

## **Financial Statement**

# **INTERNATIONAL UNION AGAINST TUBERCULOSIS AND LUNG DISEASE**

Financial year from 01/01/2020 to 31/12/2020

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BALANCE SHEET- ASSETS	From 01/01/2020 to 31/12/2020			As of 31/12/2019
	Gross	Amort. Prov.	Net	Net
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Set-up costs				
Research and development costs				
Temporary gifts of usufruct				
Concessions, patents and similar rights	181 842	181 842		
Other intangible assets	346 030	346 030		18 015
Intangible assets in progress				
Advances and deposits on intangible assets				
<b>Tangible assets</b>				
Land	1 864 533		1 864 533	1 864 533
Buildings	3 112 207	2 163 212	948 995	1 078 583
Technical installations, industrial equipment and tools				
Other tangible assets	2 118 538	1 953 648	164 890	233 500
Property, plant and equipment in progress				
Advances and deposits on tangible fixed assets				
Assets received by bequest or donation and intended to be disposed of				
<b>Financial assets</b>				
Participations and related receivables				
Other fixed assets				
Loans	13 579		13 579	14 305
Other financial assets	25 139		25 139	25 439
<b>TOTAL I</b>	<b>7 661 868</b>	<b>4 644 732</b>	<b>3 017 136</b>	<b>3 234 375</b>
Liaison accounts <b>II</b>				
<b>Current assets</b>				
Stocks and work in progress				
<b>Receivables</b>				
Receivables from customers, users and related accounts	917 776	424 890	492 886	719 268
Receivables from bequests or donations				
Other	3 839 743	1 430 456	2 409 286	1 782 259
Investment securities				
Liquidity instruments				
Availability	5 667 815		5 667 815	7 372 728
Prepaid expenses	31 724		31 724	2 072 921
<b>TOTAL III</b>	<b>10 457 058</b>	<b>1 855 346</b>	<b>8 601 712</b>	<b>11 947 176</b>
Debt issuance costs <b>IV</b>				
Bond redemption premiums <b>V</b>				
Foreign Exchange translation <b>VI</b>	<b>108 922</b>		<b>108 922</b>	<b>1 584 509</b>
<b>GENERAL TOTAL (I+ II+ III+ IV+ V + VI)</b>	<b>18 227 848</b>	<b>6 500 078</b>	<b>11 727 771</b>	<b>16 766 060</b>

<b>BALANCE SHEET - LIABILITIES</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Own funds</b>		
<b>Equity without right of withdrawal</b>		
Statutory own funds		
Additional own funds	858 000	858 000
<b>Own funds with right of withdrawal</b>		
Statutory own funds		
Additional own funds		
Revaluation differences	1887 396	1887 396
<b>Reserves</b>		
Statutory or contractual reserves		
Reserves for entity projects		
Other reserves	429 820	429 820
Retained earnings	- 12 097 753	- 8 479 679
Surplus or deficit for the year	- 5 858 294	- 3 618 074
<b>Net position</b>	<b>- 14 780 831</b>	<b>- 8 922 537</b>
Consumable equity		
Investment grants		
Regulated provisions		
<b>TOTAL I</b>	<b>- 14 780 831</b>	<b>- 8 922 537</b>
Liaison accounts <b>II</b>		
<b>Deferred and dedicated funds</b>		
Deferred funds related to legacies or donations		
Dedicated funds	6 907 705	6 241 050
<b>TOTAL III</b>	<b>6 907 705</b>	<b>6 241 050</b>
<b>Provisions</b>		
Provisions for risks	524 009	402 252
Provisions for charges	100 906	118 116
<b>TOTAL IV</b>	<b>624 916</b>	<b>1 520 368</b>
<b>Borrowings and debts</b>		
Bonds and similar debt instruments		
Loans and debts to credit institutions	441 068	3 878 785
Borrowings and other financial liabilities	2 803 470	770 471
Trade payables and related accounts	837 723	929 934
Debts from bequests or donations		
Tax and social security liabilities	334 582	457 031
Debts on fixed assets and related accounts		
Other debts	12 476 534	10 542 396
Liquidity instruments		
Deferred income	515 939	230 256
<b>TOTAL V</b>	<b>17 409 316</b>	<b>16 808 873</b>
Foreign Exchange translation <b>VI</b>	<b>566 665</b>	<b>1 118 307</b>
<b>TOTAL GENERAL (I+II+III+IV+V+VI)</b>	<b>11 727 771</b>	<b>16 766 060</b>

