



# FINANCIAL REPORT 2017



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# 2017 Annual Financial Statements

# 2017 BALANCE SHEET

## Balance sheet

### Assets

(in US Dollars)	Rate = 1,1993	Note	31.12.2017		31.12.2016
			Gross	Depreciation	Net
					Net
Intangible assets					
Computer Software			1 098 314	472 233	626 080
Intangible Assets					
<i>Intangible Assets "Headquarters"</i>					
Fixtures & installations			2 352 413	906 362	1 446 051
Computer & telephone equipment			1 436 653	967 689	468 964
Office equipment			70 267	29 427	40 840
Video equipment			115 807	58 433	57 375
Furniture			263 211	178 270	84 941
Technical equipment for research			50 239	50 239	-
Fixed assets under construction			-	-	34 215
<i>Intangible assets "missions"</i>					
Transport equipment			3 410 182	2 500 903	909 279
Radio and communication equipment			1 112 509	853 121	259 388
Hardware			4 219	4 219	-
Financial assets					
Loans			5 451 732	335 910	5 115 822
Guarantee on Deposit for Paris Offices Rental Leases			525 569	3 053	522 516
Deposits and Guarantees - Missions			-	-	-
<b>Fixed assets</b>		(1)	<b>15 891 115</b>	<b>6 359 859</b>	<b>9 531 256</b>
Stocks		(2)	1 703 566	16 434	1 687 133
Amounts receivable from institutional donors		(3)	41 949 080	269 124	41 679 956
Other amounts receivable		(3)	2 924 127	-	2 924 127
Amounts receivable - ACF international network		(3)	17 760 327	-	17 760 327
Stock market securities		(4)	7 927 610	-	7 927 610
Cash at bank and in hand "Missions"		(5)	16 448 498	-	16 448 498
Cash at bank and in hand "Headquarters"		(5)	58 986 618	-	58 986 618
<b>Current assets</b>			<b>147 699 826</b>	<b>285 558</b>	<b>147 414 268</b>
Prepayments			1 371 945	-	1 371 945
Conversion difference - assets			3 565 101	-	3 565 101
<b>Prepayments and Conversion difference</b>			<b>4 937 046</b>	<b>-</b>	<b>4 937 046</b>
<b>TOTAL ASSETS</b>			<b>168 527 986</b>	<b>6 645 417</b>	<b>161 882 570</b>
					<b>134 793 208</b>

## Balance sheet

### Liabilities

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	Note	31.12.2017	31.12.2016
a) Equity capital				
Associative funds			29 673 682	30 295 820
Reserves for the Associative Project			17 880 245	22 505 464
Applied Research			1 258 471	1 526 094
Operational Programs			8 632 124	11 733 837
International Developpement			4 977 009	6 232 892
Information Systems Development			3 012 642	3 012 642
Results of the financial year			1 643 433 -	5 247 357
b) Other funds			-	
<b>Associative Funds and Reserves</b>		(6)	<b>49 197 361</b>	<b>47 553 927</b>
Provisions for risks and charges			8 930 173	11 464 622
General risks related to the activity			5 293 019	6 106 671
Foreign exchange risk			3 637 154	5 357 950
<b>Provisions for liabilities and charges</b>		(7)	<b>8 930 173</b>	<b>11 464 622</b>
<b>Restricted Funds</b>		(8)	<b>6 477 306</b>	<b>6 193 614</b>
Loans and Debts with Credit Institutions			-	-
Advances from institutional donors		(9)	71 752 330	47 715 525
Trade payables & related accounts		(9)	8 571 168	4 917 980
Taxation and social security debts		(9)	7 046 624	6 305 338
Other debts			2 002 492	4 898 804
Debts related to ACF International Network			4 588 869	3 200 808
<b>Debts</b>			<b>93 961 483</b>	<b>67 038 454</b>
Deferred Income			6 025	106 608
Conversion Difference - Liabilities			3 310 223	2 435 983
<b>Prepayments and Conversion Differences</b>			<b>3 316 248</b>	<b>2 542 591</b>
<b>TOTAL LIABILITIES</b>			<b>161 882 570</b>	<b>134 793 207</b>

# 2017 INCOME STATEMENT

## Income Statement

### Part I

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	2017	2016
Operating grants		148 355 764	137 744 931
Donations		41 757 313	41 594 906
Bequests		2 394 840	748 337
Corporate philanthropy, sponsorship and other private contributions		1 809 925	1 145 220
Subscriptions		9 810	12 473
Income from events		5 817 091	5 778 549
Other income		6 670 043	1 844 613
Write-backs on provisions (and depreciation), transfer of charges		2 857 813	2 391 164
<b>Operating income</b>		<b>209 672 601</b>	<b>191 260 193</b>
Purchase of Raw Materials, Other Supplies and External Charges		89 480 236	87 585 297
Taxes, duties and similar prepayments		2 972 053	3 026 039
Personnel costs		85 498 417	86 146 930
Staff - Headquarters and Missions		43 401 136	44 863 706
Wages and salaries		23 260 024	23 086 901
Payroll taxes		9 102 353	9 339 316
Volunteers and related costs		11 038 759	12 437 489
Local staff		42 097 282	41 283 224
Allowances for provisions and depreciation		2 305 587	3 889 634
On fixed assets: Depreciation allowance		927 965	1 041 920
On Fixed Assets: Depreciation Allowance		0	0
On Current Assets : Depreciation Allowance		12 649	449 865
On Liabilities and Charges: Allocations for Provisions		1 364 973	2 397 849
Grants awarded by the Organization		24 072 325	14 521 418
Other charges		22 263	43 603
<b>Operating charges</b>		<b>204 350 882</b>	<b>195 212 921</b>
<b>I- OPERATING RESULTS</b>		<b>5 321 720</b>	<b>-3 952 728</b>

## Income Statement Part II

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	2017	2016
Investment income, interests and similar income		626 292	21 083
Net income on disposal of investment securities		0	0
Exchange gains		2 002 742	3 222 942
Write-backs on Provisions, Depreciation and Transfer of Charges		5 285 897	3 566 354
<b>Financial income</b>		<b>7 914 931</b>	<b>6 810 380</b>
Interests and Similar Income		0	0
Net charges on disposal of investment securities		47 237	556
Exchange losses		7 819 032	3 918 673
Allowances for depreciation and provisions		3 565 101	5 357 950
<b>Financial charges</b>		<b>11 431 370</b>	<b>9 277 179</b>
<b>II. FINANCIAL RESULTS</b>		<b>-3 516 439</b>	<b>-2 466 799</b>
<b>III. CURRENT RESULTS (I + II)</b>		<b>1 805 281</b>	<b>-6 419 527</b>
Extraordinary income on management operations		211 241	99 148
Extraordinary income on capital operations		3 027 466	63 721
Write-backs on Provisions and Depreciation		0	0
<b>Extraordinary income</b>		<b>3 238 707</b>	<b>162 869</b>
Extraordinary charges on management operations		153 006	769 386
Extraordinary charges on capital operations		2 958 361	0
Write-backs on Provisions and Depreciation		5 110	0
<b>Extraordinary charges</b>		<b>3 116 477</b>	<b>769 386</b>
<b>IV. EXTRAORDINARY RESULTS</b>		<b>122 230</b>	<b>-606 517</b>
Corporate income tax		386	185
+ Unused income from previous financial years carried forward		3 536 301	4 595 644
- Payments out of appropriated income		3 819 992	2 816 772
<b>Total income</b>		<b>224 362 540</b>	<b>202 829 086</b>
<b>Total charges</b>		<b>222 719 107</b>	<b>208 076 443</b>
<b>EXCESS or SHORTAGE (III + IV)</b>		<b>1 643 433</b>	<b>-5 247 357</b>
<b>EVALUATION OF VOLUNTARY IN-KIND CONTRIBUTIONS</b>			
Voluntary work		1 505	0
In-kind bequests		10 049 254	10 307 363
In-kind donations		57 027	173 304
<b>Income</b>		<b>10 107 785</b>	<b>10 480 667</b>
Social missions		9 983 175	10 480 667
Fundraising expenditures		121 540	
Operating costs and other charges		3 070	
<b>Charges</b>		<b>10 107 785</b>	<b>10 480 667</b>



Notes to the Financial Statements for the  
Financial Year  
Closed on 31 December 2017

## General Accounting Principles

The annual financial statements for the 2017 financial year have been prepared and presented in accordance with:

- the general rules for the preparation and presentation of annual financial statements applicable to organisations and defined by CRC [Comité de la Réglementation Comptable - Accounting Regulatory Committee] Regulation 99-01 and Autorité des Normes Comptables [ANC - France's national accounting standards body] Regulation No. 2014-03 of 5 June 2014, except for the recognition of subsidies. These are recorded in the income statement, as in previous years, based on the progression of the incurred expenditures. However, the choice of this method has no impact on financial result.
- regulations relating to the recognition, measurement and impairment of assets and the entry of liabilities.
- Regulation No. 2016-07 of 4 November 2016 amending ANC Regulation No. 2014-03 on the French General Chart of Accounts. These changes concern:
  - Recognition of maintenance expenditures as a separate component in Article 210-10;
  - The definition of participating interests in Article 221-3;
  - Changes concerning the information to be mentioned in the notes to the annual financial statements.

The rules for preparing the annual financial statements comply with the accounting principles of:

- continuity of operation,
- consistency of accounting methods from one period to the next,
- matching of costs and revenues,
- conservatism.

The main accounting rules and methods used are presented in the various notes to the annual financial statements, each relating to a specific item in the balance sheet and income statement. The measurement of items entered in the accounts was carried out with reference to the historical cost method.

In accordance with Article 8 of the Order of 28 July 2005, and with effect from the financial year beginning on 1 January 2006, the Application of Funds Statement (CER) is included in the notes to the annual financial statements and, as such, is automatically certified by our Statutory Auditor. The CER was established according to the model approved by the Conseil National de la Comptabilité [France's national accounting body at that time](Comité de la Réglementation Comptable of 7 May 2008, Order of 11 December 2008).

The Income Statement is prepared on the basis of general accounting data and in accordance with Article 511-2 of the French General Chart of Accounts. Its presentation, in application of these rules, allows a reading of a list of expenditures and revenue by type.

## Highlights Of the Year

Action Against Hunger France took action in 23 countries in 2017 and deployed necessary humanitarian aid to 5.4 million people (a slightly higher number than 2016).

2017 was a year of sustained work for Action Against Hunger with, among other things, the serious crisis in Yemen, Rohingya refugees in Bangladesh, famine in the Horn of Africa and the regional conflict shaking the Lake Chad Basin.

The expertise-building strategy and regional presence have led Action Against Hunger France and Action Against Hunger United States to begin a transfer of country management in six intervention countries. Action Against Hunger United States now oversees humanitarian operations in Haiti since 1 January 2017, in Somalia since 1 July 2017 and will oversee operations in Ethiopia in 2019. Conversely, the French headquarters has taken over the management of operations in the Democratic Republic of Congo on 1 July 2017 and will take over the management of operations in Pakistan and Nigeria between 2018 and 2019.

Social missions (\$188.2 million) increased by 10% compared with 2016 due to the increase in operating expenditures (\$150.9 million versus \$133.8 million).

This growth in social missions is mainly financed by a 7% increase in subsidies received from public and institutional donors (\$146.2 million versus \$136 million in 2016).

Income from support from the general public totalled \$48.6 million, up nearly 4% compared with the previous year.

2017 shows net income of \$1.7 million, which is attributable to:

- higher than expected net private fund inflows,
- lower expenditures at our country offices and headquarters (from savings on structural costs),
- the positive impact in our accounts of the financial agreements concluded with Action Against Hunger United States for the transfer of country management.

