

LLINAS

AUDIT

External auditor's report

Financial year: 01/01/2012 - 31/12/2012

GERES

**2, COURS MARECHAL FOCH
13400 AUBAGNE**

Bruno LLINAS
Auditor
Registered with Aix-en-Provence Regional Institute
393 Avenue du Prado
13008 MARSEILLE

EXTERNAL AUDITOR'S REPORTS

GERES
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13400 AUBAGNE

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EXTERNAL AUDITOR'S GENERAL REPORT

on the financial statements for the year ended 31st December 2012
for the Ordinary General Meeting on 18th July 2013

Ladies and gentlemen,

In fulfilment of the task assigned to me, I now submit my report on the financial year ended 31st December 2012, which covers:

- The audit of the financial statements of GERES, such as they are enclosed with this report.
- Justification of my assessments
- The specific checks and information required by law.

The financial statements have been drawn up by your Board of Directors and include the following information:

Balance sheet total	€8,163,268
Total operating income	€10,548,683
Net result	-€18,425

It is my responsibility, on the basis of my audit, to issue an opinion on these statements.

I - Opinion on the financial statements

I carried out my audit in accordance with the professional standards applicable in France. These standards require the implementation of procedures designed to obtain a reasonable assurance that the financial statements do not contain any significant irregularity. An audit entails inspecting, by means of sample checks, the evidence supporting the data in these financial statements. It also involves appraising the accounting rules applied, the significant estimates made in drawing up the financial statements and their overall presentation. I consider that my audit provides a reasonable basis for the opinion expressed hereunder.

I certify that the financial statements are true and fair according to French accounting standards and principles and give a true picture of operations over the past financial year, as well as of the financial situation and assets of the Association at the end of this financial year.

Without calling into question the opinion expressed above, I would draw your attention to Annexe 5 to the Report which, under the heading "Additional information on the Balance

Sheet and Profit and Loss Account", clarifies that two major events have occurred during the 2012 financial year:

- 1) The creation of an activity sector, distinct and subject to tax, for the carbon credit sales;
- 2) A change in the accounting system concerning the carbon credit stocks, which are from now on entered into the accountancy.

II – Justification of the assessments

In application of the stipulations of Article L823-9 of the French Code of Commerce as regards the justification of my assessments, I can inform you that these do not call for any particular comment.

Assessments made in this way form part of my audit approach to the financial statements as a whole and have therefore helped me to reach the opinion expressed in the first part of this report.

III – Specific checks and information

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

I have no comment to make as to whether the information given in the Board of Directors' report and the documents sent to the members regarding the financial situation and the financial statements is true and in accordance with the financial statements

MARSEILLE, 10th July 2013

(Signature)

Bruno LLINAS
Auditor

	Cash and cash equivalents	1,543,926		1,543,926	1,014,397		1,014,397	529,529	52.2%
	Prepaid expenses	24,241		24,241	365,394		365,394	-341,154	-93.4%
	TOTAL II	10,054,600	-	10,054,600	8,039,078	-	8,039,078	2,015,522	25.07%
	Charges spread over several years (III)								
	Bond redemption premiums (IV)								
	Unrealized exchange loss (V)								
	GRAND TOTAL (I + II + III + IV + V)	10,212,098	85,321	10,126,777	8,163,268	61,486	8,101,782	2,024,995	24.99%

BALANCE SHEET - LIABILITIES									
	LIABILITIES	2012			2011			Variance	
		Gross	Depreciation & provisions	Net	Gross	Depreciation & provisions	Net	€	%
ASSOCIATION FUNDS	EQUITY								
	Association funds with no right of recovery	423,158		423,158	366,147		366,147	57,012	15.6%
	Revaluation differences								
	Reserves								
	Statutory or contractual reserves								
	Regulated reserves								
	Other reserves								
	Profit/loss carried forward								
	EARNINGS FOR THE YEAR (surplus + deficit)	-18,425		-18,425	57,012		57,012	-75,436	-132.3%
	OTHER ASSOCIATION FUNDS								
	Association funds with right of recovery								
	Capital contributions								
	Legacies and donations								
	Results under control of third-party funders								
	Revaluation differences								
	Investment subsidies on non-renewable assets								
	Regulated provisions								
	Ownership right								
TOTAL I	404,734	-	404,734	423,158	-	423,158	-18,424.55	-4.35%	
	Provisions for risk	917,889		917,889			917,889		
	Provisions for charges	66,573		66,573	163,717		163,717	-97,144	-59.3%
	Dedicated funds (operating subsidies)								
	Dedicated funds (other resources)	1,930,135		1,930,135	1,964,473		1,964,473	-34,337	-1.7%
	TOTAL II	2,914,597		2,914,597	2,128,190	-	2,128,190	786,407.97	36.95%

LIABILITIES	Bond loans								
	Loans from credit institutions								
	Miscellaneous loans and financial liabilities	-		-	1,107		1,107	-1,107	
	Advances and payments on account								
	Due to suppliers	182,921		182,921	223,410		223,410	-40,488	-18.1%
	Tax and social security liabilities	611,606		611,606	344,885		344,885	266,721	77.3%
	Accounts payable								
	Other liabilities								
	Liquid debts								
	Deferred income	6,012,919		6,012,919	4,981,033		4,981,033	1,031,887	20.7%
	TOTAL III	6,807,446		6,807,446	5,550,434	-	5,550,434	1,257,013	22.65%
	Unrealized exchange profit (IV)								
	GRAND TOTAL (I + II + III + IV)	10,126,777	-	10,126,777	8,101,782	-	8,101,782	2,024,996.13	24.99%

