

Bruno LLINAS
Auditor
Registered with Aix-en-Provence Regional Institute
Le Diamant Bât B
20 RUE LOUIS REGE
13008 MARSEILLE

EXTERNAL AUDITOR'S REPORTS

GERES
2, COURS MARECHAL FOCH
13400 AUBAGNE

FINANCIAL YEAR: 01/01/2014 - 31/12/2014

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EXTERNAL AUDITOR'S GENERAL REPORT

on the financial statements for the year ended 31st December 2014
for the Ordinary General Meeting on 10th July 2015

Ladies and gentlemen,

In fulfilment of the task assigned to me, I now submit my report on the financial year ended 31st December 2014, 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	€16,991,266
Total operating income	€10,694,181
Net result	€28,237

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.

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 2015

(Signature)

Bruno LLINAS
Auditor

	Cash and cash equivalents	588		588	890,054		890,054	-889,466	-99.9%
	Prepaid expenses	42,233		42,233	31,642		31,642	10,591	33.5%
	TOTAL II	16,952,257	-	16,952,257	18,050,977	-	18,050,977	-1,098,720	6.09%
	Charges spread over several years (III)								
	Bond redemption premiums (IV)								
	Unrealized exchange loss (V)								
	GRAND TOTAL (I + II + III + IV + V)	17,116,192	124,926	16,991,266	18,228,280	109,538	18,118,742	-1,127,476	-6.22%

BALANCE SHEET - LIABILITIES									
	LIABILITIES	2014			2013			Variance	
		Gross	Depreciation & provisions	Net	Gross	Depreciation & provisions	Net	€	%
ASSOCIATION FUNDS	EQUITY								
	Association funds with no right of recovery	277,653		277,653	404,734		404,734	-127,081	-31.4%
	Revaluation differences								
	Reserves								
	Statutory or contractual reserves								
	Regulated reserves								
	Other reserves								
	Profit/loss carried forward								
	EARNINGS FOR THE YEAR (surplus + deficit)	28,237		28,237	-127,081		-127,081	155,318	-122.2%
	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	305,890	-	305,890	277,653	-	277,653	28,237	10.17%
	Provisions for risk	2,053,269		2,053,269	1,655,910		1,655,910	397,359	24.0%
	Provisions for charges	80,293		80,293	70,501		70,501	9,792	13.9%
	Dedicated funds (operating subsidies)								
	Dedicated funds (other resources)	509,832		509,832	1,640,004		1,640,004	-1,130,171	-68.9%
	TOTAL II	2,643,394	-	2,643,394	3,366,414	-	3,366,414	-723,020	-21.48%

LIABILITIES	Bond loans								
	Loans from credit institutions								
	Miscellaneous loans and financial liabilities								
	Advances and payments on account								
	Due to suppliers	188,865		188,865	131,972		131,972	56,893	43.1%
	Tax and social security liabilities	438,630		438,630	503,749		503,749	-65,120	-12.9%
	Accounts payable								
	Other liabilities	95,157		95,157	12,005		12,005	83,151	692.6%
	Liquid debts	462,806		462,806				462,806	
	Deferred income	12,856,525		12,856,525	13,826,948		13,826,948	-970,423	-7.0%
	TOTAL III	14,041,982		14,041,982	14,474,674	-	14,474,674	-432,693	-2.99%
	Unrealized exchange profit (IV)								
	GRAND TOTAL (I + II + III + IV)	16,991,266	-	16,991,266	18,118,741	-	18,118,741	-1,127,476	-6.22%