These economic gains are partially reduced by foreign exchange differences and losses linked to the increase in foreign currency transactions, the volatility of prices and the appreciation of the euro against other currencies. The 2017 financial result is negative: -\$3.5 million.

### Notes on the Transfer of Country Management with Action Against Hunger United States

At the end of the 2017 financial year, Action Against Hunger recognised in its accounts the exchange of country management that took place within the ACFIN [Action Against Hunger International] network, between the Action Against Hunger-USA headquarters and the Action Against Hunger-France headquarters. The exchange was ratified by way of a "Memorandum of Understanding" dated 11 November 2016, which provided for the reciprocal changes in the supervision responsibilities of a certain number of country offices.

As at 31 December 2017, the first wave of exchanges took effect. Action Against Hunger-France transferred its Haiti and Somalia programmes to Action Against Hunger-USA and received from Action Against Hunger-USA the Democratic Republic of Congo programme.

The transactions involved are subject to the system of transfers for consideration and have been legally qualified as successor agreements.

For accounting purposes, these successor agreements involve the mutual assignment and retrocession of essential assets and liabilities relating to the above-mentioned programmes, namely tangible and financial fixed assets, the completeness of debts and receivables (relating to donor contracts and other payables and receivables) as well as liquid assets.

The amounts and operational transaction date corresponding to these asset-liability transfers are as follows:

- Haiti programme: effective date of January 1, 2017, for a transfer from France to the USA of a net asset valued at 1,926 K\$
- Somalia Programme: effective date of 1 July 2017, for a transfer from France to the USA of a net asset valued at 1,031 K\$.
- Democratic Republic of Congo Program: effective date of 1 July 2017, for a transfer of a net liability from the USA to France valued at 760 K\$.

These transactions have no impact on the Organisation's 2017 financial result as these assets and liabilities are transferred at their net book value. The net balances mentioned will be paid out in 2018.

The positive impact of the transfer is connected to financial agreements that provide for the sharing, between the two headquarters, of administrative costs invoiced to the donors.

# Notes to the Balance Sheet

## Comment on the Scope

Action Against Hunger is a member of an international network, Action Against Hunger International. The accounts presented here are those of Action Against Hunger France. Indeed, since the different entities of the Action Against Hunger International network are independent from each other, the accounts are not subject to a combined presentation.

## Note 1: Fixed Assets

The Organisation's fixed assets are entered and valued in accordance with the standards set out in the asset regulations.

Fixed assets located in France, at the Organisation's headquarters, are recognised at acquisition cost in accordance with CRC Regulation 2004-06, and are depreciated on a straight-line basis over their useful lives:

Computer software	3 years
Fixtures & installations	5 to 9 years
Computer and telephone equipment	3 years
Information systems project hardware	7 years
Office equipment	5 years
Video equipment	5 years
Furniture	5 to 10 years

Since 2016, IT and telephone equipment has been depreciated over 3 years (versus 5 years previously), and IT hardware acquired for the information systems projects (Information System) is depreciated over 7 years.

Capital goods (transport, radio and communication equipment) located on the missions, acquired with own funds and with a unit value of more than 2 K\$, are recorded as fixed assets at their acquisition cost.

Since 2008, the depreciation period for this equipment and these vehicles has been aligned with the rebilling period to donors:

Transport equipment	2 to 3 years
Telecommunication equipment	1 to 2 years
Computer hardware and video equipment	1 year
Other major programme equipment	1 to 2 years
Other equipment	1 to 2 years

For any other equipment not included in this list, acquired from own funds and whose value is greater than 18 K\$, the depreciation period is determined according to its economic life. Capital goods located on missions, the purchase of which is financed directly by donors, are recognised directly in the mission expenditure accounts. The accounting methods for fixed assets located in France and on missions remain unchanged for 2017.

The change in gross fixed assets since the previous year breaks down as follows:

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	Total as at 31.12.2016	Increases	Decreases	Transfers between items	Total 31.12.2017
Computer software		812 071	286 243	0	0	1 098 314
<b>Intangible assets</b>		<b>812 071</b>	<b>286 243</b>	<b>0</b>	<b>0</b>	<b>1 098 314</b>
Fixtures & installations		2 327 453	24 960	0	0	2 352 413
Computer & telephone equipment		1 283 664	152 989	0	0	1 436 653
Office equipment		59 063	11 205	0	0	70 267
Video equipment		110 313	5 495	0	0	115 807
Furniture		255 332	7 878	0	0	263 211
Technical equipment for research		50 239	0	0	0	50 239
Fixed assets under construction		34 215	0	-34 214	0	0
<i>Intangible Assets "Headquarters"</i>		<i>4 120 279</i>	<i>202 527</i>	<i>-34 214</i>	<i>0</i>	<i>4 288 590</i>
Transport equipment		3 051 462	966 503	607 783	0	3 410 182
Radio and communication equipment		971 950	218 150	77 591	0	1 112 509
Hardware		4 219	0	0	0	4 219
<i>Intangible Assets "Missions"</i>		<i>4 027 631</i>	<i>1 184 653</i>	<i>685 374</i>	<i>0</i>	<i>4 526 911</i>
<b>Intangible assets</b>		<b>8 147 910</b>	<b>1 387 179</b>	<b>651 160</b>	<b>0</b>	<b>8 815 501</b>
Loans from ACF International Network		4 248 068	1 203 663	0	0	5 451 732
Guarantee Deposit for Paris Offices Rental Lease		303 632	-8 707	0	0	294 925
Deposits and Guarantees - Missions		210 691	19 952	0	0	230 643
<b>Financial assets</b>		<b>4 762 391</b>	<b>1 214 908</b>	<b>0</b>	<b>0</b>	<b>5 977 300</b>
<b>TOTAL FIXED ASSETS - GROSS</b>		<b>13 722 372</b>	<b>2 888 330</b>	<b>651 160</b>	<b>0</b>	<b>15 891 115</b>

There was an increase under the items software and IT hardware at the headquarters (+438 K\$). This change mainly relates to the acquisition of computers and licences.

The tangible fixed assets of the missions have increased in value as a result of the growing logistical needs needed to carry out the humanitarian programmes. There was notably a renewal of the vehicle fleet in Central Africa (12 vehicles) for 624 K\$ and Burkina Faso (4 vehicles) for 142 K\$.

The decrease in value of mission tangible fixed assets mainly corresponds to the sale at net book value of the assets of the Haiti and Somalia missions to Action Against Hunger USA, following the signed successor agreement (see significant events of the financial year on page 17).

The item for financial fixed assets continued to increase, mainly due to the loan provided to ACF Développement (932 K\$ increase). Total loans granted to ACF-Dev for fundraising in Germany and Italy amounted to \$4.8 million at the end of 2017. The Consolidated Business Plan shows that ACF-Dev will be able to begin loan repayment from 2020 as expected.

The change in depreciation since the previous year is as follows:

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	Total as at 31.12.2016	Amortization	Depreciation	Transfers between items	Total 31.12.2017
Computer software		371 100	101 134	0	0	472 233
<b>Intangible assets</b>		<b>371 100</b>	<b>101 134</b>	<b>0</b>	<b>0</b>	<b>472 233</b>
Fixtures & installations		634 740	271 623	0	0	906 362
Computer & telephone equipment		822 736	144 953	0	0	967 690
Office equipment		18 833	10 594	0	0	29 427
Video equipment		39 425	19 007	0	0	58 433
Furniture		128 293	49 977	0	0	178 270
Technical equipment for research		50 239	0	0	0	50 239
Fixed Assets under Construction		0	0	0	0	0
<i>Intangible Assets "Headquarters"</i>		<i>1 694 266</i>	<i>496 154</i>	<i>0</i>	<i>0</i>	<i>2 190 420</i>
Transport equipment		2 680 053	198 569	377 717	0	2 500 905
Radio and communication equipment		785 619	132 070	64 602	0	853 121
Hardware		4 219	0	0	0	4 219
<i>Intangible Assets "Missions"</i>		<i>3 469 891</i>	<i>330 639</i>	<i>442 319</i>	<i>0</i>	<i>3 358 247</i>
<b>Intangible Assets</b>		<b>5 164 157</b>	<b>826 792</b>	<b>442 319</b>	<b>0</b>	<b>5 548 667</b>
<b>TOTAL DEPRECIATION</b>		<b>5 535 257</b>	<b>927 926</b>	<b>442 319</b>	<b>0</b>	<b>6 020 900</b>

## Note 2: Stock

Stock consist of equipment and supplies for missions. Stock make it possible to reduce the time needed to meet the procurement needs of missions and thus increase Action Against Hunger's effectiveness in an emergency.

Stock is valued at purchase cost, including any associated costs. Stock is managed during the year using the perpetual inventory method. The stock used is then directly attributed to the mission expenditures.

At the end of the financial year, a physical inventory of the quantities present in stock in the various warehouses is carried out.

A provision for depreciation is established based on the age of the stock and any expiry dates for perishable products therein.

## Note 3: Accounts Receivable

Receivables are broken down into three items:

- Donor receivables,
  - Action Against Hunger international network receivables,
  - Other receivables.
- The item "Donor Receivables" consists of the debit balances of the accounts relating to grants awarded by donors to finance the missions. An account relating to a grant shows a debit balance when the sums committed by Action Against Hunger under this grant and in accordance with the contractual budget exceed the advances received, as at the end of the financial year. In the event of a credit balance, i.e.

when the amount of advances received exceeds the amounts committed by Action Against Hunger, this is recorded as a liability on the balance sheet under the item "Donor Advances".

Income from donor funding is therefore recognised at the rate of eligible expenditure in the financing agreement (see Note 12). The portion of funding still to be received and spent is shown under off-balance sheet commitments given and received (see Note 10).

The breakdown of the item "Donor Receivables" as at 31.12.2017 is as follows:

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	Total as at 31.12.2017	Total as at 31.12.2016
European Union- ECHO		5 195 527	3 947 778
European Union- Others		7 060 880	7 153 920
United Nations		9 548 669	10 623 676
American Government		5 398 100	6 571 638
French Government		2 998 134	1 739 405
British Government		4 856 114	5 682 399
Gouvernement suédois (SIDA)		316 154	
Other Governments		1 390 767	3 009 760
Other NGOs		992 955	88 037
communities		1 112 445	
Miscellaneous Institutional Donors		3 079 335	5 494 063
Provisions Amounts receivable from institutionnal donors		-269 124	-709 808
<b>Total Amounts receivable from institutional donors</b>		<b>41 679 956</b>	<b>43 600 867</b>

- The item "Receivables on the International Action Against Hunger Network" reflects the receivables resulting from economic or financial operations carried out between Action Against Hunger and each of the four other entities of the international Action Against Hunger network, excluding subcontracting of field missions. These transactions may be of different kinds:
  - Rebilling by Action Against Hunger France, at cost of purchase, of equipment and supplies acquired by way of its purchasing department on behalf of another entity;
  - Cross-billing (including chargeable to Action Against Hunger France), at cost, of expatriate personnel contracted with a network entity and made available to another entity for its missions;
  - Collection of funds from private donations or public subsidies for countries whose operations are carried out by another member of the network, subject to specific monitoring of the operations concerned;
  - Repayment of donor grants to Action Against Hunger International for the execution of contracts;
  - Collection of funds from private donations or public subsidies made by network members for Action Against Hunger France social missions;
  - Grants from Action Against Hunger France to another entity in the network to help it develop its social missions. These are reported in the income statement as the expenditures are incurred.



