

ANNUAL ACCOUNTS

01/01/2017 - 31/12/2017

ASSOCIATION EMMAUS EUROPE

47 avenue de la Résistance
93100 MONTREUIL

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Review

| | Gross | Amortization Depreciation | Net on 31/12/17 | Net on 31/12/16 |
|--|----------------|------------------------------|--------------------|--------------------|
| ASSETS | | | | |
| Intangible assets | | | | |
| Set-up costs | | | | |
| R&D costs | | | | |
| Concessions, patents and similar rights | 9 012 | 9 012 | | 296 |
| Leaseholds | | | | |
| Other intangible assets/Advances and payments on account | | | | |
| Tangible assets | | | | |
| Land | | | | |
| Constructions | | | | |
| Technical facilities, equipment and tooling | | | | |
| Other tangible assets | 13 941 | 11 015 | 2 926 | 2 574 |
| Assets in progress/ Advances and payments on account | | | | |
| Financial assets | | | | |
| Participating interests and related receivables | | | | |
| Portfolio investments and other fixed securities | 2 625 | | 2 625 | 2 625 |
| Loans | 50 749 | | 50 749 | 64 500 |
| Other financial assets | 150 000 | | 150 000 | 150 000 |
| FIXED ASSETS | 226 327 | 20 027 | 206 300 | 219 995 |
| Stock | | | | |
| Raw materials and other supplies | | | | |
| Goods under production | | | | |
| Services under production | | | | |
| Semi-finished products and finished products | | | | |
| Goods | | | | |
| Advances and payments on account for orders | | | | |
| Receivables | 6 350 | | 6 350 | 7 200 |
| Trade receivables and related accounts | 5 888 | | 5 888 | 4 568 |
| Other receivables | | | | |
| Other | | | | |
| Short-term investments | | | | |
| Cash instruments | | | | |
| Liquid assets | 452 917 | | 452 917 | 358 298 |
| Prepaid expenses | 4 699 | | 4 699 | 7 474 |
| CURRENT ASSETS | 469 854 | | 469 854 | 377 540 |
| Expenses deferred over several financial years | | | | |
| Obligations reimbursement premium | | | | |
| Exchange differentials - Assets | | | | |
| ADJUSTMENT ACCOUNT | | | | |
| TOTAL ASSETS | 696 181 | 20 027 | 676 155 | 597 534 |

Balance sheet

| | Net on 31/12/17 | Net on 31/12/16 |
|--|--------------------|--------------------|
| LIABILITIES | | |
| Association's funds without clawback | | |
| Revaluation differences | | |
| Restricted reserves | | |
| Statutory or contractual reserves | | |
| Regulated reserves | 257 042 | 255 103 |
| Other reserves | | |
| Balance carried forward | | |
| FINANCIAL YEAR OPERATING RESULT | 926 | 1 939 |
| Investment grants | | |
| Regulated provisions | | |
| OWN FUNDS | 257 968 | 257 042 |
| <i>Contributions</i> | | |
| <i>Legacies and donations</i> | | |
| <i>Allocated grants</i> | | |
| Association's funds with clawback | | |
| Audited result | | |
| Owners' rights | | |
| OTHER ASSOCIATION FUNDS | | |
| Provisions for contingencies | | |
| Provision for expenditure | 101 500 | 47 500 |
| PROVISIONS FOR CONTINGENCIES AND CHARGES | 101 500 | 47 500 |
| Allocated funds - grants | | |
| Allocated funds – other resources | 248 915 | 220 030 |
| ALLOCATED FUNDS | 248 915 | 220 030 |
| Convertible debenture loans | | |
| <i>Loans</i> | | |
| <i>Bank lending and overdrafts</i> | | |
| Loans and debts with lending institutions | | |
| Other financial debts and loans | | |
| Advances and down payments received for current orders | | |
| Supplier debts and associated accounts | 18 263 | 13 850 |
| Tax and social security debts | 49 288 | 59 113 |
| Amounts payable on fixed assets and related accounts | | |
| Other debts | 220 | |
| Cash instruments | | |
| Prepaid income | | |
| DEBTS | 67 772 | 72 963 |
| Exchange differentials - Liabilities | | |
| EXCHANGE DIFFERENTIALS | | |
| TOTAL LIABILITIES | 676 155 | 597 534 |