<b>Income statement</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Operating income</b>		
Contributions	221 721	121 013
Sales of goods and services		
Sales of goods	3 489	
- of which sales of donations in kind		
Sales of services	573 264	691 029
- of which sponsorships		
Income from third- party funders		
Public funding and operating subsidies	1 200 000	31 968 996
Founders' payments or consumption of the expendable endowment		
Resources from the public's generosity		
Manual donations	95 951	
Mecenats		
Legacies, gifts and life insurance		
Financial contributions	24 352 532	
Reversals of depreciation, amortisation, provisions and expense transfers	1 065 639	1 120 928
Uses of the funds	20 432 322	1 239 843
Other products	530 412	2 412 397
<b>TOTAL I</b>	<b>48 475 330</b>	<b>37 554 207</b>
<b>Operating expenses</b>		
Purchase of goods	5 977	
Change in inventories		
Other purchases and external charges	8 181 850	14 477 726
Financial aid	17 168 361	11 209 620
Impôts, taxes and similar payments	195 402	330 879
Wages and salaries	5 418 663	6 406 738
Social security charges	1 135 925	1 328 364
Depreciation and amortization	608 518	1 232 953
Allocation to provisions	1 193 748	367 113
Carried forward in trust funds	17 694 428	5 220 419
Other expenses	276 959	89 616
<b>TOTAL II</b>	<b>51 879 831</b>	<b>40 663 428</b>
<b>OPERATING RESULT (I- II)</b>	<b>- 3 404 501</b>	<b>- 3 109 222</b>
<b>Financial income</b>		
Financial income from participations		
Income from other movable assets and receivables		
Other interest and similar income	71 302	136 012
Reversals of provisions, depreciation and expense transfers	1 059 710	187 123
Positive exchange rate differences	504 360	401 813
Net proceeds from sales of marketable securities		
<b>TOTAL III</b>	<b>1 635 372</b>	<b>724 948</b>
<b>Financial expenses</b>		
Financial depreciation, amortization and provisions	108 922	474 958
Interest and similar charges	27 108	56 937
Negative exchange rate differences	556 095	468 751
Net expenses on disposals of marketable securities		
<b>TOTAL IV</b>	<b>692 125</b>	<b>1 000 646</b>
<b>FINANCIAL RESULT (III-IV)</b>	<b>943 247</b>	<b>- 275 698</b>
<b>CURRENT RESULT BEFORE TAXES (I- II+ III - IV)</b>	<b>- 2 461 254</b>	<b>- 3 384 920</b>

<b>Income statement (continued)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Extraordinary income</b>		
On management operations	1464 387	
On capital transactions	1625 888	3 19
Reversals of provisions, depreciations and expense transfers	1229 149	
<b>TOTAL V</b>	<b>4 319 424</b>	<b>3 19</b>
<b>Exceptional expenses</b>		
On management operations	621521	35 527
On capital transactions	6 416 607	180 053
Depreciation, amortization and provisions	662 220	
<b>TOTAL VI</b>	<b>7 700 348</b>	<b>2 15 580</b>
<b>EXCEPTIONNAL RESULT (V - VI)</b>	<b>- 3 380 924</b>	<b>- 215 261</b>
Employee profit-sharing		
Income tax	16 115	17 893
<b>TOTAL INCOME (I+ III+ V)</b>	<b>54 430 126</b>	<b>38 279 473</b>
<b>TOTAL EXPENSES (II+ IV+ VI+ VII+ VIII)</b>	<b>60 288 420</b>	<b>41 897 547</b>
<b>SURPLUS OR DEFICIT</b>	<b>- 5 858 294</b>	<b>- 3 618 074</b>

<b>Voluntary contributions in kind</b>		
Donations in kind		
Benefits in kind		
Volunteer		
<b>TOTAL</b>		
<b>Expenses for voluntary contributions in kind</b>		
Relief in kind		
Provision of goods free of charge		
Benefits in kind		
Volunteer staff		

## **Notes to the Financial statement**

## Accounting rules and methods

Annex to the balance sheet and profit and loss account for the year ended 31/12/2020 with a balance sheet total before distribution of 11,727,771 euros and a profit and loss account for the year, presented in list form, showing a loss of - 5,858,294 euros.

The financial year has a duration of 12 months, covering the period from 01/01/2020 to 31/12/2020. The following notes or tables form an integral part of the annual accounts.

The annual accounts have been prepared in accordance with the provisions of the Commercial Code, the general chart of accounts and ANC regulation 0°2018-06 of 5 December 2018 relating to the annual accounts of private non-profit legal entities.

The general accounting policies have been applied, in accordance with the principle of prudence, in line with the underlying assumptions:

- going concern,
- consistency of accounting policies from one year to the next,
- independence of the exercises,

and in accordance with the general rules for the preparation and presentation of annual accounts.

The basic method used for the valuation of items recorded in the accounts is the historical cost method.

### Corporate purpose

The International Union Against Tuberculosis and Lung Disease, recognized as a public utility by decree of 2 November 1999, whose declaration of creation was published in the Journal Officiel of 9 November 1999, aims to end the suffering caused by tuberculosis and lung diseases, old and new, and to prevent and treat lung diseases. It aims to ensure that no one is left behind, that people are treated equally and that special attention is given to vulnerable and marginalized populations and communities.

The Union is a membership organization, a technical organization and a scientific organization. We were founded in 1920 and are led by people committed to our vision: a healthier world for all, free from tuberculosis and lung disease. Our members are organizations and individuals from all regions of the world.

The statutory bodies of our entity have set different objectives to achieve the corporate purpose. These objectives constitute the "project of our entity" for which reserves are set aside in our equity, if necessary.

## Description of the association's purpose and activities

The nature of the social activities or missions carried out during the year can be summarized as follows

- *Fighting Tuberculosis:*

The Union is working towards the global elimination of TB. We support high-quality, accessible prevention and care for people with and at risk of TB, to expand the evidence base for TB care and prevention and to implement new knowledge into policy and practice.

- *Tobacco Control*

Tobacco kills eight million people each year, including 65,000 children who die from diseases related to second-hand smoke. The COVID-19 pandemic brings a new urgency to tobacco reduction, and the rise of nicotine and tobacco products such as electronic cigarettes presents new challenges and complexities in tobacco control.

The Union focuses its tobacco control work around the World Health Organization's Framework Convention on Tobacco Control (WHO FCTC) - an international health treaty - and a package of evidence-based measures to reduce tobacco use called MPOWER. Our work spans over 50 countries, reaching two-thirds of the world's smokers. We focus on low- and middle-income countries, where 80% of tobacco deaths occur.