The breakdown of "Receivables on the International Action Against Hunger Network" is as follows:

(in US Dollars)	Rate = 1,1993	31.12.2017	31.12.2016	31.12.2015
Amounts receivable from AAH USA		12 762 373	1 911 548	2 533 556
Amounts receivable from AAH UK		369 081	148 139	197 759
Amounts receivable from ACH Spain		4 242 286	3 129 539	3 392 596
Amounts receivable from ACF Canada		284 641	203 641	151 428
Amounts receivable from ACF FHF India		1 368		
Amounts receivable from ACF Belgium		28 480		
Others amounts receivable from the network		72 097		
<b>Total Amounts receivable from the ACF network</b>		<b>17 760 327</b>	<b>5 392 867</b>	<b>6 275 340</b>

The receivables from Action Against Hunger United States relate in particular to:

- The successor agreement signed with Action Against Hunger USA following exchanges between Somalia, Haiti and the Democratic Republic of Congo. The receivable amounted to 4,249 K\$ as at 31.12.2017, of which 2,806 K\$ in cash advance.
- The difference between the sums paid by Action Against Hunger France for the execution of donor contracts signed by Action Against Hunger France and the expenditures actually incurred by Action Against Hunger-US as at 31.12.2017, for a total amount of 3,765 K\$ (versus 1,095 K\$ in 2016).
- The rebilling of purchases and provision of personnel as well as administrative costs (overhead) paid as part of country exchanges, for a total amount of 4,748 K\$ (versus 817 K\$ in 2016).

The receivables from Action Against Hunger Spain (ACF-ES) relate in particular to:

- The repayment by Action Against Hunger France of subsidies to cover the execution of contracts for a total amount of 3,214 K\$ (versus 1,918 K\$ in 2016). This receivable mainly concerns the Regional Office of West Africa (419 K\$) and actions in Mali (391 K\$) and Colombia (269 K\$);
  - The rebilling of purchases and the provision of personnel 1,024 K\$ (versus 1,211 K\$ in 2016).
- The item "Other Receivables" includes accrued income from fundraising to be received of 1,771 K\$ (versus 1,845 K\$ in 2016) and supplier advances of 753 K\$ (versus 151 K\$ in 2016).

The impairment summary table is presented as follows:

(in US Dollars)	Rate = 1,1993	Total as at 01.01.2017	Allocations	Write-backs		Total as at 31.12.2017
				Used provisions	Unused provisions	
Intangible Assets		-	-	-	-	-
Deposits and guarantees		51 157	-	-	32 809	18 349
Loans		325 721	12 582	-	2 393	335 910
Stocks		20 544	67	4 177	-	16 434
Amounts receivable from institutional donors		709 808	-	223 674	217 010	269 124
Other amounts receivable		-	-	-	-	-
Amounts receivable from ACF International Network		-	-	-	-	-
<b>TOTAL PROVISION FOR DEPRECIATION</b>		<b>1 107 231</b>	<b>12 649</b>	<b>227 851</b>	<b>252 212</b>	<b>639 817</b>
Of which						
	- operating	730 352	67	227 851	217 010	285 558
	- Financial	376 879	12 582	-	35 202	354 259
	- extraordinary					

The impairment of donor receivables ranged from 709 K\$ to 269 K\$.

Allowances for impairment of receivables are recorded when receivables are not recovered for contracts completed more than two years prior, as well as for those completed less than two years prior for which a risk has been identified as probable.

In the 2017 financial year, there was no impairment of any donor receivables.

Provision write-backs used in 2017 for an amount of 224 K\$ mainly correspond to former receivables previously provisioned and definitively expensed after a recovery process that remained unsuccessful.

Provision write-backs not used in 2017 for an amount of 217 K\$ million correspond to receivables recovered.

#### Note 4: Marketable Securities

The item "Marketable Securities" consists of liquid open-ended money-market mutual funds, term deposits with various maturities and a capitalisation contract, the maturity of which corresponds to the portfolio held in France. This portfolio is recognized at acquisition cost and valued using the first-in, first-out method. Its valuation at the last day of the 2017 financial year does not show any unrealised capital losses.

The change in value of marketable securities over the last three years is as follows:

(in US Dollars)	Rate = 1,1993	31.12.2017	31.12.2016	31.12.2015
Marketable securities		7 927 610	10 486 547	16 834 406
		7 927 610	10 486 547	16 834 406

As at 31.12.2017, this item amounted to \$7.9 million and consists of the following:

- Medium-term investments (4 and 5 years): \$7 million (versus \$9 million in 2016)
- Open-ended money-market mutual funds in euro: 732 K\$.

#### Note 5: Liquid Assets

Liquid assets are divided into two items:

- "Mission" liquid assets
- "Headquarters" liquid assets

The breakdown of liquid assets over the last three years is as follows:

(in US Dollars)	Rate = 1,1993	31.12.2017	31.12.2016	31.12.2015
Bank accounts		15 479 930	21 525 049	17 702 480
Cash Boxes		968 568	925 069	1 057 149
<b>Cash at bank and in hand "missions"</b>		<b>16 448 498</b>	<b>22 450 118</b>	<b>18 759 629</b>
Bank accounts		56 729 824	31 563 197	21 371 074
Fixed-Term Deposits		-	-	-
Cash Boxes		2 256 794	2 969 053	339 195
<b>Cash at Bank and in Hand "Headquarters"</b>		<b>58 986 618</b>	<b>34 532 251</b>	<b>21 710 269</b>

The "mission" liquid assets consists of the balances of the bank accounts and the banks as at 31.12.2017, held on the missions. They went from \$22.4 million in 2016 to \$16.4 million in 2017.

The "headquarters" liquid assets are comprised of the balances of the bank accounts and cash held by the headquarters as at 31.12.2017. The combined accounts located in the same bank are offset between

positive and negative balances, thus showing only the net balance in the "Headquarters Liquid Assets" section of the balance sheet.

The increase in "headquarters" liquid assets at the end of 2017, compared with the balance at the end of 2016, is due in particular to the payment of donor funds in the last quarter and the decrease in financial investments (\$2.55 million), which are therefore available in cash.

Liquid assets in foreign currencies held in France or abroad (bank accounts and cash holdings) were valued at the official rate as at 31.12.2017. Exchange differences - positive or negative - were recorded as foreign exchange gains or losses.

## Note 6: Own Funds

Action Against Hunger has two types of reserves:

- the Organisational Funds whose purpose is to ensure the sustainability of the organisation in the event of sudden funding difficulties;
- the Reserve Funds for Organisational Projects intended to fund operational projects or applied research programmes and to support the development of the Action Against Hunger International network or the development of information systems.

As a reminder, the General Meeting of 17 June 2017 decided to allocate the 2017 loss of \$5,247,357.

(in US Dollars)	Rate = 1,1993	As at 31.12.2016 (before allocation of 2016 Results)	Before allocation of 2016 Results)		2017 Results	As at 31.12.2017
			Decrease	Increase		
Associative funds		30 295 820	622 137	0	0	29 673 682
Reserve funds for the Associative Project		22 505 465	4 625 220	0	0	17 880 247
- Applied research		1 526 094	267 623	0	0	1 258 471
- Operationnal Programs		11 733 837	3 101 714	0	0	8 632 124
- International development		6 232 893	1 255 883	0	0	4 977 010
- Information Systems Development		3 012 642	0	0	0	3 012 642
Financial year results		-5 247 357	-5 247 357	0	1 643 433	1 643 433
<b>TOTAL EQUITY CAPITAL</b>		<b>47 553 928</b>	<b>0</b>	<b>0</b>	<b>1 643 433</b>	<b>49 197 362</b>

## Note 7: Provisions for Risks and Liabilities

The change in the "Provisions for Risks and Liabilities" since the previous year breaks down as follows:

(in US Dollars)	Rate = 1,1993	Total as at 01.01.2017	Allocations	Write-backs		Total as at 31.12.2017
				Used provisions	Unused provisions	
General Financial Risks related to the Activity		6 106 670	1 364 973	92 648	2 085 977	5 293 018
Provision for losses and charges		4 704 163	1 332 137	92 648	1 620 515	4 323 137
Provison for foreign cash		-	-	-	-	-
Provision for liabilities treasury		793 934	15 248	-	89 461	719 722
Provison for contingencies		608 573	17 588	-	376 002	250 159
Currency risk		5 357 951	3 565 101	5 285 897	-	3 637 155
<b>TOTAL PROV° FOR RISKS AND CHARGES</b>		<b>11 464 621</b>	<b>4 930 074</b>	<b>5 378 545</b>	<b>2 085 977</b>	<b>8 930 173</b>

Of which	- operating		1 364 973	92 648	2 085 977	
	- financial		3 565 101	5 285 897	-	
	- extraordinary					

- Provisions for General Risks Connected to our Activities

The provisions for "general risks connected to our activities" relate to disputes or events related to Action Against Hunger's activity during the financial year (allocation) or previous financial years (carry-over) and likely to generate expenses during subsequent financial years. Recognition of provisions enables the financial settlement of identified risks to be planned ahead and the settlement to be attributed to the income for the year in which the risk was generated. Provision write-backs then neutralise the subsequent charge when the provision is "used", or generate an "exceptional" income when the risk does not materialise (unused provision). The provision for risks related to our activities amounts to: 1,365 K\$.

Including risks following donor audits: 1,218 K\$

- 389 K\$ Haiti
- 293 K\$ Liberia
- 154 K\$ Central Africa
- 148 K\$ Burkina Faso
- 77 K\$ Ethiopia
- 77 K\$ Burma
- 53 K\$ Iraq
- 30 K\$ Yemen

Including headquarters labour tribunal risks: 76 K\$

- Provisions for Foreign Exchange Risks

A provision was made for an amount of 3,565 K\$ to cover the unrealised foreign exchange losses recognised on debts and receivables in foreign currencies.

Foreign exchange losses in 2017 amounted to 7,818 K\$ for a provision of 5,286 K\$ recognised at the end of 2016 and written back in 2017.

The 2017 allocation is mainly due to currency exchange differentials recorded on contracts in foreign currencies.

## Note 8: Dedicated Funds

Dedicated funds are recognised in accordance with the provisions of the Autorité des Normes Comptables Regulation 2014-03 of 5 June 2014 related to the French General Chart of Accounts.

The allocated resources not used at the end of the financial year are offset by an expense of the same amount in the application of Funds Statement (under the item "Remaining Resources to be Used") and in the Income Statement (under the item "Commitments to be Made on Allocated Resources"). These unused funds are then recorded as "dedicated funds" on the liabilities side of the balance sheet.

The use - during the following year - of part of these funds generates income in the Application of Funds Statement (under the item "Carry-Forward of Unutilised Resources") and in the Income Statement (under the item "Carry-Forward of Unutilised Resources from Previous Years") for the amount actually consumed during the financial year and results in a decrease in the "dedicated funds" item on the liabilities side of the balance sheet for the same value.

