

KAÏK AUDIT

SOCIETE PAR ACTIONS SIMPLIFIEE DE COMMISSARIAT AUX COMPTES AU CAPITAL DE 20 000 EUROS

INSCRITE A LA COMPAGNIE REGIONALE DE PARIS

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STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 december 2021

KAÏK AUDIT
39/41 rue de la Glacière
75013 PARIS

MEHAD
100 Ter avenue de Saint Mandé
75012 PARIS

To the members of annual general meeting of association MEHAD,

Opinion

In compliance with the engagement entrusted to us by your General Assembly, we have audited the accompanying financial statements of the Association « MEHAD » 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 rules applicable to us, for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services in the French Code of ethics for statutory auditors.

Observation

Without calling into question the opinion expressed above, we draw your attention to the fact that we established on June 2, 2022, a report called « deficiency » in which we indicated our inability to carry out the audit of the annual accounts, they have not been made available to us within the statutory time limits. These have been communicated to us as of November 23, 2023, we are now able to present our report on the annual accounts.

Justification of Assessments – Key Audit Matters

The global crisis related to the COVID-19 pandemic creates specific conditions for the preparation and audit of the accounts for this year ended. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their business and financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and on the procedures for implementing audits.

It is in this complex and evolving context that, pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you that the most important assessments we have made, based on our professional judgement, concerned the relevance of the accounting principles applied and the reasonableness of the significant estimates made and the overall presentation of the accounts.

We examined the restructuring and other liability provisions and verified their justification and valuation through evidence and audited the accounting treatment.

The assessments thus made are in the context of the audit of the annual financial statements taken as a whole, drawn up under the conditions mentioned above, and of the formation of our opinion expressed above. We do not express an opinion on individual elements of these annual accounts.

Specific verifications

We have also carried out, in accordance with the standards of professional practice applicable in France, the specific verifications provided for by the legal and regulatory texts.

Information provided in the financial report and other documents on the financial situation and the annual accounts sent to the members

We have no comment on the sincerity and consistency with the annual accounts of the information given in the financial report of the treasurer.

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 Company'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 Company or to cease operations.

The annual accounts are approved for issue by the Board.

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

Objectives and audit approach

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, our statutory audit does not include assurance on the the viability or quality of the management of your Association.

A more detailed description of our statutory auditor's responsibilities for the audit of the financial statements is set out in the annex to this report and forms part of our report.

Our report is dated the day the last items were obtained.

Done at Paris, June 20, 2024

External Auditor

For KAÏK AUDIT



Nirina RASOLO TSILAVO

ANNEX

DETAILED DESCRIPTION OF THE STATUTORY AUDITOR'S RESPONSABILITIES

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 Company'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 Company 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

Balance sheet

	Gross	Depreciation And provision	Net as 31/12/21	Net as 31/12/20
FIXED ASSETS				
Intangible assets				
Set up expenses				
Research and development costs				
Temporary donations				
Franchises, patents, licenses and other similar rights	5 893	5 893		
Leasehold rights				
Other intangible assets/ Advances and deposits				
Tangible assets				
Lands				
Buildings				
Plant, equipment and industrial tools				
Other tangible fixed assets	103 529	101 317	2 212	
Fixed assets in progress / Advances and deposits				
Inherited Assets or donations held for sale				
Financial assets				
Equity interests and related receivables				
TIAP & other long-term investments				
Loans				
Other	26 472	3 072	23 400	19 272
Total I	135 895	110 282	25 612	19 272
CURRENT ASSETS				
Stocks				
Raw materials and other supplies goods in progress				
producing services in progress				
Intermediate and finished goods				
Goods				
Advances and down payments				
Receivables				
Users and related accounts	10 192 964		10 192 964	13 637 121
Inherited receivables				
Other receivables	616 432		616 432	464 447
Other				
Investment securities				
Cash instruments				
Cash	3 834 977		3 834 977	193 890
Prepaid expenses				
Total II	14 644 373		14 644 373	14 295 459
Loan issue costs (III)				
Bond redemption premiums				
Active conversion differences (V)				
TOTAL ASSETS (I+II+III+IV+V)	14 780 267	110 282	14 669 985	14 314 731