- *Fighting non-communicable diseases:*

Non-communicable diseases (NCDs), including cancer, cardiovascular disease and diabetes, are now major contributors to two out of three deaths worldwide. With the prevalence of tobacco use still very high in many parts of the world and increasing rates of obesity, the burden of NCDs is growing.

Currently, NCDs are under-recognized and under-funded by many health systems around the world. And as the burden of disease in low- and middle-income countries begins to shift from infectious to non-communicable diseases, this in itself is a major public health challenge. This is in addition to the complex challenges that NCDs present to those tackling the impact of infectious diseases, including TB and, most recently, COVID-19.

The Union plays a key role in international efforts to raise awareness of the threat posed by the increase in NCDs, as a partner in the NCD Alliance



## Description of the resources used

Our work is made possible by a local presence in our main areas of operation. Our specialists coordinate, manage and supervise our projects, covering geographical areas that sometimes include several countries.

The Union's work directly supports the Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development, adopted by all United Nations (UN) member states, to end poverty, protect the planet and ensure prosperity for all.

- SUSTAINABLE DEVELOPMENT GOAL TARGET 3.3

"By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, water-borne and other communicable diseases.

In support of Objective 3.3, the Union can demonstrate its impact using the principle of "KNOWLEDGE-SHARING-ACTIVITY." These principles have guided the work of the Union since its foundation 100 years ago and demonstrate how groundbreaking science, if properly shared, can lead to global action.

The following examples show how the Union's work is leading to change – from research to knowledge to implementation.

### o KNOW

KNOW is where The Union gathers evidence through our clinical trials, operational research and analysis of health policy and policy transfer issues.

### o SHARE

SHARE is the place where the Union shares evidence and knowledge widely, ensuring that it is accessible to all, helping our partners and disseminating the latest best practice

We have developed our "Training" activities as well as a scientific journal, which are all vectors of dissemination and transmission.

Our annual conference is a place of exchange and expertise recognized in the scientific community as an essential event.

### o ACT

ACT is where The Union works with others to implement solutions, deliver vital health services and advocate for the policies and resources needed to protect health.

## Major Events for the year

The financial year was characterized by the following significant events:

- The first application of ANC regulation n ° 2018-06 of December 5, 2018 published on 12/30/2018 “relating to the annual accounts of private non-profit legal entities” with in particular the creation of new items in the balance sheet and the income statement for the accounts for the year of first application.
- 2020 was hit with the global epidemic linked to the Coronavirus (Covid-19). The measures to fight this disease, and in particular the confinement in several countries for several weeks, had significant consequences on the activity (change from a physical conference to a fully virtual conference with less exposure, cancellation of certain courses, project activities suspended or even canceled or postponed). This situation could have an impact for The Union in the 2021 financial year.
- We therefore continued our efforts to cope. A restructuring plan was carried out again this year, with the ambition of reducing our overhead costs. Faced with the decline in our margins, we have also terminated certain contracts or projects in progress because they were too expensive. We expect these restructurings to have beneficial long-term effects.
- There is thus a significant uncertainty relating to the going concern. The above-described action plans are being undertaken by the management of the Union to address them. As a result, the entity may not be able to realize its assets and settle its debts in the normal course of business.

## Significant events after the balance sheet date

During 2021, the Union entered into discussions to find an amicable agreement in order to regularize a major part of its operating debts. These discussions resulted in an agreement signed with its main creditors.

In July 2021, the Union proceeded to sell its real estate assets located at 68 and 70 boulevard Saint-Michel 75006 Paris. The amount of the sale was set at 7,200,000 euros to which 10,000 euros needs to be added for the movable assets still present in these premises. Part of these assets having been financed by loans, we paid back to the bank the sum of 324,000 euros corresponding to the balance of the outstanding capital of these loans. In addition, bank charges of 20,670 euros had to be paid. The accounting capital gain generated stands at 4,324,000 euros.

## Change in accounting policy

The first application of ANC Regulation N° 2018-06 represents a change in the accounting policy.

The balance sheet and income statement of the previous year are not modified. In fact, no text has authorized a retroactive presentation of the balance sheet and income statement as if ANC Regulation N° 2018-06 had been applied in the accounts from the beginning of the previous financial year.

### Comparability of accounts:

Below is a comparison of the amounts of the income statement items for the year, impacted by the change in accounting regulations, with those of the previous year using a comparable accounting method, i.e. also applying ANC Regulation N° 2018-06 to the previous year's accounts.

Name of the income statement item	Financial year 2020	Financial year 2019
Operating grants	1 200 000€	
Financial contributions	24 352 532€	31 968 996€

ANC Regulation 2018-06 introduces the concept of financial contribution.  
A financial contribution is voluntary support from another entity.

These contributions do not constitute remuneration for services or the supply of goods.

Furthermore, according to the terms of Article 59 of Law N°2014-856 of 31 July 2014 on the social and solidarity economy, optional contributions of any kind, valued in the awarding act, decided by the administrative authorities and the bodies in charge of managing an industrial and commercial public service, justified by a general interest and intended to carry out an action or investment project, to contribute to the development of activities or to the overall financing of the activity of the beneficiary private law body, constitute grants. These actions, projects or activities shall be initiated, defined and implemented by the beneficiary private law bodies. These contributions may not constitute remuneration for individual services meeting the needs of the authorities or bodies granting them.

### Equity:

Equity is made up of contributions from members or allocations from founders, natural persons, legal persons, administrative authorities and, as the entity's life progresses, with the carried-forward results of the entity.