The change in the balance sheet of the "Dedicated Funds" since the previous financial year breaks down as follows:

(in US Dollars)	Rate = 1,1993	Total 01.01.2017	Increase	Utilization		Total 31.12.2017
				Allocation of Funds in Fiscal Year	Funds Raised during Past Fiscal Years	
<b>RESTRICTED FUNDS France</b>						
Restricted funds Applied research	-	-	-	-	-	-
Restricted funds Afghanistan	122 056	144	-	116 691	5 508	5 508
Restricted funds Bangladesh	30 209	121 907	-	-	152 116	152 116
Restricted funds Burkina Faso	578 496	1 490	-	253 311	326 675	326 675
Restricted funds Myanmar	319 599	97 503	65 990	70 039	281 074	281 074
Restricted funds Central African Republic	351 991	6 302	-	120 456	237 837	237 837
Restricted funds Ivory Coast	93 638	215 874	155 548	60 842	93 121	93 121
Restricted funds The Horn of Africa	1 984	453 237	283 339	-	171 882	171 882
Restricted funds Djibouti	415 112	171 500	-	216 170	370 442	370 442
Restricted funds Ethiopia	791 730	822 138	13 069	326 316	1 274 485	1 274 485
Restricted funds Haiti	383 409	18 316	1 532	353 030	47 164	47 164
Restricted funds Indonesia	3 106	-	-	-	3 106	3 106
Restricted funds India	17 860	2 824	-	-	20 685	20 685
Restricted funds Iraq	3 771	47 972	47 972	-	3 771	3 771
Restricted funds Cameroon	1 637	131 923	-	-	133 560	133 560
Restricted funds Liberia	2 813	-	-	-	2 813	2 813
Restricted funds Madagascar	499 342	50 775	537	262 490	287 089	287 089
Restricted funds Mongolia	7 355	-	-	-	7 355	7 355
Restricted funds Nepal	1 679 558	127 310	22 457	1 161 154	623 257	623 257
Restricted funds West Africa	5 844	-	-	-	5 844	5 844
Restricted funds Forgotten populations	67 662	-	-	-	67 662	67 662
Restricted funds Sahel crisis	44 865	2 315	-	-	47 179	47 179
Restricted funds Sierra Leone	4 263	8 228	-	-	12 492	12 492
Restricted funds Somalia	4 219	320 496	246 465	-	78 250	78 250
Restricted funds Chad	549 423	344 756	88 007	421 524	384 648	384 648
Restricted funds Yemen	2 443	491 188	-	-	493 631	493 631
Restricted funds Zimbabwe	14 082	131 923	5 251	13 583	127 171	127 171
Restricted funds South Sudan	815	7 078	-	-	7 893	7 893
Restricted funds Syrian crisis	13 356	-	-	-	13 356	13 356
Restricted funds vanuatu	-	-	-	-	-	-
Restricted funds Jordan	0	268 284	-	-	268 284	268 284
Restricted funds Emergency programs	22 280	-	-	-	22 280	22 280
Restricted funds Lake Chad	31 021	174	-	31 021	174	174
Restricted funds Ukraine	-	120	-	-	120	120
Restricted funds Congo	-	480 985	73 204	-	407 781	407 781
Restricted funds Pakistan	-	479 720	-	-	479 720	479 720
<b>TOTAL RESTRICTED FUNDS France</b>	<b>6 063 940</b>	<b>4 804 483</b>	<b>1 003 371</b>	<b>3 406 627</b>	<b>6 458 425</b>	<b>6 458 425</b>
<b>RESTRICTED FUNDS ACF SPAIN</b>						
Restricted funds Equateur	-	-	-	-	-	-
Restricted funds Guatemala	-	-	-	-	-	-
Restricted funds Mali/ACH Madrid Mission	-	-	-	-	-	-
Restricted funds Niger/ACH Madrid Mission	-	-	-	-	-	-
Restricted funds Palestine/ACH Madrid Mission	- 0	24	-	-	24	24
Restricted funds Philippines/ACH Madrid Mission	-	12	-	-	12	12
Restricted funds Senegal/ACH Madrid Mission	124 702	-	-	124 702	-	-
Restricted funds Syria/ACH Madrid Mission	-	480	-	-	480	480
<b>TOTAL RESTRICTED FUNDS SPAIN</b>	<b>124 702</b>	<b>516</b>	<b>-</b>	<b>124 702</b>	<b>516</b>	<b>516</b>
<b>RESTRICTED FUNDS ACF UNITED STATES</b>						
Restricted Funds KENYA/ AAH NY Mission	-	-	-	-	-	-
Restricted Funds NIGERIA / AAH NY Mission	4 971	1 961	348	4 971	1 613	1 613
Restricted Funds UGANDA/ AAH NY Mission	-	15	15	-	-	-
Restricted Funds Sudan/ AAH NY Mission	-	16 751	-	-	16 751	16 751
<b>TOTAL RESTRICTED FUNDS ACF UNITED STATES</b>	<b>4 971</b>	<b>18 727</b>	<b>363</b>	<b>4 971</b>	<b>18 364</b>	<b>18 364</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>6 193 614</b>	<b>4 823 726</b>	<b>1 003 734</b>	<b>3 536 301</b>	<b>6 477 305</b>	<b>6 477 305</b>

## Allocation of Dedicated Funds

In 2017, the dedicated funds item evolved through new allocations, on the one hand, and the use of existing funds, on the other. The new allocations come from several sources:

- all donations allocated according to the donors' decision, by country,
- private partnerships allocated, by country,
- allocations relating to certain events, in particular:
  - 75% of the net donations collected during the 2017 Race Against Hunger for 4,290 K\$ and allocated to four funds: Ethiopia, Democratic Republic of Congo, Pakistan and Yemen;
  - 50% of the net donations collected during the Intercompany Challenge for 1,392 K\$ and allocated to two funds: Jordan and Ivory Coast;
- specific projects allocated at donors' discretion.

## Note 9: Liabilities

The four main liability items are:

- Donor advances,
- Trade payables and related accounts,
- Tax and social security liabilities,
- Action Against Hunger international network debts.

The item "Donor Advances" consists of the credit balances of the accounts relating to grants awarded by donors to finance missions. An account relating to a grant shows a credit balance when the advances received under this grant exceed the sums committed by Action Against Hunger, in accordance with the contractual budget, on the year-end closing date. In the event of a debit balance - that is, when the sums committed by Action Against Hunger exceed the amount of the advances received - this is recorded as an asset on the balance sheet under the item "Donor Receivables".

The item "Donor Advances" breaks down as follows at 31.12.2017:

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	Total as at 31.12.2017	Total as at 31.12.2016
European Union- ECHO		8 911 184	8 500 392
European Union- Others		19 901 871	3 693 275
United Nations		4 825 123	7 843 535
American Government		372 480	696 365
French Government		8 189 694	4 744 641
British Government (DFID)		353 462	582 415
Swedish Government		5 089 235	7 463 303
Other Governments		19 388 028	6 713 167
Other NGOs		109 513	109 344
Communities		1 119 757	1 992 883
Miscellaneous Institutional Donors		3 491 983	5 376 206
<b>Advances from institutional donors</b>		<b>71 752 330</b>	<b>47 715 525</b>

The item "Miscellaneous Donors" includes fundraising income from the Action Against Hunger International network for countries in which Action Against Hunger France operates, from private funds, as well as grants received that have not been allocated.

Total donor advances increased compared with 2016 (+\$24 million), notably concerning:

- The European Union: these are projects with large multi-year budgets signed in 2017 with the Agence Française de Développement [AFD - French Development Agency] ;
- Other Governments: These are Canada contracts for which significant advances have been received.

The item "Trade Payables and Related Accounts" includes payables on purchases linked to the Organisation's current activity (social missions, fundraising and the operation of the headquarters), fixed-asset liabilities and amounts payable on invoices not yet received. As at 31.12.2017, this item consisted mainly of trade payables for \$4.702 million (versus \$3.699 million in 2016) and invoices not yet received for \$3.112 million (versus \$1.210 million in 2016).

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	31.12.2017	31.12.2016
Trade Payables		4 702 019	3 698 997
Invoices not received		3 111 797	1 210 173
Other expenses to pay		757 352	8 810
<b>Total trade payables &amp; related accounts</b>		<b>8 571 168</b>	<b>4 917 980</b>

The item "Tax and Social Security Liabilities" includes:

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	31.12.2017	31.12.2016
Personnel and related accounts		203 395	203 229
Provision for paid leave		2 546 423	2 333 449
Organizations collecting payroll taxes and related accounts		4 296 806	3 768 660
<b>Taxation and social security debts</b>		<b>7 046 624</b>	<b>6 305 338</b>

Lastly, maturities on the liabilities are as follows:

<i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	Total au 31.12.2017	Timeliness	
			< 1 an	> 1 an
Loans and debts with credit institutions		-	-	-
Advances from institutional donors		71 752 330	71 752 330	-
Trade payables & Related Accounts		8 571 168	8 571 168	-
Taxation and social security debts		7 046 624	7 046 624	-
Other debts		2 002 492	371 022	1 631 470
Debts related to ACF International Network		4 588 869	4 588 869	-
<b>Total</b>		<b>93 961 483</b>	<b>92 330 012</b>	<b>1 631 470</b>

Liabilities of more than one year relate the rent discount for the Clichy office, spread over nine years, from 2014 to 2023.



The distribution of liabilities on the Action Against Hunger international network over the last three financial years:

(in US Dollars)	Rate = 1,1993	31.12.2017	31.12.2016	31.12.2015
Dues to AAH USA		3 476 895	1 303 055	875 531
Dues to AAH UK		631 178	1 041 292	1 261 553
Dues to ACH Spain		292 757	648 422	521 163
Dues to ACF Canada		183 104	208 039	243 064
Dues to ACF FHF India		4 935	-	-
<b>Total Dues from ACF Network</b>		<b>4 588 869</b>	<b>3 200 808</b>	<b>2 901 311</b>

Liabilities on the Action Against Hunger network (United States, United Kingdom, Spain and Canada) consist of:

- o Participation in operating expenses and administrative expenses for country exchanges (\$1.9 million).
- o Cross-billing at cost of expatriate personnel under contract with a network entity and made available to Action Against Hunger for its missions.

## Note 10: Off-Balance Sheet Commitments

### Commitments Given:

Given the average age of Action Against Hunger employees as well as the high turnover, the impact of pension provisions is considered negligible and has not been calculated.

Action Against Hunger France signed the lease for its headquarters in Clichy in October 2013. The remaining commitment given as at 31.12.2017, which extends until February 2023, is for the payment of rents and rental charges amounting to \$7.887 million (\$8.575 million in 2016).

### Commitments Received:

The estimated amount of bequests of securities or assets accepted by the Board of Directors and not realised at the end of the financial year amounts to \$3.4 million.

### Commitments Given and Received:

Income from agreements signed with donors is recognised as the related projects are executed. Among the agreements in progress, the portion of funding exceeding the expenditures incurred amounted to 184,449 K\$ (versus 86,760 K\$ in 2016). This variation is explained by major contracts signed at the end of 2017, for which the programmes only began in 2018.

Financial transfers relating to the distribution of vouchers in Iraq are recognised in the balance sheet and have not been recognised in the operating revenue and expenditure accounts. They amounted to 11,967 K\$ in 2017 (versus 15,487 K\$ in 2016).

The agreement signed between Action Against Hunger France and Action Against Hunger USA in November 2016, for the transfer of country management in six countries between the two headquarters, was amended and provides that the original headquarters shall still provide financial support to the new headquarters in 2018 in order to cover the structural costs of missions. This amendment also provides for the two headquarters to share the administrative costs collected in 2018 in the six countries concerned.

### Consequently:

- Action Against Hunger France will provide a total and maximum financial support of 1,223 K\$ to Action Against Hunger USA in 2018
- Action Against Hunger United States will provide total and maximum support of 420 K\$ to Action Against Hunger France in 2018.

## Note 11: Voluntary Contributions In Kind

Voluntary contributions in kind received by the Organisation during the financial year are not directly valued in the financial statements. They appear at the bottom of the income statement and are of several types.

Voluntary contributions to the field programmes relate mainly to the supply of food, nearly 85% of these contributions come from UNICEF and the World Food Programme and mainly involve ten countries, amounting to 9,983 K\$.

The valuation has been established exclusively on products delivered in 2017 for which proof of delivery exists in the form of a dated delivery note and for which verifiable valuation is available, in the following form:

- o The price is provided by the donor;
- o The price is established on the basis of an Action Against Hunger procurement file relating to the same products and for the same period as that at which the donations were received. This purchase file may have been drawn up by the field mission or by the headquarters purchasing department, based on the purchasing procedures in force accepted by the donors;
- o The price is established on the basis of a local or international quotation if the product is not available in the country.

