made 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 are as follows:

GROSS FIXED ASSETS	12/31/2021	Increase	Decrease	12/31/2021
Computer software	128 647	26 400		155 047
Trademarks	19 602			19 602
Intangible fixed assets in progress	39 908	34 430	26 400	47 938
Intangible fixed assets	188 158	60 830	26 400	222 588
Headquarters land	1 380 000			1 380 000
Headquarters building	6 779 041			6 779 041
Headquarters fixtures and fittings	624 970			624 970
Technical installations, plant and equipment	56 202	65 097	39 981	81 318
Transport material	21 021			21 021
Office and computer equipment	81 846	44 571	3 866	122 551
Assets received by legacy or donation held for disposal	1 576 996	237 076	888 139	925 934
Tangible fixed assets	10 520 076	346 744	931 986	9 934 834
Equity interests - CDE Medical Engineering	50 000		50 000	
Deposits and guarantees	6 459	1 824		8 283
Financial fixed assets	56 459	1 824	50 000	8 283
GENERAL TOTAL	10 764 693	409 399	1 008 386	10 165 706

AMORTIZATION	12/31/2020	Increase	Decrease	12/31/2021
Computer software	100 837	32 210		133 047
Trademarks	19 602			19 602
Intangible fixed assets	120 440	32 210		152 650
Headquarters building	1 038 420	271 162		1 309 582
Headquarters fixtures and fittings	121 786	60 017		181 803
Technical installations, plant and equipment	24 367	21 382	23 665	22 084
Transport equipment	8 921	6 729		15 650
Office and computer equipment	33 059	28 446		61 505
Tangible fixed assets	1 226 553	387 736	23 665	1 590 624
GENERAL TOTAL	1 346 993	419 946	23 665	1 743 274

DEPRECIATION	31/12/2020	Increase	Decrease	31/12/2021
Assets received by legacy or donation held for disposal	89 930		88 000	1 930
GENERAL TOTAL	89 930		88 000	1 930

The value of assets from bequests held 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	1 497 359	765 451	731 908	
French Development Agency	1 073 448	341 540	731 908	
European Union	360 292	360 292		
Regional Council of Ile-de-France	31 004	31 004		
Other private donors	32 615	32 615		
Receivables received by bequests or donations	635 837	514 817	121 020	
Other receivables	2 075 504	1 098 011	977 493	
TOTAL	4 208 700	2 378 279	1 830 421	

A provision on the receivable of the affiliated foundation USFC has been made amounting to € 488,750.

Note 7.1: Accrued income

	- 1 year
Suppliers (credit notes receivable)	5 963
Miscellaneous accrued income	7 516
TOTAL RECEIVABLE INCOMER	13 479

Note 8: Prepaid expenses

Prepaid expenses, amounting to € 135,716, 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:

	12/31/2020	Increase	Decrease	31/12/2021
Endowment contract Agéas	1 056 922	4 165		1 061 087
Endowment contract Vie Plus	1 596 244	3 505		1 599 749
Endowment contract Hottinguer	2 000 000		2 000 000	
GENERAL TOTAL	4 653 166	7 670	2 000 000	2 660 836

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.

As at 12/31/2021, the provision amounts to € 46,917.

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: Association funds

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

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

The changes noted during the year were as follows:

Change in association funds	At the start 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	8 334 211	1 432 493	1 432 493					9 766 705
Africa Projects Reserves		500 000	500 000					500 000
COVID Projects Reserves	560 000	-560 000	-560 000					
Madagascar Projects Reserves		1 000 000	1 000 000					1 000 000
Middle East Projects Reserves		500 000	500 000					500 000
Surplus for the year	2 872 493	-2 872 493	-2 872 493	632 468	513 194			632 468
TOTAL	11 766 705			632 468	513 194			12 399 172

The information on the allocation of earnings appears in the minutes of the Annual General Meeting of June 22, 2021.

Note 12: Provisions for risks and charges

Provisions are made for risks at the end of the financial year which have a reasonable probability and are of a significant amount.

The changes noted during the year are as follows:

	12/31/2020	Increase	Decrease	31/12/2021
Provision for risks	380 000	21 600		401 600
TOTAL	380 000	21 600		401 600

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

A provision for Labor Relations Tribunal risk has been made, amounting to € 21,600.

