

ALLIANCE FOR INTERNATIONAL MEDICAL ACTION (ALIMA)

Association loi 1901

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AUDITOR REPORT ON STATUTORY ACCOUNTS

EXERCICE CLOSED THE 31/12/2019

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1. Opinion on the annual accounts

Under the terms of the assignment entrusted to us by your annual general assembly, we submitted a "deficiency" report on June 8, 2020, in which we indicated the impossibility of carrying out the audit of the financial statements and annual report, as these had not been produced within the statutory time-limits. Given that they were communicated to us after that date, we have been able to audit the annual accounts of the ALIMA association for the year ended December 31, 2019, as attached to this report. These financial statements were approved by your Board of Directors on the basis of the information available at that date in the context of the evolving health crisis linked to Covid19.

We certify that the consolidated accounts provide, in accordance with French accounting rules and principles, a fair and accurate view of the results of operations, of the financial situation and of the assets of the association at the end of the financial year under review.

2. Basis of the audit 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 audit opinion.

Our responsibilities under these standards are set out in the section of this report entitled: "Auditor's Responsibilities for the Audit of the Annual Accounts".

Independence

We carried out our audit mission with due regard to the principle of independence, from January 1, 2019 to the date of issuance of this report, and we did not provide services which are prohibited by the statutory auditors' code of ethics.

Significant Going Concern Uncertainty

Without qualifying the opinion expressed above, we draw your attention to the significant uncertainty related to events or circumstances that could call into question the association's ability to continue as a going concern, as described in Note 18 "Post-balance sheet events" to the financial statements.

Observation

Without qualifying our opinion, we draw attention to note n°10 " Titres associatifs" to the financial statements.

Justification of our assessments

In application of the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw to your attention the following matters:

- Your association set aside reserves to cover the risks of calling into question the eligibility of the project expenditure financed by donors, as described under Note 7 in the appendix to the annual accounts. Our work consisted of assessing the data and assumptions on which these estimates are based, comparing the accounting estimates with the historical data from the project audits, and examining senior management's procedures for approving these estimates.
- Note 6 in the appendix to the annual accounts entitled "Projects resources and expenditure" sets out the rules and methods of accounting for donors' grants. As part of our assessment of the accounting principles applied by your association, we examined the way in which donors' financial contributions were linked to the result of the association and we made sure that Note 8 in the appendix of the annual accounts provided appropriate information on the distribution of funds to be received and committed for each donor.



The appreciations thus given are based on our audit of the annual accounts, taken as a whole and thus contributed to shaping our opinion expressed in the first part of this report.

Audit of the financial report and other documents addressed to members of the general assembly.

In accordance with the professional standards applicable in France, we also carried out specific checks required by law.

We have no comment to make as to the fair presentation and the consistency with the annual accounts of the information given in the financial report drawn up by the treasurer and in all other documents addressed to the members of the general assembly regarding the financial situation and the annual accounts.

With regard to the events that have occurred and the elements known after the closing date of the financial statements relating to the effects of the covid 19 crisis, management has informed us that they will be the subject of a communication to the General Meeting called to approve the financial statements.

3. Responsibilities of management and other members of the governing body relating to the annual accounts

It is the management's responsibility to prepare annual accounts presenting a true and fair view in accordance with French accounting rules and principles and to set up the internal control system necessary for the preparation of annual accounts free of material misstatement, whether resulting from fraud or errors.

When preparing the annual accounts, it is the management's responsibility to assess the ability of the association to continue its operations, and to present in these accounts, as the case may be, the necessary information relating to the continuity of operations and to apply the accounting policy for a going concern, unless it intends to liquidate the association or cease its activity.

The annual accounts have been adopted by the board of directors.

4. Responsibilities of the statutory auditor for the audit of annual accounts

It is our responsibility to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the financial statements taken as a whole are free of material misstatements. Reasonable assurance corresponds to a high level of assurance; however, it is not guaranteed that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Misstatements may arise from fraud or error and are deemed material when it can reasonably be expected that they, whether individually or in the aggregate, may influence the economic decisions that account users take in the course of business.