When the two conditions (proof of delivery and verifiable valuation) have been met, donations in kind are valued. When one of the conditions has not been met, donations are not valued.

From the 2017 financial year onwards, voluntary contributions related to headquarters operations (Race Against Hunger, Inter Enterprise Challenge, etc.) are also considered. They represent 1.2% of total contributions, that is, 125 K\$.

These donations are valued on the basis of a document proving the cost price of the service or the market value of the donation in kind.

The breakdown by country (for the field) and by service (for the headquarters) of these two types of contributions is as follows:

(in US Dollars)	Rate = 1,1993	31.12.2017	31.12.2016	31.12.2015
Contributions in kind for missions		9 983 174	10 480 667	9 122 927
Bangladesh		283 333	642 895	211 754
Myanmar		-	211 809	508 420
Central Africa Republic		999 193	1 086 724	1 557 801
Congo		1 938 799		
Ethiopia		5 148 124	4 805 957	2 126 692
Haiti		-	194 322	36 404
Irak		217 540	2 735 234	3 651 381
Cameroun		32 177	111 648	-
Liberia		-	-	74 983
Madagascar		117 209	-	28 416
Siera leone		-	616	-
Somalia		1 158 963	368 283	125 382
Chad		24 299	32 348	801 694
Yemen		63 537	290 832	-
Contributions in kind for the headquarters		124 611	-	-
Youth service		1 867	-	-
Partnership Direction		53 921	-	-
Delegation Service		62 647	-	-
Sport and solidarity in enterprise		6 176	-	-
<b>Total In-Kind Contributions</b>		<b>10 107 785</b>	<b>10 480 667</b>	<b>9 122 927</b>

Other types of contributions in kind were not valued due to lack of supporting evidence or solid valuation methods. These include donations to non-program missions or volunteering in France. The amounts indicated therefore represent only a partial view of the contributions in kind.

## Note 12: Subsidies

“Subsidies” include all resources arising from the raising of funds from public sources (European Union, United Nations, nations and other public institutions) regardless of their destinations, as well as specific funding administered as subsidies (financing from the international Action Against Hunger network, partners, etc.).

The recognition of these revenues in the income statement is based on the progress of the subsidised projects and in accordance with the contractual commitments of the donors (dates of eligibility of expenditure, allocated budget, nature of funded expenses and method of reimbursement of costs incurred).

Progress monitoring is carried out by means of analytical accounting, which enables the precise knowledge of expenditure and commitments by project, compared to the contractual budget. To cover the risk of the repayment of part of a committed subsidy, a provision for risk is established.

The method adopted by Action Against Hunger is reflected in the presentation of the Organisation’s financial statements as follows:

- In the income statement: the expenditures incurred for the missions are shown as expenses and are identical to what is shown in income, which results in no impact on the results of the financial year, since these are expenditures incurred for the missions and which are financed entirely by the donors.
- On the balance sheet: from 2016, the expenditures to be reimbursed by donors are no longer recognised in accrued income but directly in receivables. The item “Donor Advances” in liabilities mainly recognises the funds received that exceed the progression or completion of the contracts.

The portion of funding granted not yet committed during the financial year is not recognised at the end of the financial year and therefore does not appear on the debit side of “Other Receivables” or on the credit side of the item “Deferred Income”. It is measured in the off-balance sheet commitments in the notes to the financial statements (see Note 10).

## Note 13: Information on Staff Numbers and Remuneration

- Workforce, Average Age and Length of Service

The changes in the workforce and the breakdown by category are as follows:

Average staff	2017	2016
Total Employees at the French headquarters	275	266
Total Expatriates in ACF France Missions	244	261
Total Local Staff in ACF France Missions	3 990	4 027

Excluding work-study contracts, trainee conventions and volunteers

The average age and length of service in France or of the expatriates are as follows:

Average Employees Age as at December 31	2017	2016
Total Employees at the French headquarters	36,0	36,0
Expatriates in ACF France Missions	38,5	36,9

Seniority as at December 31	2017	2016
Total Employees at the French headquarters	3,6	3,7
Expatriates in ACF France Missions	2,0	2,3

• Remuneration at Headquarters

The monthly average of gross salaries at the headquarters (13<sup>th</sup> month inclusive) as at 31 December is as follows:

The average monthly gross salaries as at December 31, 2016 (including the 13th month salary) at the headquarters were as follows:	2017	2016
10 highest salaries	\$7 105	\$6 752
10 lowest salaries	\$2 650	\$2 671
The highest salary	\$8 258	\$8 217
The lowest salary	\$2 256	\$2 245
Average salary	\$3 956	\$3 871

excluding work-study contracts

Annual gross remuneration paid to members of the Executive Committee is as follows:

Gross Annual Salary Paid to the Executive Committee Members	2017	2016
General Director (till April 2016)	\$100 359	\$73 564
General Director (since April 2016)		\$46 145
Communication and Development Director (till December 2016) *	\$94 693	\$91 099
Human Resources Director	\$85 178	\$83 979
Operations Director (till October 2016)	\$89 320	\$36 125
Operations Director (since October 2016)		\$100 088
Administrative and Finance Director	\$88 029	\$86 694
Logistics and Information Systems Director	\$91 773	\$93 266
Expertise and Advocacy Director	\$88 288	\$88 431
Analysis and Strategy Director (till March 2016)		\$25 899

\* including annual leave payments and time savings accounts

Employees do not receive any ancillary remuneration such as staff incentives and/or profit-sharing and do not enjoy any in-kind benefits.

The members of the Executive Committee receive the highest remuneration from the Organisation. On the other hand, the Chairman and the members of the Board of Directors do not receive any remuneration

from the Organisation but are entitled to the reimbursement of their expenses of representation according to the procedures in force.

The amount of professional expenses reimbursed by the Organisation to members of the Executive Committee for the 2017 financial year is 19 K\$ (versus 24 K\$ in 2016). The amount of expenses reimbursed by the Organisation to Directors for the same financial year amounts to 32 K\$ (versus 11 K\$ in 2016).

#### Note 14: Statutory Auditor's Fees

Fees were paid to the Statutory Auditor in 2017 as part of its statutory audit assignment. There was no audit of field program contracts (for institutional donors) this year. The fee amounts are as follows:

- Legal audit fees: 106 K\$ excluding tax.

#### Note 15: Proposed Allocation of 2017 Income

The Board of Directors of Action Against Hunger-France proposes to the General Meeting of 16 June 2018 to give its opinion on the proposed allocation of the 2017 surplus of \$1,643,433, including \$ 5 259 134 in expenditures used in the reserve for the organisation's projects. This is an amount \$6,902,568 ready to be allocated according to the table below:

(in US Dollars)	Rate = 1,1993	As at	Allocation of the Results 2017		As at
		31.12.2017 (before allocation of the results 2015)	Decrease	Increase	31.12.2017 (after allocation of the results 2016)
Associative funds		29 673 682	0	2 045 403	31 719 085
Reserve funds for the Associative Project, of which:		17 880 247	5 259 134	4 857 165	17 478 277
- <i>Applied research</i>		1 258 471	274 774	299 825	1 283 522
- <i>Operationnal Programs</i>		8 632 124	2 165 213	2 398 600	8 865 511
- <i>International Development</i>		4 977 010	1 915 702	1 199 300	4 260 608
- <i>Information Systems Development</i>		3 012 642		959 440	3 068 636
Financial Results		1 643 433	-5 259 134	-6 902 568	
<b>TOTAL EQUITY CAPITAL</b>		<b>49 197 362</b>	<b>0</b>	<b>0</b>	<b>49 197 362</b>

# 2017 Application of Funds Statement

EXPENDITURES	Expenditures in 2017 = Income Statement	Allocation by use of resources raised from the and used in 2017
<i>(in US Dollars)</i> <i>Rate = 1,1993</i>	(1)	(3)

1 - SOCIAL MISSIONS	188 160 282	39 950 964
1.1 - SOCIAL MISSIONS IN FRANCE	3 265 946	
Actions performed directly	3 265 946	
Payments to other bodies intervening in France	0	
1.1 - SOCIAL MISSIONS PERFORMED ABROAD	184 894 336	
Actions performed directly	171 961 866	
Payments to a Central Body or Other Bodies	12 932 470	
2 - EXPENSES INCURRED FOR RAISING FUNDS	15 845 258	14 262 872
2.1 - COSTS INCURRED FOR APPEALING TO PUBLIC DONATIONS	13 850 445	
2.2 - EXPENSES INCURRED FOR OTHER PRIVATE FUNDING	1 185 480	
2.3 - CHARGES RELATING TO FINDING GRANTS AND OTHER PUBLIC CONTRIBUTION	809 333	
3 - OPERATING COSTS	9 945 742	0
<b>I - TOTAL OF EXPENDITURES FOR THE FISCAL YEAR ENTERED IN THE FINANCIAL STATEMENT</b>	<b>213 951 282</b>	<b>54 213 836</b>

II - ALLOCATIONS OF PROVISIONS	4 947 833	
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III - INVESTMENT ON APPROPRIATED INCOME	3 819 992	
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IV - SURPLUS OF INCOME DURING THE FISCAL YEAR	1 643 433	
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<b>V - TOTAL</b>	<b>224 362 540</b>	
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V - Proportion of Gross Capital Expenditures for the fiscal year financed by the funds raised from the general public		493 880
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VI - Equalization of the Depreciation of Fixed Assets financed from the first enforcement of the decrees by funds raised from the general public		24 013
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VII - Total Expenditures Financed by Funds Raised from the General Public		54 683 702
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EVALUATION OF VOLUNTARY IN-KIND CONTRIBUTIONS		
Social missions	9 983 175	
Expenditures relating to Fundraising	121 540	
Operating costs and other expenses	3 070	
<b>TOTAL</b>	<b>10 107 785</b>	

<b>INCOME</b> <i>(in US Dollars)</i>	<i>Rate = 1,1993</i>	Income raised in 2017 = Income Statement (2)	Monitoring of funds raised from the general public and used in 2017 (4)
AMOUNT CARRIED FORWARD - INCOME RAISED FROM THE PUBLIC NOT ALLOCATED / NOT USED AT THE BEGINNING OF THE FINANCIAL YEAR			24 240 006
<b>1 - INCOME RAISED FROM THE GENERAL PUBLIC</b>		48 593 418	48 593 418
1.1 - DONATIONS AND BEQUESTS RAISED		42 418 778	
Non dedicated manual donations		39 385 812	
one-off donations		15 641 548	
Direct debit payment		23 744 264	
Dedicated manual donations		629 279	
Non dedicated bequests and other donations		2 403 686	
Dedicated bequests and other donations		0	
1.2 - OTHER INCOME RELATING TO APPEALING FOR PUBLIC DONATIONS		6 174 641	
Other Dedicated Income relating to Public Generosity		2 341 903	
Other Non-Dedicated Income relating to Public Generosity		3 832 738	
<b>2 - OTHER PRIVATE FUNDS</b>		5 385 909	
Unallocated Donation and Mentoring		1 492 931	
Allocated Donation and Mentoring		1 702 631	
Allocated private Grant		2 190 347	
<b>3 - GRANTS AND OTHER PUBLIC CONTRIBUTIONS</b>		146 165 417	
<b>4 - OTHER INCOME</b>		12 689 673	
<b>I - TOTAL INCOME FOR THE FISCAL YEAR ENTERED IN THE INCOME STATEMENT</b>		212 834 417	
II - WRITING-BACK OF PROVISIONS		7 944 586	
III - AMOUNT CARRIED FORWARD FOR DEDICATED INCOME AND NOT USED FROM PREVIOUS FINANCIAL YEAR		3 536 301	
IV - FLUCTUATION OF RESTRICTED FUNDS RAISED FROM THE PUBLIC (refer to the table summarizing restricted funds)			92 692
V - INCOME SHORTAGE DURING THE FISCAL YEAR		0	
<b>VI - TOTAL</b>		224 315 304	48 686 110
VII - Total expenditures financed by funds raised from the general public			54 636 466
BALANCE OF INCOME RAISED FROM THE PUBLIC NOT ALLOCATED AND NOT USED AT THE END OF THE FINANCIAL YEAR			18 289 649
<b>EVALUATION OF VOLUNTARY IN-KIND CONTRIBUTIONS</b>			
Voluntary work		1 505	
In-Kind Benefits		57 027	
In-Kind Donations		10 049 254	
<b>TOTAL</b>		10 107 785	