PROFIT AND LOSS ACCOUNT

	2012	2011	VARIANCE	
	€	€	€	%
OPERATING INCOME (I)				
Sales of goods for resale				
Sales of goods and services	1,604,056	2,984,358	-1,380,302	-46.25%
Stock of finished goods and work in progress	1,887,239		1,887,239	
Capitalized production costs				
Operating subsidy	5,305,905	5,007,953	297,952	5.95%
Gifts	217,379	238,628	-21,250	-8.90%
Subscriptions	320	330	-10	-3.03%
Legacies and donations				
Write-back of depreciation & provisions and transfer of charges	1,079,881		1,079,881	
Carry forward of unused funds from previous years	144,947	72,245	72,703	100.63%
Other income	308,956	91,778	217,178	236.63%
TOTAL I	10,548,683	8,395,292	2,135,390	26%
OPERATING EXPENSES (II)				
Purchase of goods for resale				
Inventory variation (goods for resale)	969,350		969,350	
Purchase of raw materials and other supplies				
Inventory variation (raw materials and other supplies)				
Other non-inventory supplies	34,449	50,067	-15,568	-31.09%
External services	1,023,540	1,013,444	10,096	1.00%
Taxes, duty and similar payments	153,435	88,785	64,650	72.82%
Salaries and pay	1,935,467	1,331,581	603,887	45.35%
Social Security	779,562	604,424	175,138	28.98%
Other personnel costs	128,040	175,844	-47,804	-27.19%
Depreciation and provisions				
Fixed assets: depreciation				
Fixed assets: provisions	23,834	14,954	8 880	59.38%
Current assets: provisions				
Provision for risks and charges	1,900,626	26,374	1,874,252	7,106.57%
Commitments against allocated resources	110,610	1,964,473	-1,853,863	-94.37%
Grants made by the Association	3,378,384	3,206,484	171,900	5.36%
Other expenses				
TOTAL II	10,437,348	8,476,429	1,960,919	23%

1 - OPERATING RESULT (I-II)	111,335	-81,137	192,471	-237%
SHARE OF PROFITS FROM JOINT VENTURES				
Allocated gain or transferred loss (III)				
Allocated loss or transferred profit (IV)				
FINANCIAL INCOME				
Income from shareholdings				
Income from securities and other financial fixed assets				
Other interest and similar income	415	710	-295	-41.54%
Write-back of provisions and transfers of charges				
Realized gains on exchange differences	1,773	2,857	-1,084	-37.94%
Net income from sale of securities				
TOTAL V	2,188	3,566	-1,379	-39%
FINANCIAL EXPENSES				
Depreciation and provisions				
Interest and similar charges	2,615	8,561	-5,945	-69.45%
Realized losses on exchange differences	14	5,467	-5,453	-99.75%
Net loss on sale of securities				
TOTAL VI	2,629	14,028	-11,399	-81%
2 - FINANCIAL PROFIT/LOSS (V-VI)	-442	-10,462	10,020	-96%
3 - CURRENT PROFIT/LOSS BEFORE TAX (I-II + III-IV + V-VI)	110,893	-91,599	202,491	-221%
EXTRAORDINARY INCOME				
Extraordinary operating profit	738	213,451	-212,712	-99.65%
Extraordinary income from capital transactions				
Write-back of depreciation and transfers of charges				
TOTAL VII	738	213,451	-212,712	-100%
EXTRAORDINARY EXPENSES				
Extraordinary operating expenses	786	64,840	-64,054	-98.79%
Extraordinary expenses on capital transactions				
Extraordinary depreciation and provisions				
TOTAL VIII	786	64,840	-64,054	-99%
4 - EXTRAORDINARY PROFIT/LOSS (VII-VIII)	-47	148,610	-148,658	-100%
Tax on property income (IX)				
Tax on profits (X)	129,270			
TOTAL INCOME (I + III + V + VII)	10,551,609	8,612,309	1,939,299	23%
TOTAL EXPENSES (II + IV + VI + VIII + IX+X)	10,570,033	8,555,298	1,885,466	24%
INTERMEDIATE BALANCE	-18,425	57,012	53,834	-132%
5 - SURPLUS (+) OR DEFICIT (-)	-18,425	57,012	53,834	-132%

6 - MEASUREMENT OF CAPITAL CONTRIBUTIONS AND SPECIAL ACCOUNTS				
INCOME				
Commitments towards associations in the network				
Volunteering				
Services in kind	13,525	8,250	5,275	63.94%
Gifts in kind				
TOTAL X	13,525	8,250	5,275	64%
EXPENSES				
Commitments towards associations in the network				
Assistance in kind				
Free provision of goods and services	13,525	8,250	5,275	63.94%
Volunteer staff				
TOTAL XI	13,525	8,250	5,275	64%