As specified by Article L.823-10-1 of the French Commercial Code, our duty is to audit the accounts and it is not to guarantee the quality or sustainability of the association.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises his or her professional judgment throughout this audit. In addition:

- The auditor identifies and assesses the risks that the annual accounts may contain material misstatements, whether due to fraud or error, he or she defines and implements audit procedures to address such risks and collects information he or she considers sufficient and appropriate to form the basis of their opinion. The risk of not detecting a material misstatement from fraud is higher than that of a material misstatement resulting from an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumventing internal control;
- The auditor uses the understanding of internal control relevant to the audit to define appropriate audit procedures and not to express an opinion on the effectiveness of the internal control procedures;
- The auditor assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, and all related information provided in the annual accounts;



- The auditor assesses the appropriateness of management's application of the going concern accounting policy and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances likely to jeopardize the association's ability to continue operating. This assessment is based on the information gathered up to the date of the report, however it is recalled that subsequent circumstances or events could jeopardize the continuity of operations. If the auditor concludes that there is significant uncertainty, he or she draws the readers' attention to the information provided in the annual accounts about this uncertainty or, if this information is not provided or is not relevant, the auditor formulates a qualified certification or a refusal to certify;
- The auditor assesses the overall presentation of the annual accounts and assesses whether the annual accounts reflect the underlying transactions and events so as to give a true and fair view.

Paris 18th of June 2020

Pour **DONNADIEU & ASSOCIES**,
Ludovic DONNADIEU



Commissaire aux comptes

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ASSET BALANCE SHEET in EUR €

		Exercise N, closed on :			
		31/12/2019		31/12/2018	
		BRU T 1	Depreciation and amortization 2	Net 3	Net 4
INTAGIBLE ASSET	INTANGIBLE ASSETS	Concessions, patents and similar rights			
		35 411	12 737	22 674	25 847
	TANGIBLE ASSETS	Fields Construction			
		683 832	250 631	433 202	137 886
					23 007
					373 700
	FINANCIAL ASSETS (2)	Participations Receivables From equity interests T.I.A.P Other fixed securities Loan Other financial			
		20 000		20 000	20 000
		110 046		110 046	69 137
	Total (I)		849 289	263 368	585 922
CURRENT ASSET	STOCKS	Merchandises			
		70 295		70 295	97 872
	RECEIVABLE	Advance payments Attached accounts Other Current assets			
		22 142		22 142	15 916
		9 775 376		9 775 376	5 926 121
	MISCELL	V.M.P. Liquidities			
	16 470		16 470	16 470	
	5 612 645		5 612 645	6 398 260	
ACCOUNTS OF REGULARISATION	Prepaid expenses (3)				
		221 289		221 289	83 859
	Total (II)	15 718 217		15 718 217	12 538 499
GENERAL TOTAL (I to V)		16 567 506	263 368	16 304 139	13 188 075





Balance sheet Liabilities & Equities in EUR €

		31/12/2019	31/12/2018
ASSOCIATIVE FUNDS AND RESERVES	UNRESTRICTED NET ASSETS		
	Reserves	1 105 047	1 004 640
	Net Result for this exercise	158 520	100 408
	Total (I)	1 263 568	1 105 047
OTHER ASSOCIATIVE FUNDS	Social Bounds	2 000 000	2 000 000
	Total (II)	2 000 000	2 000 000
PROVISIONS	Risk Accruals	407 967	270 249
	Total (III)	407 967	270 249
DEBTS	Long term Debt	530 826	770 935
	Financial Debt	4 896	11 209
	Supplier Debt	1 045 191	1 273 310
	Social & fiscal Debt	789 945	917 669
	Debts on fixed assets and related accounts	808	
	Other debts	886 921	744 867
Regularisation	Deferred Income	9 374 019	6 094 789
Total (IV)		12 632 604	9 812 779
(V)			
GENERAL TOTAL (I to V)		16 304 139	13 188 075
Maturity of Loans			
References	(1) Of which more than	271 127	363 379
	one year Of which	12 361 477	9 449 400
	less than one year	271 205	397 935



