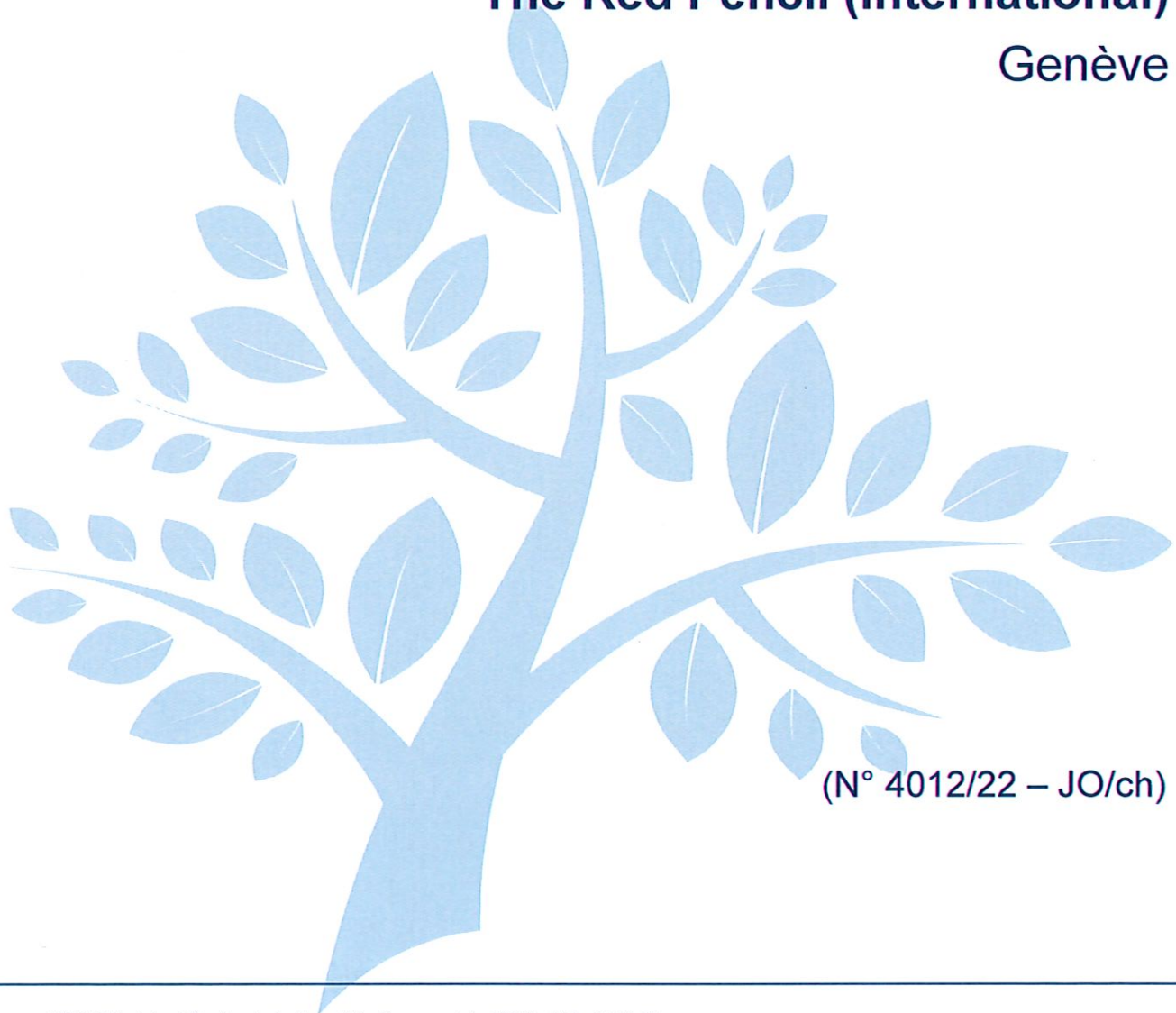


REPORT

of the Auditors on the limited statutory examination
to the General Assembly
on the financial statements as at December 31, 2021

The Red Pencil (International) Genève



(N° 4012/22 – JO/ch)

Report of the Auditors on the limited statutory examination
to the General Assembly of
The Red Pencil (International)

GENEVA

As auditors of your association, we have examined the financial statements (balance sheet, income statement and notes) for the year ended December 31, 2021.


These financial statements are the responsibility of the Management Committee. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of net income of the year do not comply with Swiss law and the company's statutes.