Non-redeemable equity corresponds to the final provision of an asset or cash to the entity.

As at 31 December 2020, the equity without right of withdrawal had a balance for 858,000 euros.

Prior to the application of ANC regulation 2018-06, this non-reversible equity was allocated to "Reserves".

The "Reserves" heading was then composed of "Equity capital without right of withdrawal" (858,000 euros) and "Other reserves" (428,820 euros).

### Membership fees:

Membership fees are now included in a specific income statement item called "Membership fees".

Matching membership fees are membership fees for which there is no consideration other than participation in the general meeting, receipt of publications or the delivery of goods of little value.

Union members also benefit from a reduced rate on the payment of the Conference subscription.

Within the meaning of ANC regulation 2018-06, membership fees are therefore offset.

Membership fees are recognized as income when they are actually received.

Where contributions relate to a period subsequent to the accounting period, deferred income is recognized in order to comply with the accrual principle.

As of December 31<sup>st</sup>, 2020, the membership fees had a total revenue for 221,721 euros.

### Donations:

A manual gift consists of a simple material handover of any movable property (an object, a sum of money, a cheque, or even securities or shares).

ANC Regulation 2018-06 creates a specific heading for this type of resource linked to the generosity of the public, called "Manual donations".

As of December 31<sup>st</sup>, 2020, the manual donation had a total revenue for 95,951 euros.

### Dedicated funds:

At the end of the financial year, the amounts not used during the financial year of the following resources are recorded in the dedicated funds accounts:

- Operating grants;
- Financial contributions received from other non-profit legal persons under private law;
- Resources linked to the generosity of the public, including manual donations, sponsorship, legacies, donations and life insurance.

Amounts recorded as liabilities under "Dedicated funds" are credited to the income statement in subsequent years as the defined project is completed, by crediting the "Use of dedicated funds" account.

The counterpart of the dedicated funds is recorded in the income statement under the heading "Dedicated funds carried forward".

The headings 'Use of dedicated funds' and 'Dedicated funds carried forward' are part of the operating result.

Prior to the application of ANC regulation 2018-06, allocations and reversals of dedicated funds were recognized at the foot of the income statement under the headings "Commitments to be realized on allocated resources" and "Unused resources carried forward from previous years" respectively.

### Financial subsidies:

Financial subsidy is either:

- A sum of money granted to a natural person by way of assistance or relief;
- Or an optional financial contribution granted by one entity to another for the purpose of carrying out actions or investments.

These sums or contributions do not constitute remuneration for services or the supply of goods.

Financial assistance as defined in Article 141-1 shall be recorded as an expense account at the time when the assistance is granted:

- If they correspond to the normal activity of the entity;
- Exceptionally if they are not part of the normal activity of the entity.

The Union provides financial subsidies to entities to carry out actions within the framework of project management. As these grants are part of the entity's normal activity, it is recognized as an operating expense. For the financial year 2020, the amount of financial aid granted amounts to 17,168,361 euros.

### **Error corrections**

In the financial year 2020, corrections of errors from previous financial years were recorded in exceptional results for a total negative amount of 4,581,163 euros, including 6,206,690 euros in expenses and 1,625,527 euros in income.

These corrections of errors result from changes in accounting estimates that were clearly erroneous and significant on the carried-forward amounts on donor's dedicated funds originally booked on the 2019 Financial statements.

In the absence of these corrections, the accounting result for the financial year 2020 would have been a deficit of 1,277 130 euros.

### Detailed explanation of the collections of errors recorded

At the end of the 2020 financial year, and in accordance with the new valuation methodology for dedicated funds (see paragraph on changes in accounting estimates), the Union adjusted the 2020 closing value of dedicated funds based on the net asset value of the funds in the reporting currency.

The Union, having noted for two projects a significant discrepancy between the extra-accounting reports and the accounting data, proceeded, in full transparency with the donors, to a complete review of the history of these projects.

After allocation of the 2020 expenses and income relating to the project, the differences in the valuation of the dedicated funds originating from erroneous and significant accounting estimates on the carried-forward amounts on donor's dedicated funds originally booked on the 2019 Financial statements were recognized as exceptional expenses and income.

Following the discovery of these errors, the Union strengthened its internal control and put in place *ad hoc* procedures to regularly reconcile positions between the accounting system and the project monitoring tools.

Accounts	Dedicated Funds
<b>Position as of 31/12/2019</b>	<b>6 241 050 €</b>
+ Carried-forward	17 694 428 €
- Utilization	-20 432 322 €
+ Error correction	4 581 163 €
+ <i>Extraordinary expenses Union</i>	6 206 690 €
- <i>Extraordinary income Union</i>	-1 625 527 €
+ Internal transfers	0 €
+ Reversal of active foreign currency translation on 2019 dedicated funds position	-1 399 741 €
+ Reversal of passive foreign currency translation on 2019 dedicated funds position	223 126 €
<b>Position as of 31/12/2020</b>	<b>6 907 705 €</b>

### **Detail of the exceptional result**

The extraordinary result can be broken down into several categories

Category	Income	Expenses	Impact on results
Error correction	1 625 527	6 206 690	- 4 581 163
Write-off for dead debts or receivables	1 464 387	582 764	881 623
Ineligible expenses-Projects		248 606	- 248 606
Provision for risks- affiliated offices	732 294	142 353	589 941
Write-off intangible assets (ERP Unit4)	496 855	501 376	- 4 521
Others	361	18 559	- 18 198
<b>TOTAL</b>	<b>4 319 424</b>	<b>7 700 348</b>	<b>- 3 380 924</b>

### **Dedicated and carry-over funds**

Dedicated funds are liability headings that record, at the end of the financial year, the part of the resources allocated by the donors for projects, which could not yet be fully used in accordance with the commitment made to them.