INCOME STATEMENT in EUR €

				31/12/2019	31/12/2018
Number of months in the period				12	12
OPERATING INCOMES			1 - France	Total	Total
	Sales of goods				
	Production sold	goods	349 985	349 985	
		services	10 075	10 075	3 703
	NET TURNOVER (4)		360 060	360 060	3 703
	Operation Grants			59 479 465	43 999 435
	Provision Recovery			64 859	103 261
	Contributions			4 290	3 403
	Donations			1 341 472	969 547
	Other products			160 246	190 106
Total operating Income (1) (I)			61 410 393	45 269 455	
OPERATIONAL COSTS	Purchases of Merchandises (including customs duties)			316 430	
	Other purchases and external charges taxes & Duties			36 999 047	28 025 310
				140 365	137 104
	Salaries & Wages			21 824 854	15 957 275
	Social Costs			1 349 231	704 544
	current assets Impairment of current assets			132 586	60 864
				137 718	168 428
	Other expenses			424 082	105 066
	Total operating expenses (2) (II)			61 324 313	45 158 592
	1 - OPERATING INCOME (I - II)				86 080
OPERATI					
FINANCIAL PRODUCTS	Gain on Foreign Changes			186 781	202 245
	Total financial income (V)			186 781	202 245
FINANCE CHARGES	Interest Payables & Similar Charges			82 965	106 455
	Losses on Foreign exchange			46 176	106 245
	Total financial expenses (VI)			129 140	212 700
2 - FINANCIAL RESULT (V - VI)				57 641	-10 455
3 - CURRENT RESULT BEFORE TAXES (I-II+III-IV+V-VI)				143 721	100 408



**INCOME
STATEMENT
in EUR €**

		31/12/2019	31/12/2018
EXCEPTIONAL INCOMES	Exceptional Incomes on operations	17 543	
	Total exceptional income (VII)	17 543	
EXCEPTIONAL CHARGES	Exceptional expenses on operations	2 744	
	Total extraordinary expenses (VIII)	2 744	
4 - EXCEPTIONAL INCOME (VII - VIII)		14 800	
(IX)			
(X)			
(XI)			
TOTAL INCOMES (I+III+V+VII+X)		61 614 717	45 471 700
TOTAL EXPENSES (II+IV+VI+VIII+IX+XI)		61 456 197	45 371 292
5 - NET RESULT (total revenue - total expenses) (15)		158 520	100 408

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General accounting rules

The annex of the ALIMA association is an integral part of its annual accounts.

The financial year of the Association is twelve months, covering the period from 01/01/2019 to 31/12/2019. The annual accounts are approved by the Board of Directors.

The balance sheet amounts to €16,304,139. The income statement for the year shows a net result of €158,520.

1/ ACCOUNTING RULES AND METHODS

The accounts of the ALIMA Association at 31/12/2019 have been established, in euros, in accordance with the rules as laid down by the PCG, the association chart of accounts (CRC regulation n°1999-01) and subsequent regulations.

The general accounting conventions were applied, in compliance with the principle of prudence, in accordance with the basic assumptions:

- o The Continuity of exploitation,
- o Permanence of accounting methods,
- o The Independence of exercises, and in accordance with the general rules for the preparation and presentation of annual accounts.

The basic method adopted for the evaluation of the items entered in the accounts is the historical cost method.

2/ ASSETS & IMPAIRMENT

Intangible and tangible assets are evaluated at their acquisition cost (purchase price and accessory).

The association does not own any fixed assets that can be subdivided.

The depreciation periods used (useful life), using the straight-line method, are as follows:

Brands: not amortised

Software: 3 years (no residual value retained)

Installations, fixtures and fittings: 3 to 6 years (no residual value retained)

Cars: 4 years (no residual value retained)

Office and computer equipment: 3 to 4 years (no residual value retained)

Furniture: 6 to 8 (no residual value retained).

Financial fixed assets concern the shares of the subsidiary IT4Life SASU and deposits and guarantees paid. They are depreciated when their current value is lower than their Net carrying value

3/ STOCKS

At 31/12/2019, the inventory item includes "CUBE" acquired by the association and not yet disposed of or used in the field. The cost of entry is determined using the purchase cost method.

A provision for depreciation of inventories, equal to the difference between the gross value (determined as above) and the current market price or realizable value (less proportionate selling costs), is made when this gross value is higher than the other term reported.