Note 13: Deferred funds

	12/31/2020	Increase	Decrease	12/31/21
Deferred funds relating to bequests and donations	3 794 093	442 674	2 827 018	1 409 749
TOTAL	3 794 093	442 674	2 827 018	1 409 749

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 are as follows:

Changes in restricted funds from:	At the start of the year	Deferrals	Uses	At the end of the year	
				Total amount	of which restricted funds without expense over the two previous years
Operating subsidies					
Afghanistan	253 114	199 245	253 114	199 245	
Burkina Faso	62 973		62 973		
Burkina Faso - Mali		41 410		41 410	
Comoros	181 875			181 875	181 875
Iraq	544 354	2 388 048	45 057	2 887 345	
Jordan	121 242		121 242		
Lebanon	62 929	173 334	62 929	173 334	
Mali - Ivory Coast	134 863	21 591		156 454	
Togo	52 249	21 015	52 249	21 015	
Venezuela	118 855	81 663		200 518	
	1 532 453	2 926 306	597 563	3 861 196	181 875
Resources from public generosity					
France	11 433	10 698		22 131	
Benin	4 746		4 746		
Cambodia		7 000		7 000	
Mali	189 638	65 078	185 872	68 844	
Madagascar		5 249		5 249	
Senegal	86 702	75 792	19 699	142 795	
Togo	658	2 906		3 564	
Other projects	511 098	39 712	511 098	39 712	
	804 274	206 436	721 415	289 295	
TOTAL	2 336 727	3 132 742	1 318 978	4 150 492	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 on 12/31/2021.

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.

The due dates at the end of the year are as follows:

	Amount	Less than 1 year	1 to 5 years	More than 5 years
Financial debts	3 742 188	367 393	1 461 075	1 913 720
Loans	3 733 524	358 729	1 461 075	1 913 720
Other financial liabilities	8 663	8 663		
Miscellaneous liabilities	4 632 648	4 632 648		
Supplier payables and related payables	2 006 363	2 006 363		
Legacy and donation liabilities	151 383	151 383		
Tax and social security liabilities	675 185	675 185		
Other liabilities	1 799 717	1 799 717		
TOTAL	8 374 836	5 000 041	1 461 075	1 913 720

Note 15.1: Accrued expenses

	- 1 year
Supplier payables and related payables	511 703
Fiscal and social liabilities	331 325
Other liabilities	33 098
TOTAL ACCRUED EXPENSES	876 126

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 financial year are as follows:

	Less than 1 year	1 to 5 years	More than 5 years
Projects			
Afghanistan	3 918 000	1 645 333	2 272 667
Burkina Faso - Mali	566 529	266 941	299 588
France	32 615	32 615	
Iraq	2 212 142	2 212 142	
Jordan	650 000	650 000	
Lebanon	595 733	259 200	336 533
Mali / Ivory Coast	227 693	227 693	
Senegal	30 870	30 870	
Togo	44 590	44 590	
Venezuela	89 009	89 009	
TOTAL	8 367 182	5 458 394	2 908 788

Note 17: Detail 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	623 294
Amount for the income entry «Bequests or donations defined in the section 213-9»	663 900
Sale price of assets received by legacy or donation held for disposal	824 392
Reversal of depreciation of assets received by legacy or donations held for disposal	88 000
Use of deferred funds related to bequests or donations	2 827 018
Total income	5 026 604
Expenses	Amount
Net book value of assets received by legacy or donations held for disposal	888 139
Restricted funds related to bequests and donations carried forward	442 674
Total expenses	1 330 812
TOTAL OF THE ENTRY	3 695 791

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 during the financial year 2021 are as follows:

	Amount
French Development Agency	3 000 000
The Crisis and Support Center (MEAE)	2 483 000
The European Commission (ECHO)	650 000
The French embassy in Kenya	3 000
TOTAL	6 136 000

Note 19: Voluntary contributions in kind

During the financial year 2021, La Chaîne de l'Espoir benefited from voluntary contributions in kind, which are presented at the foot of the income statement, and are estimated at € 4,979,591 for FY 2021.

Note 19.1: Volunteering

Numerous surgeons, doctors, nurses, anesthetists and other medical-technical personnel go on volunteer trips in the field throughout the year to contribute to the social missions of the organization.