## NOTES TO THE APPLICATION OF FUNDS STATEMENT

### 1st PART - GENERAL

- Action Against Hunger France's Application of Funds Statement is established according to the principles dictated by Law No. 91-772 of 7 August 1991 and the Order of 30 July 1993 regarding the presentation of the accounts of the organisations
- Since Order No. 2005-856 of 28 July 2005, the Application of Funds Statement has been included in the notes to the annual financial statements. It is accompanied by information relating to its preparation.
- Following the publication in April 2008 of the opinion of the Conseil National de la Comptabilité and the approval of the Regulation of the Comité de la Réglementation Comptable no. 2008-12 by decree of 11 December 2008, a new model annual Application of Funds Statement must be drawn up by organisations that make appeals for support from the general public, with effect from 1 January 2009.
- The Application of Funds Statement is prepared in accordance with the components of the Income Statement to provide:
  - comprehensive information on all application of funds (column 1) and resources (column 2) of the financial year,
  - the allocation by application (column 3) of only the resources collected from the general public as well as the monitoring of the resources collected prior to the current financial year (column 4).
- The use of funds in the Application of Funds Statement is broken down, based on the analytical accounting of the Organisation, into three sections of application of funds, which are Social Missions, Fundraising Costs and Operating Costs.
- The vast majority of costs are allocated directly to one of the sections of the Application of Funds Statement based on analytical accounting. Direct costs are thus allocated to the relevant services and activities.
- Nevertheless, certain expenditures are linked to actions that may be connected to several sections of the Application of Funds Statement. In these particular cases, these indirect charges are then broken down between the different sections. This breakdown relates to the following expenditures:
  - The costs of monitoring, administrative management and recruitment of human resources at the headquarters are broken down into the different sections according to the number of permanent staff at the headquarters directly assigned to each type of job, as provided for in the annual budget ;
  - Half of the costs associated with accounting management and the development of financial procedures and tools are attributed to operational support and half to operating expenses;
  - The costs of the Logistics, Human Resources, Administrative and Financial, Communication, and Development Departments are broken down into the different sections according to the number of permanent employees of the departments concerned and assigned to each type of job, as provided for in the annual budget;
  - Headquarters overheads (rents, utilities, maintenance, security guards, cleaning, photocopiers, postage, etc.) are broken down into the various sections according to the number of permanent headquarters employees assigned to each type of job, as provided for in the annual budget.

Furthermore, Race Against Hunger is an educational event aimed at raising young people's awareness of the problems of hunger in the world. Half the costs of organising the Race Against Hunger and the costs of running the regional delegations are attributed to expenditure on raising public awareness and half to the costs of fundraising efforts.

## 2nd PART - 2017 APPLICATION OF FUNDS (column 1)

The different sections of application of funds include both external expenses (purchases, fees, travel, etc.) and the salaries of the personnel assigned to these sections (see reconciliation statement from the Income Statement to the Application of Funds Statement).

### 2.1 – SOCIAL MISSIONS

Our social missions are defined in the Organisation's Articles of Association and explained in its organisational project. Expenditures allocated to social missions include all costs incurred for each of Action Against Hunger's social missions in accordance with its statutory mission statement.

#### 2.1.1 – Social Missions Carried Out in France

##### - Actions Carried Out Directly

Actions carried out in France include the costs associated with organising events and operations to raise public awareness as well as communication and advertising expenditures if they are not associated with calls for donations.

(in US Dollars)	Rate = 1,1993	2017	2016
Communication events and general events		1 148 608	1 206 619
Communication and advertising		500 297	560 538
Cost incurred for organizing information and raising-awareness campaigns		1 617 042	1 458 670
<b>Total for Social missions performed directly in France</b>		<b>3 265 946</b>	<b>3 225 827</b>

##### - Payments to Other Organisations Acting in France

Action Against Hunger does not fund any organisation in France.

#### 2.1.2 – Social Missions Carried Out Abroad

##### - Actions Carried Out Directly

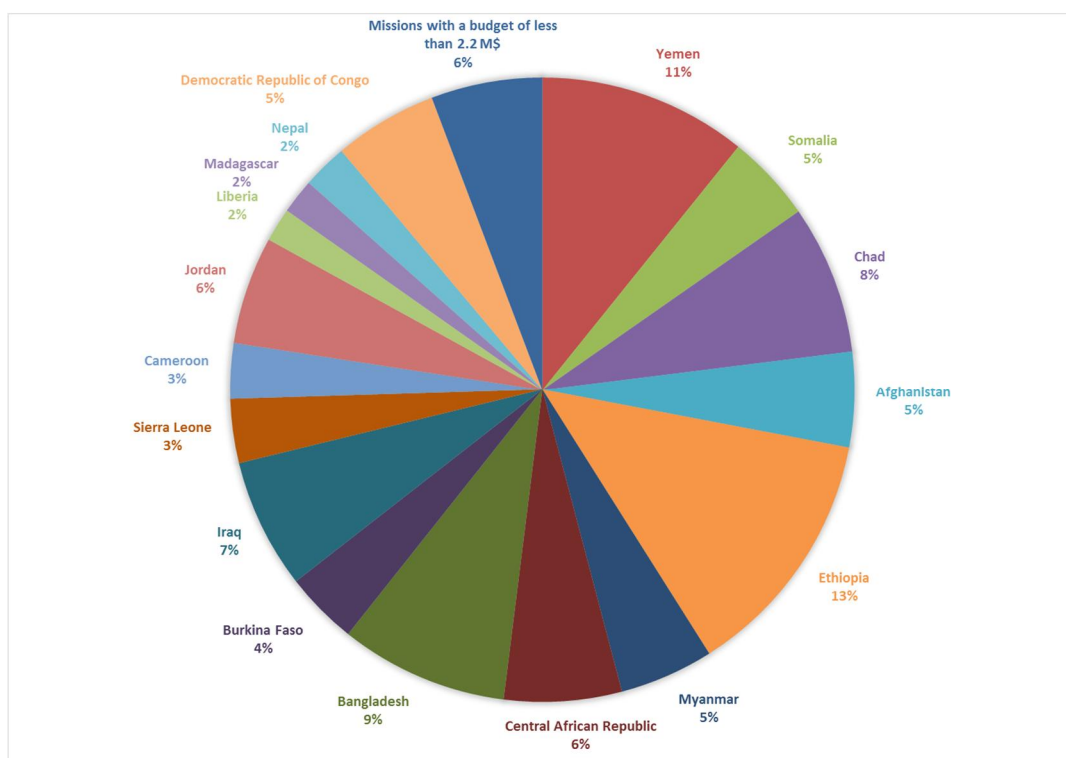
Social Missions carried out directly abroad are broken down into four items:

(in US Dollars)	Rate = 1,1993	2017	2016
Operational expenses		150 894 767	133 886 628
Other operational projects		2 921 919	1 946 050
Technical assistance to operations		15 982 004	16 664 808
Expatriate staff in missions managed by other headquarters		2 163 176	1 677 199
<b>Total for Social Missions performed directly abroad</b>		<b>171 961 866</b>	<b>154 174 685</b>

- Operational Expenditures

The item "Operational Expenditures" includes costs relating to the execution of programmes in the field: human resources present on the ground, logistical resources and purchases of equipment and supplies (nutrition, hydraulic, physical and mental health as well as food safety).

(in US Dollars)	Rate = 1,1993	2017	2016
Afghanistan		7 496 981	5 672 104
Bangladesh		13 135 358	5 703 719
Myanmar		7 349 626	8 153 105
RESILAC Project*		137 622	0
Middle East regional office		291 465	190 404
Burkina Faso		5 704 514	5 492 657
Cameroon		4 380 843	4 747 001
Central African Republic		9 189 169	10 263 275
Democratic Republic of Congo		8 097 415	0
Ivory Coast		1 174 203	1 539 328
Djibouti		1 612 155	1 484 105
Ethiopia		19 668 773	13 624 567
Indonesia		1 082 830	763 677
Iraq		10 155 152	9 997 361
Jordan		8 412 482	4 765 656
Liberia		2 641 646	3 267 901
Madagascar		2 716 619	2 672 220
Nepal		3 508 692	4 276 662
Sierra Leone		5 003 972	6 569 134
Somalia		6 816 108	5 788 748
Chad		11 625 546	12 246 165
Ukraine		998 672	1 933 098
Yemen		16 295 770	8 193 595
Zimbabwe		1 392 356	453 394
Closed missions and miscellaneous charges		2 006 797	16 088 753
<b>Total Operational Expenses</b>		<b>150 894 767</b>	<b>133 886 628</b>



2017 was marked by several crises that generally explain the growth of our operations:

- The Rohingya crisis in Bangladesh.
- The drought in the Horn of Africa, which explains the level of our mission to Ethiopia but also the level of our mission to Somalia over only a six-month period;
- The crisis in Yemen.

The amount of expenditure on our missions increased by nearly 13% in 2017 compared to 2016 despite the fact that Action Against Hunger France is no longer managing certain missions:

- The transfer of the management of the Haiti mission on 01.01.2017 and of the Somalia mission on 01.07.2017 to Action Against Hunger USA. In exchange, Action Against Hunger France received the mission of the Democratic Republic of Congo on 01.07.2017 which therefore appears this year among our operations.
- India became the "Fight Hunger Foundation", with new independent headquarters as at 1 January 2017

Finally, the positioning of our Jordan mission has enabled us to attain strong growth in the Middle East.

• Other Operational Projects

This item concerns projects not directly linked to a country on the ground and financed by dedicated funds or by partners. These include scientific and technical research activities aimed at increasing and sharing international knowledge and improving the quality of practices implemented within field programmes.

(in US Dollars)	Rate = 1,1993	2017	2016
Total Other operationnal programs		2 921 919	1 946 050

- Operational Support

This item includes the direct or indirect costs of the headquarters relating to the management and support of the activities of social missions carried out abroad, and in particular:

- o the costs of monitoring, managing, recruiting and training human resources,
- o the technical support costs for operations, in particular expertise in nutrition, food safety and water/sanitation,
- o the coordinating and steering of the programmes by the operational departments,
- o the advocacy and mobilisation activities,
- o the logistics coordination and procurement management for missions,
- o the costs related to administrative and accounting management, financial control of the missions and internal control.

(in US Dollars)	Rate = 1,1993	2017	2016
Management of Human Resources		3 946 310	4 157 916
Technical support to Operations and Scientific Research and advocacy		3 786 534	3 621 280
Coordinating and piloting of programs		5 799 573	6 437 658
Logistics coordination		958 213	905 591
Administrative and financial management, controlling and internal audit		1 491 374	1 542 363
<b>Total Support to Operations</b>		<b>15 982 004</b>	<b>16 664 808</b>

A reinforcement of the Operations Department had been initiated in mid-2015 following major and multiple humanitarian crises, then extended through 2016. This reinforcement activity ended in 2017, which explains the decrease in the "Coordinating and Steering of Programmes" section (-570 K\$).