4/ RECEIVABLES AND OTHER RELATED POST

At 31/12/2019, the receivables post is mainly composed of receivables and accrued income relating to project financing. It also includes donations received in N+1 for the year ended.

Receivables are valued at their nominal value. In the case of an inventory value that is lower than the gross value recorded, a depreciation is recorded up to that amount. At 31 December 2019, no impairment was recorded.

5/ TAXES AND SOCIAL DEBTS

Taxes and social debts at the end of the year are made up of current social security debts linked to the association's activity (debts to social security organisms) for contributions relating to salaries, etc.).

6/ PROJECT RESOURCES AND EXPENDITURE

The association implements, with the financial support of private or public Donors, most often European or international, projects or programs of action in the field (Niger, Mali, Chad, etc.).

The financial contributions allocated by these Donors are designed to cover the expenses incurred by the association mainly in the field and, where appropriate, accessory running costs.

At the end of the financial year, the criteria used to determine the allocation was the actual commitment of expenses, and the allocation was made for the 2019 financial year:

- o The expenditure effectively incurred in 2019;
- o The resources needed to cover all the expenses incurred for 2019 and the quote part of operating costs.

In practice, at the closing, corresponding " income receivable" (resources; PAR) is thus recorded and resources received relating to expenditure implemented during the following financial year(s) are recorded as "deferred income" (PCA) at the closing. During the financial year, as receipts are recorded as income on the date they are received, these PAR and PCA are then determined based on the receipts received.

Expenses incurred during the period and which will be consumed during the following period(s), such as (significant) deliveries of medicines that have taken place at the end of the period, are recorded as "prepaid expenses" (CCA) at the end of the period. And symmetrically for the recognition of " unreceived bills " (expenses NPF).

7/ PROVISIONS FOR RISKS AND CHARGES

For all projects and related expenditure, during an audit carried out after the event by the donor(s) concerned, it may turn out that some of the expenditure incurred is totally or partially questioned and is not considered eligible by the donor(s); in this case, it remains the responsibility of the association.

In light of the association's history, this risk is limited in practice. Since the 2014 financial year, considering the significant increase in volumes of activity and contracts, the association has recorded a provision for risks and charges relating to this issue.

For the 2019 closing, its evaluation leads to a total provision of 407,967 euros.

168,428 euros at 31/12/2018, the provision for the 2019 financial year comes to 137.718 euros





8/ PCA AND PAR

The PARs as mentioned above are detailed as follows by donor at 31/12/2019 (in euros):

AFD	547 249
BEKOU	1 270 814
ECHO	1 254 330
HUMANITARIAN FUNDS	194 882
INSERM	136 454
OFDA	3 544 789
OMS	20 257
SICK KIDS	16 835
TMG	1 176 861
UNICEF	158 904
USAID	138 407
Total PAR 31/12/2019	8 459 782

The others PARs concern donations for an amount of 177,526 euros.



The PCAs as mentioned above are broken down as follows by donor as at 31/12/2019 (in euros):

AFD	21 719
AMADE	38 369
Others	11 434
BEKOU / RELSUDE	1 420 969
CDC	2 971
CDCS	246 371
CERF/WHO	98 299
DUE	967 854
ECHO	3 125 179
EDCTP	590 746
ELMA	68 043
THE INNOCENT FOUNDATION	20 006
GATES	304 243
IMI2	70 574
INSERM	20 435
MONACO	96 387
OFDA	169 629
OXFORD	4 666
PAUL G ALLEN FAMILY FOUNDATION	207 634
R2HC - ELRHA	233 689
UNICEF	553 469
UNICEF-CERF	8 895
UNITAID	893 397
USAID - FFP	71 315
VITOL	127 726
Total PCA 31/12/2019	9 374 019

9/ VARIATION IN OWNERS' EQUITY, DEDICATED FUNDS

The change in owner's equity is exclusively due to the result of the financial year. For this year, as no resources received corresponded to the regulatory definition of dedicated funds, no movement of this nature was recorded at 31 December 2019.

10/ SOCIAL BOUNDS

The Association's issue of Social bounds for a total amount of 2 million euros bearing interest at a rate that may



not exceed the legal maximum rate provided for in Article L.213-13 of the French Monetary and Financial Code (the "associative titles") was authorised by a resolution of the General Meeting of Shareholders on 22 October 2016.