Balance sheet

	Net as 31/12/21	Net as 31/12/20
EQUITY / ASSOCIATION FUNDS		
Equity / Association funds without the right of repossession		
First net position established		
Statutory net assets		
Non-rechargeable grants		
Other non-reversible equity		
Association funds with right of repossession		
Statutory funds		
Additional Own Funds		
Revaluation differences		
Reserves		
Statutory or contractual reserves		
Reserves to complete an entity project		48 488
Other reserves		
Retained Earnings	395 164	
Result for the year	134 226	346 676
Net Position (Sub-total)	529 390	395 164
Consumable equity		
Investment grants		
Regulated provisions		
Property rights - (Commodat)		
Total I	529 390	395 164
DEDICATED AND DEFERRED FUNDS		
Deferred funds related to legacies and donations		
Dedicated funds		12 200
Total II		12 200
PROVISIONS		
Provisions for risks	20 000	
Provisions for charges	407 755	
Total III	427 755	
DEBTS		
Bonds and similar items		
Loans		
Bank overdrafts and loans		437
Loans from financial institutions		437
Miscellaneous borrowings and financial debts		
Advances and deposits received on contracts in progress		
Accounts Payables and related accounts	44 538	25 141
Legacy or donation debts		
Tax and social debts	77 649	42 736
Liabilities on fixed assets and related		
Other debts	2 211 620	636 934
Prepaid incomes	11 379 033	13 202 118
Total IV	13 712 840	13 907 367
Passive conversion differences (V)		
TOTAL GENERAL (I+II+III+IV+V)	14 669 985	14 314 731

Income statement

	From 01/01/21 to 31/12/21 12 months	From 01/01/20 to 31/12/20 12 months	Absolute change (amount)
OPERATING PRODUCTS			
Contributions	1 200		1 200
Sales of goods and services			
Sale of goods			
Sales of goods and services			
Third-party products funders	13 218 078	9 187 583	4 030 495
Grants and other public subsidies	669 296	8 553 328	-7 884 033
Payments by the founders or use of the expendible endowment			
Income from the general public generosity	590 827	634 254	-43 428
Financial contributions	11 957 956		11 957 956
Reversals of provisions and transfer of costs		-2 569	2 569
Use of allocated funds	12 200		12 200
Other revenue	3	314	-312
Total I	13 231 481	9 185 328	4 046 153
OPERATING COSTS			
Purchases of goods			
Stock variation			
Other purchases and external expenses	5 161 085	4 536 483	624 603
Financial supports	3 698 205	204 284	3 493 921
Taxes, duties and related payments	14 335	-12 743	27 078
Salaries and wages	3 687 866	3 962 975	-275 109
Social securities charges	140 334	61 596	78 739
Depreciations, provisions and amortizations	1 872	97 563	-95 691
Charges to provisions			
Designated funds carried forward		12 200	-12 200
Other expenses	32	1 734	-1 702
Total II	12 703 730	8 864 092	3 839 639
1. OPERATING RESULTS (I-II)	527 750	321 236	206 514
FINANCIAL PRODUCTS			
From investments			
From other securities and long-term receivables			
Other financial products			
Reversals of provisions, impairment and expense transfers			
Foreign exchange gains	41 804	28 829	12 974
Net proceeds from sale of short-term investments			
Total III	41 804	28 829	12 974
FINANCIAL EXPENSES			
Depreciations, provisions and amortizations	3 072		3 072
Interest and similar expenses			
Foreign exchange loss	3 754	3 389	365
Net charges on securities transfers			
Total IV	6 826	3 389	3 437
2. TOTAL FINANCIAL EXPENSES (III - IV)	34 978	25 440	9 538
3. PRE-TAX CURRENT RESULT (I - II + III - IV)	562 728	346 676	216 052
EXTRAORDINARY GAINS			
On management operations			
On capital transactions			
Reversals of provisions and transfer of charges			
Total V			

Income statement

	From 01/01/21 to 31/12/21 12 months	From 01/01/20 to 31/12/20 12 months	Absolute change (amount)
EXTRAORDINARY COSTS			
On management operation	747		747
On capital transaction			
Depreciation, amortization and provisions	427 755		427 755
Total VI	428 502		428 502
4. EXTRAORDINARY RESULT (V-VI)	-428 502		-428 502
Employee participation in the result (VII)			
Income tax (VIII)			
Total Revenues (I + III + V)	13 273 285	9 214 157	4 059 127
Total Expenses ((II + IV + VI + VII + VIII))	13 139 059	8 867 481	4 271 578
NET PROFIT OR LOSS	134 226	346 676	-212 450
EVALUATION OF VOLUNTARY CONTRIBUTIONS IN KIND			
Donations in kind	7 393 565		7 393 565
Benefits in kind			
Volunteering			
CHARGES OF VOLUNTARY CONTRIBUTIONS IN KIND	7 393 565		7 393 565
Relief in kind	7 393 565		7 393 565
Free provision of goods			
Benefit in kind			
Volunteer staff			
TOTAL	7 393 565		7 393 565

Accounting rules and methods

Name of the association: Mehad

Annex to the balance sheet before distribution for the financial year ending 31/12/2021, the total of which is €14 669 985 and to the profit and loss account for the financial year, presented in the form of a list, showing a surplus of €134 226. The financial year has a duration of 12 months, covering the period from 01/01/2021 to 31/12/2021.