Profit and loss statement

| | 01/01/17 to 31/12/17 12 months | 01/01/16 to 31/12/16 12 months | Simple: Change in value |
|---|--------------------------------------|--------------------------------------|----------------------------|
| Sale of goods | | | |
| Production sold | | | |
| Production left in stock | | | |
| Capitalised production | | | |
| Operating subsidies | 202 466 | 237 156 | -34 690 |
| Reversals and cost transfers | | | |
| Membership dues | 378 767 | 316 967 | 61 800 |
| Other income | 40 000 | 60 000 | -20 000 |
| Operating income | 621 232 | 614 123 | 7 110 |
| Purchase of goods | | | |
| Variation of stock of goods | | | |
| Purchase of raw materials | | | |
| Variation of stock of raw materials | | | |
| Other non-stored purchases and external expenditure | 178 829 | 134 189 | 44 640 |
| Taxes and duties | 180 | 4 124 | -3 944 |
| Salaries and wages | 148 114 | 149 049 | -935 |
| Social security contributions | 67 844 | 66 950 | 894 |
| Depreciation and provisions | 55 291 | 49 350 | 5 942 |
| Other expenditure | 141 774 | 162 944 | -21 170 |
| Operating expenses | 592 031 | 566 605 | 25 426 |
| OPERATING RESULT | 29 201 | 47 517 | -18 316 |
| Joint operations | | | |
| Financial income | 611 | 606 | 5 |
| Financial expenditure | | | |
| Financial result | 611 | 606 | 5 |
| PROFIT ON ORDINARY ACTIVITIES | 29 812 | 48 123 | -18 312 |
| Exceptional income | | | |
| Exceptional expenditure | | | |
| Extraordinary result | | | |
| Income tax | | 12 | -12 |
| Carryover of unused resources | 35 329 | 46 799 | -11 470 |
| Outstanding commitments | 64 214 | 92 971 | -28 757 |
| SURPLUS OR DEFICIT | 926 | 1 939 | -1 013 |
| Voluntary contributions in kind | | | |
| Volunteer help | | | |
| Services in kind | | | |
| Donations in kind | | | |
| Total income | | | |
| Emergency relief in kind | | | |
| Free provision Volunteer staff | | | |
| Total expenditure | | | |

Accounting rules and methods

1- Information about the organisation's aims and funding

The aims of the organisation have been implemented in accordance with the provisions contained in the statutes and the decisions taken by Emmaus Europe's Regional Council and Regional Assembly.

The organisation's income is made up of:

- Membership dues and contributions paid by members.
- Funds received from members for emergency relief work and solidarity initiatives.
- Any other donations made by third parties.

2 - Important events during the financial year

Important events are listed in the treasurer's report.

3 - Accounting principles, rules and methods

The annual accounts of the 2017 financial year have been drawn up and presented in accordance with the provisions of CRC rule 99-01 relative to the terms for the drawing up of the annual accounts of associations.

Assets were evaluated using the chronological costs method.

Funds received from the groups within the framework of the solidarity plan approved by the Emmaus Europe Regional Council or donated to a specific project are classed as allocated funds. The as yet unused balance of these funds has been entered as a liability in the allocated funds entry.

The presentation of the solidarity accounts in terms of profit / loss covers:

- Initiatives included in the annual solidarity programme approved by the Regional Council and funded using donations made by the member groups.
- One-off initiatives not included in the annual solidarity programme voluntarily supported by the groups.
- Donations made to solidarity work by the groups without specifying a project.

The combined sum of these three items along with the profit / loss statement of the operating account constitutes the overall profit / loss result.

Accounting rules and methods

4 – Notes on the balance sheet

A. Fixed assets

Since 24 November 2007, Emmaus Europe has bought fifty shares in Banca Etica for a total value of €2,625. This provides a basis for ethical loans in conjunction with Emmaus International.

In 2011, Emmaus Europe made a two-year fixed term deposit of €150,000 in the Emmaus Ethical Fund. The sum is guaranteed by Emmaus International.

In December 2013, the Regional Executive of Emmaus Europe agreed to renew the deposit for a further two years starting from January 2014.

In 2016, a decision was taken to renew the deposit for 2017.

B. Current assets

Debts are valued at their face value. A provision for depreciation is applied when the balance sheet value is inferior to the book value.