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

For all these volunteers, precise administrative monitoring allows us to track, by profile, the number of days dedicated to the organization and to calculate their contribution at replacement value. In 2021, 10,226 days were committed to La Chaîne de l'Espoir.

	Number of people	Number of days	Valuation in euros
Board of Directors Volunteers	23	476	166 600
Headquarters Volunteers	45	1 585	326 230
Overseas Program Volunteers	133	1 646	546 370
France Program Volunteers	355	5 707	479 230
Branch Volunteers	67	812	129 920
TOTAL	623	10 226	1 648 350

Note 19.2: Medical consumables and equipment

In 2021, La Chaîne de l'Espoir received a donation of medical products and equipment, estimated at € 965,081, dedicated to aiding the population of Afghanistan. In addition, the value of medical products and equipment collected from various hospitals and laboratories is estimated at € 292,099.

Note 19.3: Services free of charge

During the financial year 2021, La Chaîne de l'Espoir benefited from various services free of charge:

- information messages produced by television and radio stations, estimated at € 1759 506;
- consulting, studies and staff made available for the rehabilitation of the operating theater on the site of the Centre Hospitalier de Soavinandriana (CENHOSOA) in Antananarivo, Madagascar, estimated at € 278, 998;
- advice on strategic reflection, estimated at € 5,140;
- plane tickets worth € 23,750.

The total amount of these services is therefore € 2, 067, 394.

Note 19.4: Skills-based sponsorship

During the financial year 2021, La Chaîne de l'Espoir benefited from the services of external collaborators made available to us, services estimated at € 6,667.

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 in accordance with that prescribed by the international accounting standard IAS 19.

The end-of-career indemnity for the staff present on December 31, 2021 was estimated at €121, 460.

This amount did not result in the recognition of a provision in the financial statements for the year ended December 31, 2021.

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: 0,98 %
- Retirement age: 67 years (for everyone)
- Applicable collective agreement: none (provisions of the labor code)

Note 20.2: Commitments made on projects

In the framework of its Cooperation Program with the Republic of Iraq, represented by its Ministry of Health, signed on 11/25/2020, La Chaîne de l'Espoir is the «delegated project owner» for the construction of a hospital in Sinjar. A construction contract was therefore signed with the ZOZIK company on 10/28/2021 for the amount of K\$ 7,881 as well as a contract for project superintendent of execution with the KHATIB & ALAMI company signed on 01/06/2022 for the amount of K\$ 896. Construction works are planned from January 2022 to August 2023, assuming there are no unanticipated risks or delays.

Note 21: Workforce

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.

	2021	2020	2019
Executives	35	30	29
Non-executives	20	23	19
TOTAL WORKFORCE	55	53	48

As at 12/31/2021, the organization also had 95 employees in the field.

Note 22: Audit fees

The auditor's fees to certify the financial statements for the year 2021 were € 18,450 including tax, and € 10,400 including tax 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 2021 amounts to € 41,136.

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

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 2021, the total gross annual remuneration and benefits paid were € 220, 053.

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

The CROD is drawn up according to the regulatory template ANC n°2018-06.

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 of use : 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 includes the following types of expenses:
- possible expenses reimbursed to the host family (volunteer work), hospital visit, convalescence...;
- hospital costs (stay, surgery...) in Paris and/or in the provinces;
- transport (ambulances, flights...);
- ancillary costs : tests, medication, X-rays...;
- 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 overseas :

- 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;
- payment 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 functioning of the organization and the general services of the headquarters of La Chaîne de l'Espoir.

Note 25: Annual use-of-funds statement (CER)

The CER for the year 2021 is based on the regulatory template ANC n°2018-06.

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.

Voluntary contributions in kind

See second part of the CROD.