The project needs to meet the following two conditions:

- Be consistent with the achievement of the association's purpose
- Be clearly identified, with attributable costs.

The counterpart of the dedicated funds is recorded in the income statement under the heading "Dedicated funds carried forward".

The amount of the dedicated funds of the year N is written back to the result, in the following years, as the funds are used by the counterpart of the account "Use of dedicated funds".

Dedicated funds receivables have been accrued, depending on the continuity of the project and the terms of payment of the next instalments at the date of the accounts.

As a matter of prudence, any unrealized receipts relating to these accruals have been provided in the 2020 accounts.

Dedicated funds at the end of the financial year amounted to 6,907,705 euros.

### **Changes in accounting estimates**

All methods of applying an accounting policy are considered to be accounting estimates if they are applied in the same way:

- do not result from an explicit choice of accounting policies;
- and allow for the best possible evaluation of the transaction.

Previously, dedicated funds were valued in the currency of the dedicated fund at historical cost.

A provision for foreign exchange risk was only recognized if the amount of unrealized foreign exchange losses exceeded the amount of unrealized foreign exchange gains.

Under this assumption the provision for foreign exchange risk was recognized for the amount of unrealized foreign exchange losses net of unrealized foreign exchange gains.

In order to best value the dedicated fund positions at year-end, dedicated funds are now valued in the currency of reporting to the donor and for the euro equivalent at the annual closing rate.

This change in accounting estimate has had the following impact on the annual accounts:

- Reversal of the provision for exchange rate risk: 1,059,710 euros
- Reversal of positive foreign exchange translation on dedicated fund accounts at the end of the 2019 financial year: 1,399,741 euros
- Reversal of negative foreign exchange translation on dedicated funds accounts at the end of the 2019 financial year: 223,126 euros
- Foreign exchange losses on net asset values: 946,523 euros

### **Intangible and tangible assets**

Fixed assets are valued at acquisition cost (including transfer taxes, fees, or commissions and deed expenses, related to the acquisition).

Depreciation is calculated on a straight-line basis over the expected useful life.

<b>Types of assets</b>	<b>Amortization method</b>	<b>Amortization period</b>
Intangible assets	Linear	3 years
Fixtures and fittings	Linear	10 years
Office equipment	Linear	5 years
Computer equipment	Linear	3 years
Office furniture	Linear	10 years

### **Claims**

Receivables are valued at their nominal value. An impairment loss is recorded when the inventory value is lower than the book value.

### **Foreign currency transactions**

Income and expenses in foreign currencies are recorded at their equivalent value at the date of the transaction.

Payables, receivables and cash in foreign currencies are shown in the balance sheet at the year-end exchange rate.

The difference resulting from the discounting of foreign currency payables and receivables at the latter rate is recorded in the balance sheet as a "exchange rate adjustment".

Unrealized foreign exchange losses that are not offset are subject to a provision for risks.

### **Provision for risks and charges**

The total amount of provisions for risks and charges at the end of the financial year was 1,624,916 euros.

## **Retirement commitments**

The actuarial liability, not recognized at year-end, is **21,858 euros**.

This commitment has been calculated on the basis of the projected unit credit pro rata method.

## **Borrowing**

During the financial year, the entity was granted a repayable advance by its partner Vital Strategies for an amount of 2,031,091 euros, recorded under the "Loans and miscellaneous financial debts" item in liabilities.

The remaining amount to be repaid at 31/12/2020 is 2,031,091 euros.

## **Voluntary contributions in kind**

In view of the financial surface of the association, the valuation of the voluntary work is not significant.

## **Tax system**

The entity is a non-profit organization not subject to commercial taxes under the ordinary law.

## **Information required by Article R.123-198 - 9° of the Commercial Code**

The total amount of the auditor's fees shown in the profit and loss account for the year was €119,007 including VAT.

Of this amount, **5,880 euros** corresponds to services other than the certification of accounts.

## **Remuneration paid to certain executives**

The remuneration of the three most senior volunteer and salaried executives, as well as their benefits in kind, amounted to 266,300 euros in 2020.

## **Commitments given**

Two commitments were given to BNP-Paribas bank in connection with the acquisition in 2018 of the business premises at 70 bd Saint-Michel (2nd floor), for an amount of 1,800,000 euros:

- Lender's lien: 1,800,000 euros
- Seller's lien on the building: €1,800,000 euros.

At 31 December 2020, the balance of the loan with BNP-PARIBAS was 389,762 euros.

Vital Strategies had provided a guarantee of 5 million euros for the 2019 financial year. This guarantee took the form of a debt with a financial recovery clause. This commitment is a guarantee on a part of the debt towards the dedicated funds which allows to convert 5 million of debt towards the dedicated funds into debt towards Vital Strategies.

## **Commitments received**

Vital Strategies had provided a guarantee of 5 million euros for the 2019 financial year. This guarantee took the form of a debt with a financial recovery clause. This commitment is a guarantee on a part of the debt towards the dedicated funds which allows to convert 5 million of debt towards the dedicated funds into debt towards Vital Strategies.