Accounts receivable mainly comprise sums to be received from groups:

- €3,850 for operations
- €2,500 for solidarity

C. Cash

| | 2017 | 2016 |
|--------------------------|----------------|----------------|
| Banca Etica | 182 558 | 142 337 |
| Crédit coopératif | 187 918 | 134 182 |
| Livret A savings account | 82 015 | 81 405 |
| Cash | 425 | 374 |
| TOTAL | 452 916 | 358 298 |

D. The association's funds

The association's funds are made up of reserves from previous financial years of €257,042 and the surplus from 2017 (€927).

E. Allocated funds

The following tables show funds received and utilised for solidarity work:

Accounting rules and methods

a. As part of the annual solidarity programme

| Item | Budget | Before 2017 | | Receivable income | Available balance | 2017 | | Available balance | Receivable income | Funds to be engaged |
|---|-------------------------|----------------|---------------|-------------------|-------------------|----------------|---------------|-------------------|-------------------|----------------------------------|
| | Total amount as of 2017 | Funds received | Expenditures | As of 31/12/16 | As of 31/12/16 | Funds received | Expenditures | As of 31/12/2017 | As of 31/12/2017 | Dedicated funds as of 31/12/2017 |
| 2017/ Emmaüs Iasi Set up an educational farm in the Belvedere farmland, phase 1. | 49 360 | 0 | 0 | 0 | 0 | 21 300 | 6 000 | 15 300 | 0 | 15 300 |
| 2017/ Frères Europa Set up a micro-credit fund to offer access to housing. | 20 000 | 0 | 0 | 0 | 0 | 7 559 | 5 059 | 2 500 | 0 | 2 500 |
| Sub-total Romania | 69 360 | 0 | 0 | 0 | 0 | 28 859 | 11 059 | 17 800 | 0 | 17 800 |
| 2017/ Missing Persons' Families Support Centre Dealing with human trafficking together. Continuation of repair work in the house. | 27 128 | 28 353 | 27 000 | 0 | 1 353 | 30 439 | 27 128 | 4 664 | 0 | 4 664 |
| Sub-total Lithuania | 27 128 | 28 353 | 27 000 | 0 | 1 353 | 30 439 | 27 128 | 4 664 | 0 | 4 664 |
| 2016/ La Halte St Jean Pay a family of undocumented migrants' rent for 12 months | 4 063 | 4 350 | 4 063 | 0 | 287 | 0 | 0 | 287 | 0 | 287 |
| Sub-total France | 4 063 | 4 350 | 4 063 | 0 | 287 | 0 | 0 | 287 | 0 | 287 |
| 2017/ Emmaüs Padova Redevelopment of some of the residential area. | 25 000 | 0 | 0 | 0 | 0 | 27 000 | 25 000 | 2 000 | 0 | 2 000 |
| Sub-total Italy | 25 000 | 0 | 0 | 0 | 0 | 27 000 | 25 000 | 2 000 | 0 | 2 000 |
| 2016/ Nova Generacija, Banja Luka | 24 000 | 15 000 | 0 | 0 | 15 000 | 0 | 0 | 15 000 | 0 | 15 000 |
| Sous-total Bosnie | 24 000 | 15 000 | 0 | 0 | 15 000 | 0 | 0 | 15 000 | 0 | 15 000 |
| 2017/ Oselya -Lviv Expanding of sorting and storing activities of Oselya. 2 years project. | 74 000 | 33 395 | 20 700 | 1 000 | 13 695 | 35 680 | 0 | 49 375 | 0 | 49 375 |
| 2017/ Nasha Khata Supporting the activities by covering salaries. | 9 000 | 35 572 | 25 300 | 0 | 10 272 | 4 470 | 10 672 | 4 070 | 0 | 4 070 |
| 2017/ Nasha Khata Support Agricultural activities | 1 800 | 7 400 | 2 900 | 0 | 4 500 | 0 | 4 500 | 0 | 0 | 0 |
| 2017/ Nasha Khata Building a well. | 5 680 | 0 | 0 | 0 | 0 | 5 680 | 5 680 | 0 | 0 | 0 |
| Sous-total Ukraine | 90 480 | 76 367 | 48 900 | 1 000 | 28 467 | 45 830 | 20 852 | 53 445 | 0 | 53 445 |
| Total a | 240 031 | 124 070 | 79 963 | 1 000 | 45 107 | 132 128 | 84 039 | 93 196 | 0 | 93 196 |