PROFIT AND LOSS ACCOUNT

	2014	2013	VARIANCE	
	€	€	€	%
OPERATING INCOME (I)				
Sales of goods for resale				
Sales of goods and services	1,020,007	1,243,764	-223,758	-17.99%
Stock of finished goods and work in progress	631,842	940,617	-308,775	-32.83%
Capitalized production costs				
Operating subsidy	7,490,250	5,650,342	1,839,908	32.56%
Gifts	83,873	184,102	-100,229	-54.44%
Subscriptions	460	300	160	53.33%
Legacies and donations				
Write-back of depreciation & provisions and transfer of charges	248,551	343,610	-95,058	-27.66%
Carry forward of unused funds from previous years	1,130,171	553,627	576,544	104.14%
Other income	89,027	139,990	-50,963	-36.40%
TOTAL I	10,694,181	9,056,351	1,637,830	18%
OPERATING EXPENSES (II)				
Purchase of goods for resale				
Inventory variation (goods for resale)	138,863	364,774	-225,911	-61.93%
Purchase of raw materials and other supplies				
Inventory variation (raw materials and other supplies)				
Other non-inventory supplies	1,182,382	1,133,447	48,935	4.32%
External services	1,420,713	1,440,832	-20,120	-1.4%
Taxes, duty and similar payments	106,531	162,846	-56,315	-34.58%
Salaries and pay	2,219,753	2,033,148	186,605	9.18%
Social Security	1,031,230	843,620	187,610	22.24%
Other personnel costs	1,087,882	1,186,542	-98,660	-8.31%
Depreciation and provisions				
Fixed assets: depreciation				
Fixed assets: provisions	21,464	24,217	-2,753	-11.37%
Current assets: provisions				
Provision for risks and charges	635,490	1,085,558	-450,068	-41.46%
Commitments against allocated resources		263,495	-263,495	
Grants made by the Association	2,862,422	792,573	2,069,849	261.16%
Other expenses				
TOTAL II	10,706,729	9,331,051	1,375,678	15%

1 - OPERATING RESULT (I-II)	-12,548	-274,700	262,152	-95%
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	1,484	977	507	51.91%
Write-back of provisions and transfers of charges				
Realized gains on exchange differences	2,202	4,833	-2,630	-54.43%
Net income from sale of securities				
TOTAL V	3,687	5,810	-2,123	-37%
FINANCIAL EXPENSES				
Depreciation and provisions				
Interest and similar charges	5,482	1,021	4,461	436.94%
Realized losses on exchange differences	2,631	12,499	-9,867	-78.95%
Net loss on sale of securities				
TOTAL VI	8,113	13,520	-5,407	-40%
2 - FINANCIAL PROFIT/LOSS (V-VI)	-4,426	-7,710	3,284	-43%
3 - CURRENT PROFIT/LOSS BEFORE TAX (I-II + III-IV + V-VI)	-16,974	-282,410	265,436	-94%
EXTRAORDINARY INCOME				
Extraordinary operating profit	21,612	232,212	-210,600	-90.69%
Extraordinary income from capital transactions				
Write-back of depreciation and transfers of charges				
TOTAL VII	21,612	232,212	-210,600	-91%
EXTRAORDINARY EXPENSES				
Extraordinary operating expenses	3,660	158	3,502	2222.70%
Extraordinary expenses on capital transactions				
Extraordinary depreciation and provisions				
TOTAL VIII	3,660	158	3,502	2223%
4 - EXTRAORDINARY PROFIT/LOSS (VII-VIII)	17,952	232,054	-214,102	-92%
Tax on property income (IX)				
Tax on profits (X)	-27,259	76,725	-103,984	-135.53%
TOTAL INCOME (I + III + V + VII)	10,719,480	9,294,373	1,425,107	15%
TOTAL EXPENSES (II + IV + VI + VIII + IX+X)	10,691,243	9,421,454	1,269,789	13%
INTERMEDIATE BALANCE	28,237	-127,081	155,318	-122%
5 - SURPLUS (+) OR DEFICIT (-)	28,237	-127,081	155,318	-122%

6 - MEASUREMENT OF CAPITAL CONTRIBUTIONS AND SPECIAL ACCOUNTS				
INCOME Commitments towards associations in the network Volunteering Services in kind Gifts in kind				
TOTAL X				
EXPENSES Commitments towards associations in the network Assistance in kind Free provision of goods and services Volunteer staff				
TOTAL XI				