- Expatriate Staff on Missions from Other Headquarters

This item includes the cost of expatriates assigned to missions managed by another headquarters in the international network (the cost is covered and is offset by income allocated to social missions).

(in US Dollars)	Rate = 1,1993	2017	2016
Salaried expats under ACF France contract made available to other HQs		2 163 176	1 677 199
<b>Total expatriates staff in Missions for other head offices</b>		<b>2 163 176</b>	<b>1 677 199</b>

The increase between 2016 and 2017 is mainly due to the transfer of the management of the Haiti mission - which included many expatriates under French contract - to the headquarters of New York.

- Payments to a Central Body or Other Bodies

This item includes donations or grants to the international network.

(in US Dollars)	Rate = 1,1993	2017	2016 pro forma	2016
Assistance to ACF International Network		6 639 171	1 965 264	627 790
Grants for the Funding of Other Headquarters Programs		6 293 299	12 328 379	12 328 379
<b>Payments to a central body or other bodies</b>		<b>12 932 470</b>	<b>14 293 643</b>	<b>12 956 169</b>

A change in the presentation method - with no impact on the results of the financial year or on the opening balance of own funds - was made on all expenditures related to the former Strategy Department of Action Against Hunger France. In the 2016 financial report, these expenditures were included in the "Structural and General Services Costs of the Headquarters" section of the total "Operating Costs". This Action Against Hunger France Strategy Department has become a Regional Analysts project, which is shared within our international network. Consequently, the costs for this are now included in support for the international network.

Note the sharp increase in network support in 2017, due to the transfer of the management of the Haiti and Somalia missions to the headquarters in New York (\$4.9 million of which \$3.0 million in net assets transferred from Haiti and Somalia to Action Against Hunger US and \$1.9 million in administrative costs to be paid to Action Against Hunger US).

Breakdown of the programmes by country of the other headquarters:

(in US Dollars)	Rate = 1,1993	2017	2016 Pro forma
Nigeria		1 973 339	0
Haiti		369 885	0
Uganda		160 614	0
Kenya		60 108	0
Pakistan		1 265 428	0
Congo DRC		226 399	0
Somalia		426 360	0
Total US ACF Expenditures		4 482 132	6 611 448
WARO		377 473	0
Colombia		234 922	0
Mali		340 403	0
Malawi		201 355	0
Niger		257 158	0
Syria		492	0
Total expenses ACF Spain		1 411 804	5 530 247
Total expenses ACF Canada		399 363	186 683
<b>Grants for the Funding of Other Headquarters Programs</b>		<b>6 293 299</b>	<b>12 328 378</b>

## 2.2 – FUNDRAISING COSTS

This section includes all expenditures incurred to collect donations, particularly from private sources. All costs relating to fundraising campaigns undertaken during a certain financial year are linked to said financial year.

### 2.2.1 – Costs for appeals for support from the general public

This item includes all costs relating to appeals for donations from the general public: direct costs of operations (direct marketing, bequests and half the cost of Race Against Hunger), costs of monitoring and managing campaigns and costs of processing donations.

(in US Dollars)	Rate = 1,1993	2017	2016
Expenses incurred for raising funds		7 648 660	8 559 285
Occasional donations		4 281 099	5 515 830
Direct transfers		3 367 560	3 043 455
Expenses Incurred for Organizing Events		195 791	194 181
Management of campaigns and donations processing		6 005 994	5 816 167
ACF Development		0	305 822
<b>Expenses incurred for raising funds from public generosity</b>		<b>13 850 445</b>	<b>14 875 454</b>

Costs for appeals for support from the general public fell between 2016 and 2017 due, in particular, to savings on campaign costs. On the other hand, the cost of appealing for donations involving direct debits increased following the intensification of donor prospecting operations using this channel.

### 2.2.2 – Cost of Fundraising from Other Private Funds

This item includes expenditures incurred to raise funds from businesses.

(in US Dollars)	Rate = 1,1993	2017	2016
Expenses incurred for raising other private funds		1 185 480	960 617

### 2.2.3 – Expenses Related to Seeking Subsidies and other Public Aid

The seeking of subsidies from institutional donors or local authorities is carried out both on missions and by several headquarters departments. These expenses correspond to the cost of our Donor Relations department at the headquarters, which was internationalised in 2016. In 2017, Action Against Hunger France centralized the costs of this unit, which remains supported by the entire network.

(in US Dollars)	Rate = 1,1993	2017	2016
Total expenses incurred for raising grants and other public funds		809 333	630 499

## 2.3 – OPERATING COSTS

This subtopic includes the costs relating to the operation of the Action Against Hunger headquarters structure and general services, information systems as well as financial expenses and exceptional charges.

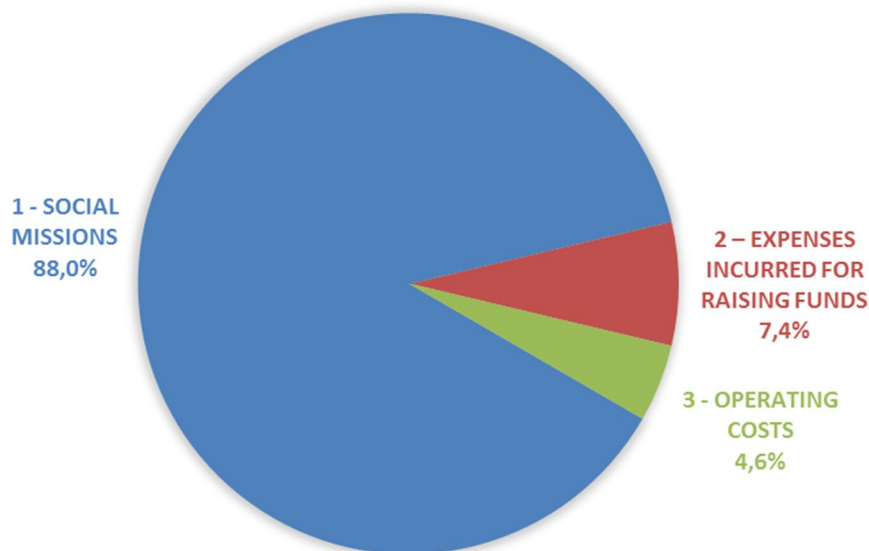
(in US Dollars)	Rate = 1,1993	2017	2016 pro forma	2016
Operating costs and general services costs - Headquarters		7 414 905	6 736 228	8 073 702
Financial charges		2 482 908	1 755 005	1 755 005
Extraordinary charges		47 928	402 049	402 049
<b>Total Operating Costs</b>		<b>9 945 742</b>	<b>8 893 282</b>	<b>10 230 756</b>

A change in the presentation method, with no impact on the results of the financial year or on the opening own funds, was made on all expenditures related to the former Strategy department of Action Against Hunger France. In the 2016 financial report, these expenditures were included in the "Structural and General Services Costs of the Headquarters" section of the total "Operating Costs". This Action Against Hunger France Strategy Department has become a Regional Analysts project, which is shared within our international network. Consequently, the costs for this are now included in support for the international network.

The increase in financial expenses in 2017 is mainly due to foreign exchange losses linked to the transfer of the Haiti mission to the Action Against Hunger New York headquarters (497 K\$). At an equivalent scope, the increase in structural costs can be explained on the one hand by a strong investment in expenditures related to our projects to overhaul our related information systems and services (381 K\$), and on the other hand by the creation of an Audit, Risk and Compliance department within the Directorate General.

#### 2.4 – BREAKDOWN OF APPLICATION OF FUNDS BY PURPOSE (column 1)

This graph shows the amount of each section of application of funds relative to the total application of funds in the Application of Funds Statement (total I).





## 2.5 - RECONCILIATION STATEMENT FROM THE INCOME STATEMENT TO APPLICATION OF FUNDS STATEMENT

(in thousand US Dollars) Rate = 1,1993	STAFF PAYROLL	OTHER COSTS	FINANCIAL CHARGES	EXTRAORDINARY CHARGES	CORPORATE TAX	FINANCIAL COMMITMENTS ON APPROPRIATED FUNDS	TOTAL
SOCIAL MISSIONS	77 429	102 284	5 383	3 063	0	0	188 160
EXPENSES INCURRED FOR RAISING FUNDS	3 299	12 546	0	0	0	0	15 845
OPERATING COSTS	4 770	2 645	2 483	48	0	0	9 946
<b>TOTAL EXPENDITURES</b>	<b>85 498</b>	<b>117 475</b>	<b>7 866</b>	<b>3 111</b>	<b>0</b>	<b>0</b>	<b>213 951</b>
ALLOWANCES FOR PROVISIONS	0	1 378	3 565	5	0	0	4 948
COMMITMENT TO INVEST OUT OF ALLOCATED INCOME	0	0	0	0	0	3 820	3 820
INCOME SURPLUS FOR THE FINANCIAL YEAR	0	0	0	0	0	0	1 643
<b>TOTAL</b>	<b>85 498</b>	<b>118 852</b>	<b>11 431</b>	<b>3 116</b>	<b>0</b>	<b>3 820</b>	<b>224 363</b>

### 3rd PART - 2017 RESOURCES (column 2)

#### 3.1 – RESOURCES COLLECTED FROM THE GENERAL PUBLIC

"Resources Collected from the General Public" relates to all individual donations. Donations from individuals collected through partnerships with businesses (solidarity financial products offered by banks for example) are also presented in this section.

The item "Individual Donations" includes all donations collected through direct marketing actions. They are used, in accordance with the call for funds messages, to help fund Action Against Hunger activities. Where appropriate, dedicated funds are created to monitor the relevant allocations.

##### 3.1.1 – Donations and Bequests Collected

(in US Dollars) Rate = 1,1993	2017	2016
Occasional donations	15 641 548	16 385 790
Direct transfers	23 744 264	22 898 715
Non-dedicated manual donations	39 385 812	39 284 505
Dedicated manual donations	629 279	460 090
Non-dedicated bequests	2 403 686	1 251 769
Dedicated bequests	0	0
<b>Total Donations and Bequests</b>	<b>42 418 778</b>	<b>40 996 363</b>

The 2017 collection of funds from donations and bequests is higher than in 2016 due to the increase in donations from bequests and other generous gifts as well as those from direct debits.

##### 3.1.2 – Other Income Linked to Appeals for Support from the General Public

This item includes all private donations collected during events (Race Against Hunger, for example) or as part of solidarity financial products.

(in US Dollars)	Rate = 1,1993	2017	2016
<i>Run against Hunger</i> and Non-dedicated Delegations		2 194 939	2 056 878
Other events		1 300 246	1 019 739
Solidarity-based investment income		327 743	373 764
Other operations		9 810	12 473
<b>Other non-dedicated income related to public generosity</b>		<b>3 832 738</b>	<b>3 462 854</b>

(in US Dollars)	Rate = 1,1993	2017	2016
<i>Run against Hunger</i> and Delegations - Dedicated		2 283 396	2 457 090
Other events		58 507	0
Solidarity-based investment income		0	0
Other operations		0	0
<b>Other dedicated income related to public generosity</b>		<b>2 341 903</b>	<b>2 457 090</b>

<b>Total Other income related to public generosity</b>		<b>6 174 641</b>	<b>5 919 943</b>
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### 3.2 – OTHER PRIVATE FUNDS

“Other Private Funds” includes donations from companies obtained through sponsorship and subsidies of private origin.