The issue was carried out in 2017 for qualified investors. The securities bear fixed annual interest from the issue until redemption, which is expected to take place between the end of 2024 and the end of 2025.

They are recorded in account 1671000 and, as an exception to accounting regulations, are shown under "Other associative funds" in the balance sheet. Accrued interest is shown under "financial debt".

11/ ANNUAL USE OF RESOURCES ACCOUNT (CER)

During the 2019 financial year, the association collected donations from the public, via its website and also through more targeted, individualized approaches.

The association did not draw up an annual account of the use of resources collected from the public for the 2019 financial year. Decree no. 2019-504 of 22 May 2019 setting the thresholds for the prior declaration and establishment of the annual account of use of resources collected from the public by organisations making public appeals for generosity stipulates that the threshold above which an organisation is required to draw up an annual account of use of resources collected from the public is applicable to financial years ending on or after 1 June 2020.

12/ FOREIGN EXCHANGE DIFFERENCES - FIELDS

NCA Règlement 2015-05 provides that certain foreign exchange differences are classified as operating income and not as financial income.

The association has decided to include in operating income the exchange differences related to conversions into field currencies carried out in the missions, i.e. income of 545,159 euros.

13/ VOLUNTARY CONTRIBUTIONS IN NATURE

The association benefits from voluntary contributions in nature from certain partners, corresponding to supplies, medicines, nutritional inputs and equipment for interventions in the field. The accounts closed on 31/12/2019 do not record these voluntary contributions as they have not been the subject of a precise and exhaustive financial evaluation.

14/ INVESTMENTS ALLOCATED TO THE FIELD

Except when acquired with own equity capital, vehicles and computers to the extent that they are subject to accelerated wear and tear, and buildings and equipment to the extent that they are not intended to be retained, are recognised directly in the expense accounts of the countries of intervention.

15/ CUBE

Operations related to "CUBE" (Chambre d'Urgence Biosécurisée pour Epidémies - Biosecure Emergency Care Unit for Outbreaks); autonomous, easily transportable treatment unit for highly infectious diseases) are accounted for in 607 / 707.

Only the cost of direct purchases is recorded as an expense and the amount financed by donors for field operations (valuation for direct and indirect expenses) is recorded as income.



16/ FEES EXTERNAL AUDIT (Commissaire aux comptes – CAC)

The CAC's fees amount to €44,767 excluding VAT for 2019, including €17,000 for the legal certification of the 2019 accounts mission and €27,767 excluding VAT invoiced as SACC.

17/ OTHERS INFORMATIONS

Volunteering

The association benefits from the participation of volunteers. The accounts closed on 31/12/2019 do not record the voluntary contributions received by the association in terms of volunteer work as they could not be evaluated financially.

Retirement commitments

The accounts closed on 31/12/2019 do not record any provisions for retirement commitments, and the association has not made any payments to any institution managing these services.

Social security charges and taxes for certain employees in the field

Among the human resources, for its operations in the field (country of intervention), ALIMA uses personnel covered by local law. In accordance with the legislation in the country concerned, this category of staff must pay individually and personally the contributions, taxes and other taxes due in relation to the remuneration received. They are responsible for the declaration of these amounts and the related payments.

Executive compensation

The Association allocates remuneration to its executives in accordance with the provisions of Article 261, 7-1°-d of the General Tax Code. In accordance with §180 of the BOI-IS-CHAMP-10-50-10-20, this remuneration is indicated in an annex to the accounts.

18/ POST-CLOSING EVENTS

The health crisis linked to covid-19 and the promulgation of the state of health emergency by the emergency law n° 2020-290 of 23 March 2020 marked a major event.

At the date of the closing of its accounts, the association considered that this situation was a post-closing event unrelated to a situation existing at 31 December 2019. Consequently, the association has not made any adjustment to its financial statements for the year ended December 31, 2019 in order to take into account this event. In accordance with the provisions of the PCG on the information to be mentioned in the annex, the association notes that this health crisis is having an impact on its activity.

The association does not have a precise and global estimate of this impact for the year 2020 at the time of preparing its accounts.

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