The following notes or tables form an integral part of the annual accounts.

General rules

The annual financial statements have been prepared in accordance with the requirements resulting from ANC regulation no. 2014-03 having value as a general chart of accounts, amended by ANC regulation no. 2015-06 of 23/11/2015 and regulation no. 2018-06 of 5 December 2018, relating to the methods for preparing the annual financial statements of non-profit legal entities governed by private law.

The accounting policies have been faithfully applied in compliance with the principle of prudence, in accordance with the basic assumptions:

- On-going business
- Consistency of accounting methods from one financial year to the next
- Independence of financial years

and in accordance with the general rules governing the preparation and presentation of the annual financial statements.

The basic method selected for the valuation of items recorded in the books is the historical cost method.

Only significant information is given. Unless otherwise stated, amounts are expressed in euros.

Intangible and tangible fixed assets

Tangible and intangible fixed assets are valued at their acquisition cost for assets acquired for valuable consideration, at their production cost for assets produced by the company, and at their market value for assets acquired free of charge or by way of exchange.

The cost of an asset is its purchase price, including customs duties and non-recoverable taxes, less any trade discounts, rebates and cash discounts for all directly attributable costs incurred in bringing the asset to its present location and condition for its intended use. Transfer taxes, fees or commissions and deed expenses related to the acquisition are included in the acquisition cost. All costs that are not part of the purchase price of the asset and that cannot be directly attributed to the costs incurred to bring the asset to its present location and condition for its intended use, are expensed.

Depreciations

Depreciations for impaired values are computed with the straight-line method based on the expected life:

- * Transport equipment: 4 to 5 years
- * Office equipment: 5 to 10 years
- * Computer equipment: 3 years
- * Furniture: 10 years

The depreciation period adopted for simplification is the duration of use for goods that cannot be divided in the beginning.

The residual values of fixed assets are considered to be zero because they are not significant or cannot be measured.

Accounts receivable and payable

Accounts receivable and accounts payable are valued at their nominal value. The value is impaired when the inventory value is less than the book value.

Provisions

Any present obligation to a third party arising from a past event, which can be estimated with sufficient reliability and which covers identified risks, is recognised as a provision.

Produits et charges exceptionnels

Exceptional income and expenses include items that are not related to the association's normal activities.

Notes on the balance sheet

Fixed assets**Statement of fixed assets**

	Upon year commencement	Increase	Decrease	Upon year end
- Starts-up, research and development costs				
- Commercial fund				
- Other intangible assets	5 893			5 893
Intangible assets	5 893			5 893
- Lands				
- Buildings on freehold				
- Buildings on non-freehold				
- Facilities, fixtures, buildings				
- Plant, equipment and tools				
- Other facilities, fixtures and fittings				
- Transport equipment	98 745			98 745
- Office equipment, hardware and furniture	700	4 085		4 784
- Recoverable packages, miscellaneous				
- Tangible fixed assets in progress				
- Advances and down payments				
Tangible assets	99 445	4 085		103 529
- Interests valued using the equity method				
- Other equity interests				
- Other fixed securities				
- Loans and other financial assets				
Financial assets	19 272	7 200		26 472
FIXED ASSETS	124 610	11 285		135 895

Notes on the balance sheet

Depreciation of fixed assets

	Upon year commencement	Increases	Decreases	Upon year end
- Starts-up, research and development costs				
- Temporary donations				
- Other intangible assets	5 893			5 893
Intangible assets	5 893			5 893
- Lands				
- Buildings on freehold				
- Buildings on non-freehold				
- Facilities, fixtures, buildings				
- Plant, equipment and tools				
- Other facilities, fixtures and fittings				
- Transport equipment	98 746			98 745
- Office equipment, hardware and furniture	699	1 872		2 572
- Recoverable packages, miscellaneous				
Tangible assets	99 445	1 872		101 317
FIXED ASSETS	105 338	1 872		107 210

Notes on the balance sheet

Current assets**Statement of receivables**

Receivables at the end of the fiscal year amounted to €10 835 867 and the detailed classification by due date is as follows:

	Gross amount	Less than 1 year	More than 1 year
Receivables in fixed assets:			
Receivables linked to investments			
Loans			
Other	26 472		26 472
Receivables in currents assets:			
Receivables from customers	10 192 964	10 192 964	
Other	616 432	616 432	
Prepaid expenses			
Total	10 835 867	10 809 395	26 472
Granted loans in the fiscal year			
Loans repaid in the fiscal year			

Receivables from current assets mainly comprise receivables from grants contracted and not yet received, amounting to €10 123 452.