INCOME STATEMENT BY ORIGIN AND DESTINATION	2021		2020	
	Total	Of which public generosity	Total	Of which public generosity
A - INCOME AND EXPENSES BY ORIGIN AND DESTINATION				
INCOME BY ORIGIN				
1 - INCOME FROM PUBLIC GENEROSITY	18 081 875	18 081 875	17 994 825	17 994 825
1.1 Unmatched contributions	40	40	880	880
1.2 Doations, bequests and sponsorship				
- Individual donations	12 798 871	12 798 871	12 276 590	12 276 590
- Bequests, donations and life insurance	3 695 791	3 695 791	4 072 308	4 072 308
- Sponsorship	1 463 877	1 463 877	1 617 019	1 617 019
1.3 Other income from public generosity	123 297	123 297	28 028	28 028
2 - INCOME NOT RELATED TO PUBLIC GENEROSITY	196 461		95 686	
2.1 Matching contributions				
2.2 Corporate sponsorship				
2.3 Unmatched financial contributions				
2.4 Other income not related to public generosity	196 461		95 686	
3 - SUBSIDIES AND OTHER PUBLIC AID	6 755 437		5 795 985	
4 - REVERSALS OF PROVISIONS AND IMPAIRMENTS			1 721	1 721
5 - USE OF PREVIOUS RESTRICTED FUNDS	1 318 978	721 415	1 241 064	640 252
TOTAL	26 352 751	18 803 290	25 129 282	18 636 798
EXPENSES BY DESTINATION				
1 - SOCIAL MISSIONS	16 261 758	11 848 719	14 387 213	9 340 885
1.1 Undertaken in France	1 392 564	1 392 564	904 400	904 400
- Actions undertaken by the body	1 333 973	1 333 973	694 242	694 242
- Payment to a central body or other bodies operating in France	58 591	58 591	210 158	210 158
1.2 Undertaken abroad	14 869 194	10 456 155	13 482 813	8 436 485
- Actions undertaken by the body	12 565 899	8 678 132	10 030 257	6 777 989
- Payments made to a central body or other bodies operating abroad	2 303 295	1 778 023	3 452 556	1 658 497
2 - FUNDRAISING EXPENSES	5 024 874	5 024 497	4 945 960	4 926 009
2.1 Public appeal costs	5 009 046	5 009 046	4 705 743	4 705 743
2.2 Research costs for other resources	15 828	15 451	240 217	220 266
3 - OPERATING EXPENSES	787 132	721 695	773 142	696 738
4 - PROVISIONS AND DEPRECIATION	513 457	488 750		
5 - CORPORATE TAX	320		368	
6 - RESTRICTED FUNDS CARRIED FORWARD FOR THE YEAR	3 132 742	206 436	2 150 107	799 528,41
TOTAL	25 720 283	18 290 097	22 256 789	15 763 161
SURPLUS	632 468	513 194	2 872 493	2 873 638

INCOME STATEMENT BY ORIGIN AND DESTINATION	2021		2020	
	Total	Of which public generosity	Total	Of which public generosity
B - VOLUNTARY CONTRIBUTIONS FROM THE PUBLIC				
INCOME BY ORIGIN				
1 - VOLUNTARY CONTRIBUTIONS FROM PUBLIC GENEROSITY				
Volunteering	1 648 350	1 648 350	977 683	977 683
Services in kind	2 074 061	2 074 061	1 022 994	1 022 994
Donations in kind	1 257 180	292 099	208 344	208 344
2 - VOLUNTARY CONTRIBUTIONS NOT FROM PUBLIC GENEROSITY				
3 - PUBLIC GRANTS IN KIND				
Services in kind				
Donations in kind				
TOTAL	4 979 591	4 014 510	2 209 021	2 209 021
EXPENSES BY DESTINATION				
1 - VOLUNTARY CONTRIBUTIONS TO SOCIAL MISSIONS				
Undertaken in France	479 230	479 230	336 480	336 480
Undertaken abroad	2 106 298	1 141 217	409 027	409 027
2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING	1 889 426	1 889 426	1 098 029	1 098 029
3 - VOLUNTARY CONTRIBUTIONS TO OPERATIONS	504 637	504 637	365 485	365 485
TOTAL	4 979 591	4 014 510	2 209 021	2 209 021

ANNUAL STATEMENT FOR THE USE OF FUNDS COLLECTED FROM THE PUBLIC (LAW N° 91-772 OF AUGUST 7, 1991)