## HEADCOUNT

Office	Number of Employees as of 31/12/2020	Number of Consultants as of 31/12/2020	Total Number as of 31/12/2020
<b>1 - Paris</b>	<b>16</b>	<b>52</b>	<b>68</b>
<b>2 - Offices</b>			
China	5	5	10
DR Congo	-	-	-
India	99	63	162
Mexico	1	4	5
Myanmar	320	2	322
Peru	-	1	1
Uganda	4	1	5
Zimbabwe	-	-	-
<b>TOTAL Offices</b>	<b>429</b>	<b>76</b>	<b>505</b>
<b>TOTAL Headcount</b>	<b>445</b>	<b>128</b>	<b>573</b>



## FIXED ASSETS

Schedule A		Increase		
		Gross Value Beginning of Year	Reinstatement value	Investment/Purchase
Intangible fixed assets				
	Set-up, research and development costs			
	Other intangible fixed assets	1 024 726		
	TOTAL	1 024 726	-	-
Tangible fixed assets				
	Land	1 864 533		
Buildings	Buildings on own's land	3 112 207		
	Buildings on other people's land			
Installation	Building fixtures and fittings	1 157 873		
	Plant, machinery and equipment			
Material	Other fixtures and fittings			
	Vehicles			
	Office equipment, computer hardware, furniture	983 824		
	Returnable containers and others			
	Work in Progress			
	Advances on fixed Assets			
	Donation			
	TOTAL	7 118 437		
Shares valued at the equity method				
Others	immobilized securities			
	Others			
	Loans or other securities	39 744		
TOTAL		39 744		
TOTAL		8 182 907		

Schedule B		Decrease		Gross Value End of Year
		Transfer	Sale/disposal	
<b>Intangible fixed assets</b>				
	Set-up, research and development costs			
	Other intangible fixed assets		496 855	527 872
	<b>TOTAL</b>	-	<b>496 855</b>	<b>527 872</b>
<b>Tangible fixed assets</b>				
	Land			1 864 533
Buildings	Buildings on own's land			3 112 207
	Buildings on other people's land			
Installation	Building fixtures and fittings			1 157 873
	Plant, machinery and equipment			
Material	Other fixtures and fittings			
	Vehicles			
	Office equipment, computer hardware, furniture		23 158	960 665
	Returnable containers and others			
	Work in Progress			
	Advances on fixed Assets			
	Donation			
	<b>TOTAL</b>		<b>23 158</b>	<b>7 095 278</b>
<b>Shares valued at the equity method</b>				
Others	immobilized securities			
	Others			
	Loans or other securities		1 026	38 718
	<b>TOTAL</b>		<b>1 026</b>	<b>38 718</b>
	<b>TOTAL</b>			<b>7 661 868</b>

## AMORTIZATION OF ASSETS

Schedule A					
		Cumulative Value Beginning of Year	Increase	Decrease	Ending Value
<b>Intangible fixed assets</b>					
	Set-up, research and development costs				
	Other intangible fixed assets	509 857	18 491	476	527 872
	<b>TOTAL</b>	<b>509 857</b>	<b>18 491</b>	<b>476</b>	<b>527 872</b>
<b>Tangible fixed assets</b>					
	Land				
Buildings	Buildings on own's land	2 033 624	129 588		2 163 212
	Buildings on other people's land				
Installation	Building fixtures and fittings	968 836	43 247		1 012 083
	Plant, machinery and equipment				
	Other fixtures and fittings				
Material	Vehicles				
	Office equipment, computer hardware, furniture	939 361	2 714	510	941 565
	Returnable containers and others				
	Work in Progress				
	Advances on fixed Assets				
	Donation				
	<b>TOTAL</b>	<b>3 941 821</b>	<b>175 549</b>	<b>510</b>	<b>4 116 860</b>
	<b>TOTAL</b>	<b>4 451 678</b>	<b>194 040</b>	<b>986</b>	<b>4 644 732</b>

## PROVISION AND DEPRECIATION

Provisions purposes		Value at beginning of year	Increase	Decrease	Value at year-end
<i>Restricted provision</i>					
Provision for :	- Reconstruction of mines				
	- Investments				
	- Price increase				
Tax amortization					
Provision fo set-up loan					
Other restricted provision					
<b>TOTAL I</b>					
<i>Provision for risks and charges</i>					
- Litigation		342 542	1 092 842	162 650	1 272 734
- Guarantees given to customers					
- Forward market losses					
- Penalties					
- Exchange rate losses		1 059 710	108 922	1 059 710	108 922
Provisions for :	- Pensions & obligations				
	- Tax				
	- Capital renewal				
	- Large maintenance and overhaul				
	- Social charges and unpaid vacation à payer				
Other provision for risks and charges		118 116	243 259	118 116	243 259
<b>TOTAL II</b>		<b>1 520 368</b>	<b>1 445 024</b>	<b>1 340 476</b>	<b>1 624 916</b>
Depreciation purposes		Value at beginning of year	Increase	Decrease	Value at year-end
Depreciation					
Assets	- Intangibles	496 855		496 855	
	- Tangible assets				
	- Property received by bequest or donation				
	- Shares				
	- Securities				
On inventory					
On customer bad debts		254 717	404 112	233 939	424 890
On receivables received by bequest or gift					
Other provision for depreciation		2 441 521	277 831	1 238 895	1 430 456
<b>TOTAL III</b>		<b>3 193 093</b>	<b>681 943</b>	<b>1 969 689</b>	<b>1 855 347</b>
<b>GRAND TOTAL (I+II+III)</b>		<b>4 713 461</b>	<b>2 126 966</b>	<b>3 310 165</b>	<b>3 480 262</b>
- Operating provision			1 875 691	1 021 306	
- Financial provision			108 922	1 059 710	
- Exceptional provision			142 353	1 229 149	