Other receivables include receivables from retrocession partners totalling €607 969.

Products to be received

	Amount
Social security	316
Total	316

Notes on the balance sheet

Equity

Statement of changes in equity

CHANGES IN ASSOCIATION FUNDS	Upon year commencement	Allocation of the result	Increase	Decrease or consumption	Upon year end
Funds without the right of repossession					
Funds with the right of repossession					
Revaluation differences	48 488	346 676		395 164	
Reserves			395 164		395 164
Retained earnings	346 676	-346 676	134 226		134 226
Profit or loss of the fiscal year	395 164		529 390	395 164	529 390
Net equity					
Funds consumables					
Investment subsidies					
Regulated provisions					
Properties rights					
TOTAL	395 164		529 390	395 164	529 390

Provisions

As part of the restructuring operation launched at the end of 2021, a restructuring provision of €407k has been recognised to cover the exceptional expenses relating to this operation in 2022 and 2023.

Notes on the balance sheet

Provisions table

	Provisions at the beginning of the year	Increase for the year	Reversal used for the year	Unused reversal for the year	Provisions at year-end
Litigation					
Warranties given to customers					
Losses on future markets					
Fines and penalties					
Foreign exchange losses					
Pensions and similar obligations					
Taxes					
Fixed asset renewal					
Major repairs and maintenance					
Social security and fiscal charges on paid leaves					
Other provisions for liabilities and charges		427 755			427 755
Total		427 755			427 755
Breakdown of charges and reversal for the year:					
Operational					
Financial					
Extraordinary		427 755			

Notes on the balance sheet

Debts**Debts statement**

The debts total at the year-end amounts to €13 712 840 and the detailed classification by maturity is as follows:

	Gross	Maturity Less than 1 year	Maturity Between 1 and 5 years	Maturity More than 5 years
Convertible bonds (*)				
Other convertible bonds (*)				
Borrowings (*) and debts from other financial institutions:				
- Less than 1 year				
- More than 1 year				
Other borrowings and financial debts (*) (**)				
Debts to suppliers and related accounts	44 538	44 538		
Fiscal and social security debts	77 649	77 649		
Debts on fixed assets suppliers				
Other debts (**)	2 211 620	2 211 620		
Prepaid income	11 379 033	11 379 033		
Total	13 712 840	13 712 840		
(*) Borrowings of the year				
(*) Borrowings repaid during the year				
(**) Towards shareholders				

Other liabilities include a debt of €1 548 095 to the Erbil mission and a debt of €636 281 to UOSSM INTERNATIONAL.

Accruals

	Amount
Suppliers	20 000
Debt related to paid leave provision	12 837
Social security charges on paid leave provision	5 643
Total	38 480

Notes on the balance sheet

Adjustments accounts

Prepaid income

	Operating income	Financial income	Extraordinary income
Prepaid income	11 379 033		
Total	11 379 033		

Notes on the income statement

Extraordinary costs and gains**Extraordinary result**

Operations for the period

	Expenses	Income
Penalties, tax and criminal fines	580	
Other extraordinary expenses on management transactions	167	
Provisions for impairment	427 755	
TOTAL	428 502	

Other information**Essential facts**

Statement of changes in equity

At the beginning of 2021, Mehad (Ex-UOSSM France) took the decision to leave the UOSSM International federation. This decision was taken in April 2021 and was followed by in-depth work with specialist consultants on the organisation's new identity (Vision, Mission, Values) as well as a rebranding operation (change of name and visual identity). In addition, UOSSM International and Mehad (formerly UOSSM France) worked on a financial reconciliation and a handover between the teams. This transitional period, during which Mehad (Ex-UOSSM France) focused on restructuring the organisation, was spread over three years (2021, 2022 and 2023).

Voluntary Contribution in Kind (VCK)

In February 2021, Mehad received 1 741 000 surgical masks from CamNégoce as a contribution in kind. This contribution was valued by the donor at 697 KEUR. These masks were part of a humanitarian convoy to north-west Syria and were distributed to the medical team and the beneficiaries of our services in the primary medical care centres.

In addition, in December 2021, we signed a sponsorship agreement with ITM Alimentaires International and ITM achats non marchands, the purpose of which is to make a donation in kind to the value of €6 696 000, consisting of surgical masks, masks for the general public, hydroalcoholic gel, hygienic gloves and hairnets. A convoy of 20 containers was sent at the beginning of 2022 to north-west Syria and Iraqi Kurdistan.