USES BY DESTINATION	2021	2020
EMPLOIS DE L'EXERCICE		
1 - SOCIAL MISSIONS	11 848 719	9 340 885
1.1 Undertaken in France	1 392 564	904 400
- Actions undertaken by the body	1 333 973	694 242
- Payments to a central body or other bodies operating in France	58 591	210 158
1.2 Undertaken abroad	10 456 155	8 436 485
- Actions undertaken by the body	8 678 132	6 777 989
- Payments to a central body or other bodies operating abroad	1 778 023	1 658 497
2 - FUNDRAISING EXPENSES	5 024 497	4 926 009
2.1 Public appeal costs	5 009 046	4 705 743
2.2 Research costs for other resources	15 451	220 266
3 - OPERATING EXPENSES	721 695	696 738
TOTAL USES	17 594 911	14 963 632
4 - PROVISIONS AND DEPRECIATION	488 750	
5 - RESTRICTED FUNDS CARRIED FORWARD FOR THE YEAR	206 436	799 528
PUBLIC GENEROSITY SURPLUS FOR THE YEAR	513 194	2 873 638
TOTAL	18 803 290	18 636 798

VOLUNTARY CONTRIBUTIONS IN KIND	2021	2020
USES FOR THE YEAR		
1 - VOLUNTARY CONTRIBUTIONS TO SOCIAL MISSIONS		
Undertaken in France	479 230	336 480
Undertaken abroad	2 106 298	409 027
2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING	1 889 426	1 098 029
3 - VOLUNTARY CONTRIBUTIONS TO OPERATIONS	504 637	365 485
TOTAL	4 979 591	2 209 021

RESOURCES BY ORIGIN	2021	2020
RESOURCES FOR THE YEAR		
1 - RESOURCES FROM PUBLIC GENEROSITY	18 081 875	17 994 825
1.1 Unmatched contributions	40	880
1.2 Donations, bequests and sponsorships		
- Individual donations	12 798 871	12 276 590
- Bequests, donations and life insurance	3 695 791	4 072 308
- Sponsorships	1 463 877	1 617 019
1.3 Other resources from public generosity	123 297	28 028
TOTAL RESOURCES	18 081 875	17 994 825
2 - REVERSALS OF PROVISIONS AND IMPAIRMENTS		1 721
3 - USE OF PREVIOUS DEDICATED FUNDS	721 415	640 252
PUBLIC GENEROSITY DEFICIT FOR THE YEAR		
TOTAL	18 803 290	18 636 798
RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE START OF THE YEAR (EXCLUDING RESTRICTED FUNDS)	11 607 877	8 894 211
(+) Surplus or (-) shortfall of public generosity	513 194	2 873 638
(-) Net investments and (+) divestments related to public generosity during the year	73 890	159 972
RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE END OF THE YEAR (EXCLUDING RESTRICTED FUNDS)	12 047 181	11 607 877

VOLUNTARY CONTRIBUTIONS IN KIND	2021	2020
RESOURCES FOR THE YEAR		
1- VOLUNTARY CONTRIBUTIONS FROM PUBLIC GENEROSITY		
Volunteering	1 648 350	977 683
Services in kind	2 074 061	1 022 994
Donations in kind	1 257 180	208 344
TOTAL	4 979 591	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.

FUNDS DEDICATED TO THE PUBLIC'S GENEROSITY	2021	2020
FUNDS DEDICATED FROM THE PUBLIC'S GENEROSITY AT THE BEGINNING OF THE FISCAL YEAR	804 274	644 998
(-) Use	514 979	
(+) Deferral		159 276
FUNDS DEDICATED TO THE PUBLIC'S GENEROSITY AT YEAR-END	289 295	804 274

Statutory auditor's report on the financial statements

For the year ended 31 December 2021

To the General Assembly of La Chaîne 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 2021.

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 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the «Statutory Auditor's Responsibilities for the Audit of the 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 2021 to the date of our report.

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.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the 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, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

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.

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, 16 June 2022
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, 2021

To the General Assembly of La Chaîne 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 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 € 41,136 for the period from January 1, 2021 to December 31, 2021.

Agreement with the French Medical Institute for Children-FMIC, Afghanistan

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, 2021 amount to € 2,075,243.

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, 2021 amounts to € 526,816.

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

Directors concerned:

Eric CHEYSSON, Emile DINET, Sylvain CHAUVAUD

The amount recognized as a cash advance as of December 31, 2021 amounts to € 20,000.

Paris-La Défense, June 16, 2022

The Statutory Auditor

French original signed by

Deloitte & Associés

Djamel Zahi



**La chaîne
de l'espoir**

Together, let's save children

La Chaîne de l'Espoir

56, rue des Morillons
CS 17938

75730 Paris Cedex 15

+33 1 44 12 66 66

www.chainedelespoir.org