Accounting rules and methods

b. Outside the annual solidarity programme

| Item | Budget | Before 2017 | | Receivable income | Avaiable balance | 2017 | | Avaiable balance | Receivable income | Funds to be engaged |
|--------------------------------|-------------------------|----------------|----------------|-------------------|------------------|----------------|----------------|------------------|-------------------|----------------------------------|
| | Total amount as of 2017 | Funds received | Expenditures | As of 31/12/16 | As of 31/12/16 | Funds received | Expenditures | As of 31/12/2017 | As of 31/12/2017 | Dedicated funds as of 31/12/2017 |
| 2017/ Solidarity not allocated | 0 | 300 291 | 140 869 | 10 500 | 169 922 | 40 406 | 59 110 | 151 218 | 2 500 | 153 718 |
| 2017/ Regional transport | 0 | 4 000 | 3 000 | 1 000 | 2 000 | 0 | 0 | 2 000 | 0 | 2 000 |
| 2017/ solidarity MPFSC | 0 | 3 000 | 0 | 0 | 3 000 | 0 | 3 000 | 0 | 0 | 0 |
| Total b | 0 | 307 291 | 143 869 | 11 500 | 174 922 | 40 406 | 62 110 | 153 218 | 2 500 | 155 718 |
| TOTAL GENERAL a+ b | 240 031 | 431 361 | 223 832 | 12 500 | 220 029 | 172 534 | 146 149 | 246 414 | 2 500 | 248 914 |

F. Debts

Debts primarily comprise:

- Salaries and social security contributions due on 31 December 2017: €49,288
- Provisions for professional fees of €4,600
- Provisions for yet-to-be-received supplier invoices of €8,355
- Supplier invoices for €5,308

All accounts receivable and debt due dates are less than a year.