## RECEIVABLES AND DEBTS

Receivables	Gross amount	Liquidity	
		Term Less than 1 year	Term Above 1 year
From Fixed Assets Receivables			
Receivables attached to shares and Securities			
Loans	13 579		13 579
Other financial assets	25 139		25 139
From Current Assets Receivables			
Doubtful customers	45 000	45 000	
Customers	872 776	872 776	
On donations			
On Personnel and related accounts	58 435	58 435	
Social tax			
Tax on trading profits			
Tax on VAT			
Other tax	23 648	23 648	
Others			
Related parties and other association			
Other debtors	3 757 660	3 757 660	
Prepaid expenses	31 724	31 724	
<b>TOTAL</b>	<b>4 827 961</b>	<b>4 789 243</b>	<b>38 718</b>

Debts		Gross Amount	Exigibility of debts		
			Term Less than 1 year	Term More than 1 year	Term More than 5 years
Convertible bonds and related					
Loans and debts from credit institutions	- within 1 year	51 302	51 302		
	- for more than 1 year	389 766	160 734	229 032	
Other Loans and debts		2 731 091			2 731 091
Suppliers		837 723	837 723		
Donation					
Personnel and related		103 536	103 536		
Social tax		133 738	133 738		
Tax on trading profits					
Tax on VAT					
Other tax		97 308	97 308		
Debts on assets					
Related parties and other association		72 378	72 378		
Other debtors		12 476 534	12 476 534		
Deferred Income		515 939	515 939		
<b>TOTAL</b>		<b>17 409 316</b>	<b>14 449 193</b>	<b>229 032</b>	<b>2 731 091</b>

## ACCRUED EXPENSES AND INCOME

Accrued Expenses	31/12/2020	31/12/2019
Convertible bonds		
Loans and debts from credit institutions		
Other Loans and debts		
Suppliers	60 157	42 248
Donation		
Fiscal and social debts	144 958	233 704
Debts on fixed Assets		
Other debts	20 747	21 185
<b>TOTAL</b>	<b>225 862</b>	<b>297 136</b>
Accrued Income	31/12/2020	31/12/2019
Receivables attached to shares and Securities		
Loans		
Other financial assets		
Customers	70 718	
Donation		
Other debtors	1 245 733	1 262 072
Investment securities		
Cash		
<b>TOTAL</b>	<b>1 316 451</b>	<b>1 262 072</b>

## PREPAID EXPENSES AND DEFERRED INCOME

<b>Deferred Income</b>		31/12/2020	31/12/2019
	- Operating	515 939	230 256
Income	- Financial		
	- Exceptionnal		
<b>TOTAL</b>		<b>515 939</b>	<b>230 256</b>

<b>Prepaid expenses</b>		31/12/2020	31/12/2019
	- Operating	31 724	2 072 921
Expenses	- Financial		
	- Exceptionnal		
<b>TOTAL</b>		<b>31 724</b>	<b>2 072 921</b>

## OPERATING LEASE

	Land	Building	Equipment	Others	TOTAL
Original value					
Depreciations					
Cumulated depreciation-previous years					
Depreciation current year					
<b>TOTAL</b>					
<b>Theoretical value</b>					
Paid leases					
Cumulated payment - previous years				96 392	96 392
Current year payment				128 523	128 523
<b>TOTAL</b>				<b>224 915</b>	<b>224 915</b>
<b>Lease outstandings</b>					
Within 1 year				128 523	128 523
Between 1 to 5 years				385 569	385 569
More than 5 years					
<b>TOTAL</b>				514 092	514 092
<b>Net Value</b>					
Within 1 year					
Between 1 to 5 years					
More than 5 years					
<b>TOTAL</b>					
<b>Amount paid during the year</b>				<b>128 523</b>	<b>128 523</b>

The Union has bought a new ERP through an operating lease.  
Since the project did not reach its intended end, the net asset value was fully written off in 2019.

## PUBLIC AND STATE GRANT

	European Community	The French state	Public Local territory	CAF	Others	TOTAL
Public subsidy						
Operating Grant		1 200 000				1 200 000
Investment Grant						
<b>TOTAL</b>		<b>1 200 000</b>				<b>1 200 000</b>

*Operating Grant with Agence Française du Développement (AFD)*



## DEDICATED FUNDS VARIATION

	Beginning of year	Carry-over	Use of funds		Transfers	Closing Balance	
			Gross Amount	Incl. Pay-back		Net Amount	Inc. Funds without any expenses during the last 2 years
Operating grant		1 144 089	377 557			766 532	
Financial contributions from other donors	6 241 050	16 550 338	20 054 765	3 404 550		6 141 173	
Resources related to public donation							
<b>TOTAL</b>	<b>6 241 050</b>	<b>17 694 427</b>	<b>20 432 322</b>	<b>3 404 550</b>		<b>6 907 705</b>	

## SUMMARY OF CHANGE FOR DEFERRED FUNDS

	Value at beginning of year	Increase	Decrease	Value at year-end
Donation				
Temporary usufruct donations				
<b>TOTAL</b>				

## CHANGE IN DEDICATED FUNDS - OPERATING GRANTS

	Beginning of year	Carry-over	Use of funds		Transfers	Closing Balance	
			Gross Amount	Incl. Pay-back		Net Amount	Inc. Funds without any expenses during the last 2 years
AFD-Agence Française de Déve		1 144 089	377 557			766 532	
<b>TOTAL</b>		<b>1 144 089</b>	<b>377 557</b>			<b>766 532</b>	