Sion, April 6, 2022

PKF Fiduciaire SA


Josué Coudray
Licensed audit expert
(Auditor in charge)


Christelle Coudray
Licensed auditor expert

Enclosures: - Financial statements as at 31 December, 2021 (balance sheet, income statement account and notes)

ASSOCIATION THE RED PENCIL (INTERNATIONAL)

Geneva

BALANCE SHEET AS PER 31 DECEMBER	2021	2020
	CHF	CHF
<u>ASSETS</u>		
Cash	24'479.37	58'740.75
Prepayments	786.20	4'312.80
Total current assets	25'265.57	63'053.55
Office furniture and equipment	5'868.13	5'868.13
°/.. Depreciation	(5'868.13)	(4'425.25)
Total fixed assets	0.00	1'442.88
TOTAL ASSETS	25'265.57	64'496.43
 <u>LIABILITIES</u>		
c/c RPS	25'287.83	25'024.72
Accruals	7'066.45	10'670.80
Total short-term liabilities	32'354.28	35'695.52
Foundation capital	5'046.41	5'046.41
Carry-over surplus	23'754.50	65'693.18
Deficit of the year	(35'889.62)	(41'938.68)
Total equity	(7'088.71)	28'800.91
TOTAL LIABILITIES	25'265.57	64'496.43

ASSOCIATION THE RED PENCIL (INTERNATIONAL)

Geneva

PROFIT & LOSS	2021	2020
	<u>CHF</u>	<u>CHF</u>
<u>INCOME</u>		
Donations and contributions	20'218.78	83'608.50
Other income	87.15	180.40
Total income	<u>20'305.93</u>	<u>83'788.90</u>
<u>EXPENSES</u>		
Project expenses	28'932.60	81'296.33
Management expenses	8'007.00	16'502.51
Office rent	6'225.63	7'135.13
Consultancy expenses	6'969.80	8'541.38
Office expenses	2'131.19	6'121.65
Travel expenses	0.00	274.20
Insurances	1'608.49	1'615.09
Bank charges	471.35	687.03
Loss of change	406.61	2'111.37
Depreciation	1'442.88	1'442.89
Total expenses	<u>56'195.55</u>	<u>125'727.58</u>
Deficit (Surplus) of income	<u>(35'889.62)</u>	<u>(41'938.68)</u>

ASSOCIATION THE RED PENCIL (INTERNATIONAL)

Geneva

Notes to the financial statements for the year ended 31 December	2021	2020
	CHF	CHF
1) <i>Accounting Principles</i>		
<i>The financial statements have been prepared in accordance with the relevant provisions of the Swiss law, in particular the articles related to commercial accounting and presentation of the accounts, of the Swiss Code of Obligations (Art. 957 & following).</i>		
<i>The preparation of the financial statements requires the Board of Directors to make estimations and assessments which could influence the extent of the balance sheet values, as well as the profit and loss account for the referenced period. The Board takes a decision for each particular case, at its sole discretion. Pursuant to a precautionary framework, depreciations, value adjustments and provisions shall be settled.</i>		
<i>The company's accounting records are maintained in Swiss Francs (CHF)</i>		
2) Information, details and comments on relevant items of the balance sheet and profit and loss account		
3) Net release of hidden reserves	NIL	NIL
4) Other information prescribed by law A postposition agreement was signed	NIL	NIL
5) Staff number (average, full time)	NIL	1.00
6) Significant direct or indirect shareholding	NIL	NIL
7) Own shares	NIL	NIL
8) Residual value of debts arising from leasing transactions similar to sales agreements and other liabilities resulting from leasing operations, not past due or callable within 12 months	NIL	NIL
9) Amounts owed to pension funds	0.00	2'962.35
10) Guarantees given to third parties	NIL	NIL
11) Pledged assets and assets subject to a retention of title	NIL	NIL

ASSOCIATION THE RED PENCIL (INTERNATIONAL)

Geneva

Notes to the financial statements (SUITE) for the year ended 31 December	2021	2020
	<u>CHF</u>	<u>CHF</u>
12) Contingent liabilities	NIL	NIL
13) Number and value of participation rights (or options) granted to members of the executive management or administration, as well as employees	NIL	NIL
14) Explanation of extraordinary items, which are unique or out of the income statement period	NIL	NIL
15) Important events occurring after the balance sheet date	NIL	NIL
16) Reasons for the resignation of the auditors	NIL	NIL
17) Debenture loan issued by the company	NIL	NIL
18) Additional information (not prescribed by law)		
<i>The Association is exempt from taxation according to the decision of 6 October 2015 of the Geneva Cantonal Tax Administration.</i>		
<i>The exemption from cantonal taxes on profits and capital is valid from the tax year 2015 for a further period of 10 years.</i>		
<i>This exemption does not apply to supplementary property tax, nor the tax calculated on profits from disposal of property and real estate, nor to the registration rights relating to deeds and real estate monetary transactions.</i>		
<i>In regards to the direct federal tax, the Association is exempt from taxation, starting with the fiscal year 2015 for a further indefinite period, provided that the funds raised are effectively used in accordance with the social purpose.</i>		