Analysis

| | Production 2017 | | | Production | Production |
|--|----------------------------------|----------------|----------------|--------------------------|--------------------------|
| | From 01/01/2017 To 31/12/2017 | | | 01/01/2016 31/12/2016 | 01/01/2015 31/12/2015 |
| | Expenditures | Incomes | Result | Result | Result |
| OPERATING | | | | | |
| Secretariat Admin | 273 403 | 611 | -272 793 | -259 469 | -246 469 |
| RAEE | 345 | 0 | -345 | 0 | -21 936 |
| EUROPEAN MEETING | 0 | 0 | 0 | 0 | 0 |
| RCEE | 47 524 | 0 | -47 524 | -30 140 | -18 578 |
| Regional Executive | 7 886 | 0 | -7 886 | -7 978 | -3 760 |
| Total working group | 55 755 | 0 | -55 755 | -38 118 | -44 274 |
| Animation | 2 398 | 0 | -2 398 | -4 327 | -11 537 |
| Monotoring & Evaluation budget EI | 17 156 | 0 | -17 156 | 5 207 | 6 139 |
| EI Regional Coordination Budget | 12 724 | 40 000 | 27 276 | 30 418 | 0 |
| Training | 3 014 | 0 | -3 014 | -1 239 | -2 214 |
| Total animation | 35 292 | 40 000 | 4 708 | 30 059 | -7 611 |
| WCPAIS | 0 | 0 | 0 | 0 | 0 |
| WCTNG | 0 | 0 | 0 | 0 | 0 |
| Total World Council | 0 | 0 | 0 | 0 | 0 |
| Membership Fees | 0 | 378 767 | 378 767 | 316 967 | 318 213 |
| TOTAL OPERATING | 364 450 | 419 377 | 54 927 | 49 439 | 19 859 |
| SOLIDARITY | | | | | |
| Bosnia Collective | 2 449 | 2 449 | 0 | 0 | -3 954 |
| Poland/ Ukraine Collective | 5 271 | 5 271 | 0 | 0 | -2 745 |
| Romania Collective | 7 164 | 7 164 | 0 | 0 | -3 335 |
| Human trafic/ Migration Collective | 6 989 | 6 989 | 0 | 0 | -3 557 |
| Sustainable development working group | 7 343 | 7 343 | 0 | 0 | 0 |
| Political lobbying working group | 2 589 | 2 589 | 0 | 0 | -4 990 |
| Sol FIS Bosnia Initiative | 0 | 0 | 0 | 0 | 0 |
| Sol Banja Luka Bosnia Initiative | 0 | 0 | 0 | 15 000 | -9 252 |
| Sol non-programme Bosnia | 0 | 0 | 0 | 0 | 0 |
| Sol non-programme Bosnia FIS | 0 | 0 | 0 | 0 | -6 300 |
| Dedicated Bosnia Sol Funds | 0 | 0 | 0 | -15 000 | 15 552 |
| Dedicated Bosnia Sol non-programme | 0 | 0 | 0 | 0 | 0 |
| Sol MPFSC Lithuania initiative | 27 128 | 30 439 | 3 311 | 0 | -6 647 |
| Sol non-programme MPFSC Lithuania | 3 000 | 0 | -3 000 | 3 000 | 0 |
| Dedicated Lithuania Sol funds | 4 664 | 4 353 | -311 | -3 000 | 6 647 |
| Sol Poland Initiative | 0 | 0 | 0 | 0 | 0 |
| Sol Rzeszow Poland initiative | 0 | 0 | 0 | 0 | -11 000 |
| Sol Lublin Poland Initiative | 0 | 0 | 0 | 0 | 0 |
| Sol Brat Albert Poland initiative | 0 | 0 | 0 | 0 | 0 |
| Sol non-programme Poland Brat Albert | 0 | 0 | 0 | 0 | -1 500 |
| Sol non-programme Poland | 0 | 0 | 0 | 0 | 0 |
| Sol non-programme Rzeszow Poland | 0 | 0 | 0 | 0 | 0 |
| Dedicated Poland Sol funds | 0 | 0 | 0 | 0 | 12 000 |
| Dedicated Poland Sol non-programme | 0 | 0 | 0 | 0 | 0 |
| Sol Oselya Ukraine initiative | 0 | 35 680 | 35 680 | -1 005 | -3 375 |
| Sol Nasha Khata Ukraine initiative | 16 480 | 5 778 | -10 702 | -10 110 | 24 482 |
| Sol non-programme Ukraine | 0 | 0 | 0 | 0 | 0 |
| Sol non-programme Oselya Ukraine | 0 | 0 | 0 | -1 300 | 0 |
| Sol non-programme Nasha Khata Ukraine | 0 | 0 | 0 | -1 850 | 0 |
| Dedicated Ukraine Sol funds | 39 750 | 14 772 | -24 978 | 14 265 | -21 107 |
| Dedicated Ukraine Sol non-programme | 0 | 0 | 0 | 0 | 0 |
| Sol Iasi Romania initiative | 6 000 | 21 300 | 15 300 | 0 | -28 250 |
| Sol Târgu Jiu Romania initiative | 0 | 0 | 0 | -500 | 500 |
| Sol Satu Mare Romania initiative | 5 059 | 7 559 | 2 500 | -3 494 | 1 900 |
| Sol Romania Initiative | 0 | 0 | 0 | 0 | 0 |
| Sol non-programme Romania | 0 | 0 | 0 | 0 | 525 |
| Sol non-programme Iasi Romania | 0 | 0 | 0 | 0 | 0 |
| Sol non-programme Romania Targu Jiu | 0 | 0 | 0 | 0 | 0 |
| Sol non-programme Satu Mare Romania | 0 | 0 | 0 | -525 | 0 |
| Dedicated Romania Sol funds | 17 800 | 0 | -17 800 | 4 519 | 25 825 |
| Sol Arezzo Italy initiative | 0 | 0 | 0 | 0 | 0 |
| Sol Padova Italy initiative | 25 000 | 27 000 | 2 000 | 0 | 0 |
| Sol Italy initiative | 0 | 0 | 0 | 0 | 0 |
| Dedicated Italy Sol funds | 2 000 | 0 | -2 000 | 0 | 0 |
| Sol La Halte St Jean France Initiative | 0 | 0 | 0 | 287 | 0 |
| Dedicated France Sol funds | 0 | 0 | 0 | -287 | 0 |
| Non-allocated solidarity | 59 110 | 42 906 | -16 204 | 34 406 | -63 507 |
| Dedicated but not allocated solidarity funds | 0 | 16 204 | 16 204 | -46 669 | 49 813 |
| Support for regional solidarity - EI | 0 | 0 | 0 | 12 264 | 0 |
| TOTAL SOLIDARITY | 237 795 | 237 795 | 0 | 0 | -32 276 |
| PROVISION | | | | | |
| RCEE Provision | 15 000 | 0 | -15 000 | -7 500 | 0 |
| EUROPEAN MEETING Provision | 4 000 | 0 | -4 000 | -10 000 | 0 |
| RAEE Provision | 20 000 | 0 | -20 000 | -20 000 | 0 |
| Provision for inflation affecting expenditures | 15 000 | 0 | -15 000 | -10 000 | 14 000 |
| PROVISION | 54 000 | 0 | -54 000 | -47 500 | 14 000 |
| TOTAL GENERAL | 656 245 | 657 172 | 927 | 1 939 | 1 583 |
| Check accounting | | | 0 | 0 | 0 |

Dear Sir / Madam,

Audit opinion on the annual accounts

In compliance with the assignment entrusted to us by your Regional Council, we have conducted our audit of the Emmaus Europe Association's annual accounts relating to the financial year ending on 31 December 2017, which are attached to this report.