(in US Dollars)	Rate = 1,1993	2017	2016
Corporate philanthropy and sponsorships – Non-dedicated		1 492 931	1 503 305
Corporate philanthropy and sponsorships – Dedicated		1 702 631	859 873
Private grants - Dedicated		2 190 347	1 698 629
<b>Other private funds</b>		<b>5 385 909</b>	<b>4 061 808</b>

The increase in “Other Private Funds” between 2017 and 2016 can be explained in particular by the increase in subsidies of private origin, as well as by the increase in funds allocated from the sponsorships and partnerships concerning the Horn of Africa emergency

### 3.3 – SUBSIDIES AND OTHER PUBLIC AID

“Subsidies and Other Public Aid” includes all resources arising from the raising of funds from public sources (European Union, United Nations, nations and other public institutions) as well as specific funding administered as subsidies (financing from or to the international network in particular).

Subsidies can be received by way of two channels:

- by Action Against Hunger headquarters in France,
- or directly by the missions.

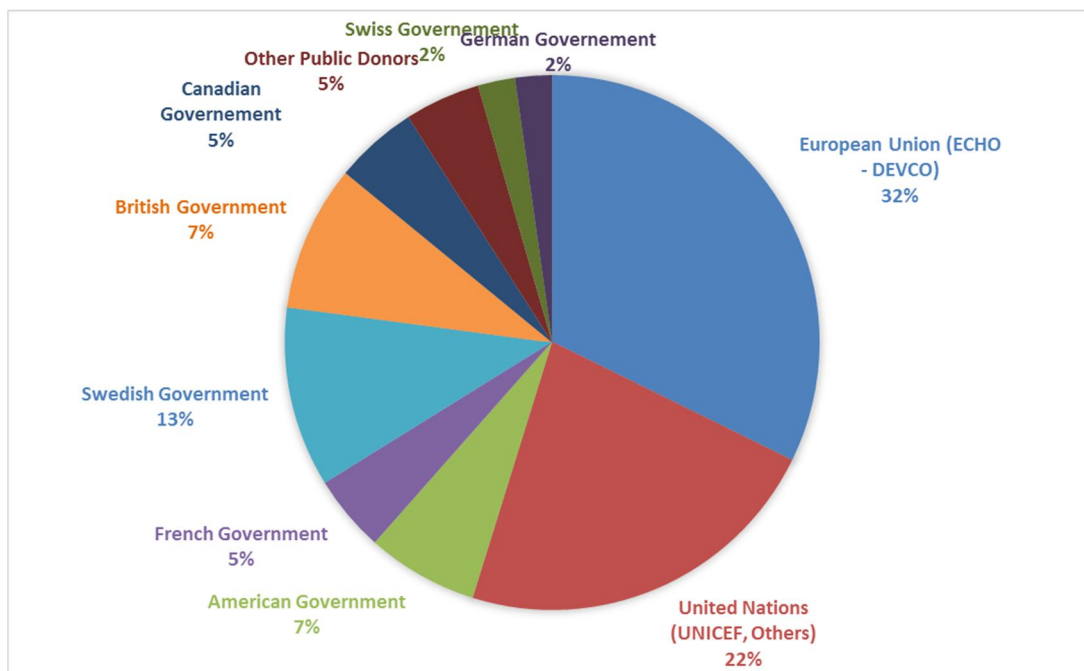
(in US Dollars)	Rate = 1,1993	2017	2016
European Union - ECHO		38 027 603	35 026 393
European Union - DEVCO		8 479 884	8 396 623
United Nations - UNICEF		16 060 243	10 284 402
United Nations - Others		16 436 310	17 481 631
American Government		9 701 711	18 189 645
French Government		6 682 756	4 468 253
Swedish Government		15 750 540	18 326 777
British Government		12 718 765	10 162 721
Canadian Government		7 240 529	3 965 045
Swiss Government		3 229 684	2 139 935
German Government		3 216 349	2 022 037
Irish Government		2 030 944	0
Other Governments		727 773	1 348 553
Other Public Institutions		4 767 636	3 126 594
Miscellaneous Institutional Donors		1 094 690	1 107 692
<b>Total Grants and other public aid</b>		<b>146 165 417</b>	<b>136 046 301</b>

The European Union still represents Action Against Hunger's main source of public subsidies (31.8% of subsidies in 2017.) There has been an increase in ECHO subsidies, in particular, for Congo, Ethiopia and Yemen.

The United Nations is the second largest source of subsidies (22.2% of subsidies in 2017, up 1.8 points versus 2016). There was also a 56.2% increase in UNICEF subsidies, mainly for Congo, Jordan and Yemen.

In terms of government funding, there was a significant decrease in US government subsidies (-47.6%) due to the decrease in funds for Haiti, Sierra Leone and Chad. There was also a decrease in funding from the Swedish government (-14.1%). On the other hand, there was an overall increase from other governments that had provided funding in 2016: +82.6% for the Canadian government, notably for Ethiopia, Yemen and the Central African Republic. +49.6% for the French government, notably for Jordan and Ivory Coast. Subsidies from the Irish Government increased by 2.7%, which was directed only to Sierra Leone.

Finally, funds from other public institutions increased (+52.5%) mainly for Bangladesh.



### 3.4 – OTHER INCOME

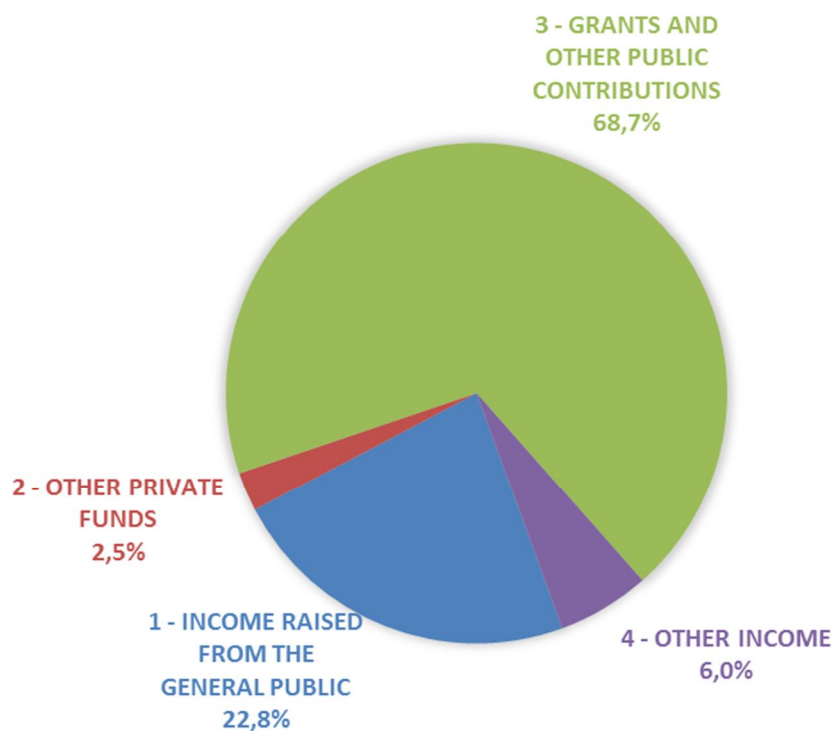
“Other Income” includes resources not connected to the raising of private or public funds. This is divided into two main items:

- Other income related to social missions: this includes foreign exchange gains and exceptional income recorded on missions, as well as the other Action Against Hunger headquarters taking responsibility for expatriates assigned to one of their missions. The increase in 2017 is linked to the transfer of assets from the Haiti and Somalia missions to Action Against Hunger USA (\$3 million in asset disposal income).
- Other unallocated income of the organisation: mainly foreign exchange gains and financial income of the headquarters. Growth in miscellaneous income is linked to the sharing of administrative costs for missions managed by Action Against Hunger US covered by the agreement on country exchanges (\$3.8 million).

(in US Dollars)	Rate = 1,1993	2017	2016
Other income allocated to Social Missions		7 611 470	4 739 317
Miscellaneous income - Missions		5 225 905	2 662 563
Miscellaneous income - Headquarters		2 383 414	2 075 629
Investment income		2 150	1 124
Other income non-allocated to Social Missions		5 125 294	967 270
Miscellaneous income		4 393 595	156 015
Investment income		731 699	811 255
Extraordinary Income		146	1 424
<b>TOTAL OTHER INCOME</b>		<b>12 736 910</b>	<b>5 708 010</b>

### 3.5 – DISTRIBUTION OF RESOURCES BY ORIGIN (column 2)

This graph shows the amount of each type of resource relative to the total resources of the Application of Funds Statement (total I).



### 3.6 – DEDICATED FUNDS

In "commitments to be made on allocated resources" (column 1) we note the difference between the amounts allocated in 2017 and the use made of them during the same financial year.

The "deferral of unused allocated resources from previous financial years" (column 2) corresponds to the use of dedicated funds, that is, programmes carried out by Action Against Hunger France during the financial year and financed by dedicated funds.

Dedicated funds used by other network entities are recorded in the balance sheet accounts. This is why the use of these funds does not appear in the "deferral of resources not previously used".

The notes to the balance sheet make it possible to correlate the information provided in the appendix to the balance sheet with the movements presented in the Application of Funds Statement

### 3.7 - RECONCILIATION STATEMENT FROM THE INCOME STATEMENT TO THE APPLICATION OF FUNDS STATEMENT

(in thousand US Dollars) Rate = 1,1993	Operating Income	Financial Income	Extraordinary Income	Allocated income not used during previous years and to be carried forward	TOTAL
Income Raised from the general public	48 593	0	0	0	48 593
Other Private funds	5 386	0	0	0	5 386
Grants and other public contribution	146 165	0	0	0	146 165
Other Income	6 869	2 629	3 239	0	12 737
<b>Total Income</b>	<b>207 014</b>	<b>2 629</b>	<b>3 239</b>	<b>0</b>	<b>212 882</b>
Writing-back of provisions	2 659	5 286	0	0	7 945
Allocated income not used during previous years and to be carried forward	0	0	0	3 536	3 536
Income shortage during the fiscal year	0	0	0	0	0
<b>Total</b>	<b>209 673</b>	<b>7 915</b>	<b>3 239</b>	<b>3 536</b>	<b>224 363</b>

## 4th PART – ALLOCATION BY APPLICATION OF FUNDS COLLECTED FROM THE PUBLIC AND APPLIED FOR 2017 (column 3)

### 4.1 - METHOD

The allocation of resources collected from the general public is the balance corresponding to application of funds that have financed solely by resources stemming the support provided by the general public.

### 4.2 – ALLOCATION GUIDELINES BY APPLICATION OF FUNDS

#### 4.2.1 – Operating Costs

Operating costs are financed in the following order:

- indirect costs (administrative costs) charged for projects.
- beyond that, there are two possibilities:
  - o the indirect costs invoiced are higher than the operating costs, the remainder is then attributed to the social missions;
  - o the indirect costs invoiced are lower than the operating costs, the balance is financed by the other unallocated private funds (balance after financing the fundraising costs) and, if necessary, by the resources from the support provided by the general public.

#### 4.2.2 – Social Missions

The Social Missions are funded in the following order:

- by resources allocated and used, excluding invoiced indirect costs (subsidies, other private funds and other income),
- by any remaining indirect costs invoiced (after allocation to operating costs),
- and from the support provided by the general public.

#### 4.2.3 – Fundraising Costs

Fundraising Costs are financed in the following order:

- by the other non-allocated private funds for an amount equal to the "cost of fundraising from other private funds" line,
- by contributions from the international network to the Donor Relations Department
- and from the support provided by the general public.

#### 4.3 – ASSETS

All assets acquired for the headquarters were financed by resources collected from the public.

### 5th PART – MONITORING OF RESOURCES COLLECTED FROM THE PUBLIC AND USED FOR 2017 (column 4)

A detailed and historical analysis of our dedicated funds made it possible to identify the source of the resources in the balances at the end of 2016 and the end of 2017 and therefore to precisely determine the change in the amount of the dedicated funds collected from the public.