## CHANGE IN DEDICATED FUNDS – FINANCIAL CONTRIBUTION

	Beginning of year	Carry-over	Use of funds		Transfers	Closing Balance	
			Gross Amount	Incl. Pay-back		Net Amount	Inc. Funds without any expenses during the last 2 years
194404-BENIN LPS	15 244		15 244				
194438-USAID 3 & 4 - TR	251 990	435 918	212 982		- 354 155	120 771	
194444-CDC 5	246 404	31 121	146 244		- 120 173	11 109	
194445-05CDC-673		6 703	105 957		99 254		
194446-46TB Free Summit and	22 146		21 620		- 527	- 1	
		7 821	7 418		- 403		
194486-Challenge TB	312 441		167 141		- 145 301	- 1	
194536-Bloomberg Initiative	231 143	149 269	8 160 054		11 614 789	3 835 147	
194541-Bloomberg Initiative C	714 940	10 074 640	5 137 538		- 5 652 043	- 1	
194563-GATES: SFE-TC ASIA-	2 010		1 967		- 43		
I 94592-57DIAB	286				- 286		
194594-56 JOHN HOPKINS	85 804		84 367		- 1 437		
194617-Global Fund-MYANMA	14 172	1 310 438	1 343 178		108 639	90 071	
194618-TB REACH -MYANMJ	9 159	647			- 9 805	1	
194625-ELI-LILLY: Phases 1-:	29 692		28 392		- 1 300		
194627-70FHI		7 278	9 959		2 681		
194629-(WHO)-World Health (	22 554		6		- 22 548		
194632-PROJET PEROU -MO	- 8 521				8 520	- 1	
194633-Global Fund (USEA)	1 088 550	2 903 958	2 473 179		- 345 101	1 174 228	
194636-DFID	- 100	50 059	12 659		- 37 299	1	
194654-Courtesy Associates Ch	723	1 353			- 2 075	1	
194655-73BFFOB	6 499				- 6 499		
194656-3MDG TB in Myanmar	3 472	55 719			- 59 190	1	
194658-(WHO)-World Health C	33 060				- 33 060		
194659-(WHO)-World Health C	2 669	117 120	31 516		- 2 670	85 603	
194660-(WHO)-World Health <	- 8 886	55 985	26 950		8 886	29 035	
194662-76SORTIT	353 977	29 782	316 461		- 4 164	63 134	
194666-Global Fund-MYANMA	154 379	662 864	779 088		30 495	68 650	
I 94667-67TBRUG3	2 891				- 2 890	1	
194668-67TBRUG-WAWE FOI	- 121	9 137	9 137		120	- 1	
194670-Global Fund-MYAN		159 174	6 269			152 905	
194671-8IDCTBUG	40 007		19 055		- 20 951	1	
I 94672-82ASZETC	620				- 620		
194675-83DMTBSU	- 60				60		
194677-BPRS-Road Safty	433		1		- 432		
I 94682-85GFZITB	44 373	88 395	138 960		6 192		
194683-Child TB Campaign	2 659		2 659				
194684-TB ALERT Zimbabwe	35 704	3 025	43 672		4 943		
194685-Diabetes & TB : D	115	6 956	7 277		206		
I 94686-90EDCTP1	6 979	9 642	6 248		- 4 029	6 344	
194687-Cardiovascular Disease							
194688-91USEAIN	363	322			- 685		
194689-Jeff Starke donation	11 804		- 127		- 932	10 999	
194691-20STRM17-STREAM	34		34				
194692-JATA MDR TB GUIDE	47				- 47		
194693-JCF Oct 18-Sep 20	385 331		375 053		- 10 278		
194694-Bloomberg Initiative -	1 893 711	120 036	290 591		- 1 581 485	141 671	
194695-STREAM Project fr R	147 437	22 945	9 474		- 2 329	158 579	
194696-Canton de Vaud 2019-2	76 519		52 206			24 313	
I 94697-63UGANDA-Tuberculo	7 632		7 739		107		
194698-STREAM	765		757		- 9		
194699-JANSEN		25 211	218			24 993	
194700-IDEFEAT		49 823	1 882			47 941	
194701-98BMGF		8 773	465			8 308	
19500 I-Johnson & Johnso		87 373				87 373	
194550-Bloomberg Initiative-G		25 195	889		- 24 306		
194561-GATES 2009-2010		9 587	338		- 9 249		
194626-TB REACH - INDIA		24 069			- 24 069		
194678-Data fr Health Initiati			48		48		
<b>TOTAL</b>	<b>6 241 050</b>	<b>16 550 338</b>	<b>20 054 765</b>		<b>3 404 550</b>	<b>6 141 173</b>	

## CHANGE IN NET EQUITY ART 431-5

Net Equity Variation	Beginning of the year	Allocation for current year result	Increase	Decrease	End of year
Equity without right of withdrawal	858 000				858 000
Equity with right of withdrawal					
Revaluation reserves	1 887 396				1 887 396
Reserves	429 820				429 820
Carry-forward	- 8 479 679	- 3 618 074			- 12 097 753
Profit or Loss- Current year	- 3 618 074	3 618 074		- 5 858 294	- 5 858 294
Net equity	- 8 922 537			- 5 858 294	- 14 780 831
Consumable allocation					
Investment grant					
Restricted provision					
<b>TOTAL</b>	<b>-8 922 537</b>			<b>-5 858 294</b>	<b>-14 780 831</b>