In accordance with French accounting rules and principles, we certify that the annual accounts are in order, are genuine and present a faithful image of the operating result from the previous financial year and the Emmaus Europe Association's financial position and assets at the end of the financial year.

Basis of audit opinion

Auditing terms of reference

We have conducted our audit in accordance with professional standards applicable in France. We believe we have collected sufficient and appropriate audit evidence on which to base our opinion.

The responsibilities assigned to us under these standards are specified in the "Auditor's responsibilities for the audit of annual accounts" section of this report.

Independence

We have completed our audit assignment in accordance with applicable independence requirements for the period from 1st January 2017 to the date of our report and, in particular, have not provided any services prohibited under the auditing profession's code of ethics.

Justification of assessment

In application of the provisions of articles L 823-9 and R.823-7 of the Code of Commerce relating to justification of our assessment, we inform you that, in our professional judgement, our key assessments were made based on the relevance and suitability of the accounting principles used.

These assessments were made as part of our audit of the annual accounts taken as a whole and were instrumental in shaping our opinion expressed in the first part of this report. We do not express any opinion on aspects of these annual accounts taken in isolation.

Checks of the financial statement and other documents sent to Members

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

We have no observations to make about the veracity and consistency with the annual accounts of the information provided both in the financial statement and other documents sent to the Association's members, regarding its financial situation and annual accounts.

Responsibilities of the management and those tasked with governance of annual accounts

It is the management's responsibility to draw up annual accounts that are a true representation of the Association's assets drawn up in accordance with French accounting rules and principles, and to implement any internal control procedures deemed necessary to the preparation of annual accounts free from material irregularities, whether due to fraud or error.

When preparing the annual accounts, the management is responsible for assessing the Association's ability to continue as a going concern. In addition, it must, if required, disclose any information relating to its ability to continue as a going concern and adopt the 'going concern' basis of accounting unless it intends to liquidate the Association or cease operations.

The annual accounts have been approved by your Regional Council.

Auditor's responsibilities for the audit of annual accounts

Our remit is to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts taken as a whole are free from material irregularities. Reasonable assurance provides a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will consistently detect any material irregularity. Irregularities may be the result of fraud or error and are considered material if, individually or collectively, they may reasonably be expected to influence the economic decisions of users of these accounts, taken on the basis of these financial statements.

As specified in article L.823-10-1 of the Code of Commerce, our role is to certify the Association's accounts, not to guarantee its viability or the quality of its management.

A more detailed description of our audit responsibilities when auditing the annual accounts is provided in the appendix to this report and is an integral part of it.

Drawn up in Saint-Germain-en-Laye,
13 February 2018
Auditor,
SEGESTE

Sylvie Thizon

APPENDIX TO THE AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

Detailed description of the auditor's/auditors' responsibilities

While undertaking an audit conducted in accordance with professional standards applicable in France, the auditor is required to exercise professional judgement at all times. Furthermore s/he is required to:

- identify and assess the risks of material irregularities within the annual accounts, whether due to fraud or error, design and implement audit procedures to address these risks, and gather sufficient appropriate evidence on which to base their opinion. The risk of not detecting a material irregularity resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, together with related disclosures supplied in the annual accounts;
- assess the appropriateness of the management's use of the 'going concern' basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Association's ability to continue as a going concern. This assessment is based on audit evidence obtained up to the date of the auditor's report. However this does not mean that future events or developments will not jeopardise the Association's ability to continue as a going concern. If s/he concludes that a material uncertainty exists, s/he is required to draw attention in the auditor's report to the related disclosures in the annual accounts giving rise to the material uncertainty. Or, if such disclosures are not supplied or are irrelevant, s/he is required to issue a certification with reservations or refuse to certify the accounts;
- assess the presentation of the entire set of annual accounts and consider whether they are a true representation of the underlying transactions and events.