

METROPOLIS

Association governed by the Law of 1 July 1901

33 rue Barbey de Jouy

75007 PARIS

Special auditor's report

on regulated agreements

Meeting of the deliberative body pertaining to the approval of accounts
for the fiscal year ending on 31 December 2015

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for the fiscal year ending on 31 December 2015

For the attention of the members,

In our capacity as auditor for your Association, we hereby present you with our report on regulated agreements.

It is our responsibility to provide you, based on the information we have received, with the essential characteristics and terms of the agreements we have been notified of or which we have been made aware of as part of our assignment, without having to provide an opinion on their usefulness nor their appropriateness, nor to look for the existence of other agreements. It is your responsibility, according to the terms of article R. 612-6 of the Commercial Code, to assess the importance of the conclusion of these agreements with the aim to approve them.

We have performed the procedures we have deemed necessary with regard to the professional doctrine of the national auditing body pertaining to this assignment.

Limited company with a capital of €27,200,000
Accounting Company registered on the roll of Chartered Accountants of Paris Île-de-France
Auditing Company member of the Versailles Regional Company
342 528 825 Nanterre Trade and Companies Register
VAT: FR 12 342 528 825

An entity of the Deloitte network

TERMS SUBJECT TO APPROVAL BY THE DELIBERATIVE BODY

Agreements made during the past fiscal year

We hereby inform that we have not been notified of any agreement concluded during the past fiscal year to be approved by the deliberative body in accordance with the provisions of article L. 612-5 of the Commercial Code.

Neuilly-sur-Seine, 10 November 2016

The auditor
Deloitte Marque & Gendrot

Frédéric NEIGE

METROPOLIS

French Association governed by Law of 1901 (1 July)

33, rue Barbet de Jouy

75007 PARIS

France

Auditor's Report on Annual Accounts

Financial year ended 31 December 2015

METROPOLIS

French Association governed by Law of 1901 (1 July)

33, rue Barbet de Jouy
75007 PARIS
France

Auditor's Report on Annual Accounts

Financial year ended 31 December 2015

As commissioned by the Board of Directors of your association, we hereby submit the report for the financial year ended 31 December 2015, which includes:

- The audit of the annual accounts of the METROPOLIS association, as attached to this report.
- The justification of our assessments.
- The specific checks and information required by law.

The annual accounts were prepared by the Board of Directors. The opinion we express is based on our audit of those accounts.

1. Opinion on the annual accounts

We conducted our audit in accordance with the professional standards applicable in France. These standards require the application of due diligence to obtain reasonable assurance that the annual accounts are free of material inaccuracies. An audit consists in examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the annual accounts. It also involves an assessment of the accounting principles used, of any significant estimates made and of the presentation of the set of accounts. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

In the first six-month period of 2016, your association had to make a French social security and family benefit contributions agencies (URSSAF, as abbreviated in French) adjustment, received a lower grant amount than the amount recorded in the initial provision, and had borne various additional operating costs. Neither those expenses nor the estimated income surplus were recorded in the accounts for the financial year ended 31 December 2015. These events, which occurred after that date, should have given rise to additional costs and to a reduction in income and, therefore to a reduction in the financial year net income of €21,024.78.

Subject to this caveat, we certify that, under French accounting rules and principles, the annual accounts are accurate and true, and faithfully reflect operating net income for past financial year, as well as the liabilities, assets and financial position of the association at the end of that financial year.

2. Justification of our assessments

Under the provisions of Article L. 823-9 of the French Commercial Code, relating to the justification of our assessments, we hereby inform you of the assessments we made, besides those leading to the above-mentioned caveat.

The assessments thus made fall within the context of our process of auditing of the annual accounts, taken as a whole, and therefore contribute to the formation of our opinion expressed in the first part of this report.

3. Specific checks and information

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

Other than the impact of the facts set out in the first part of this report, we have no further observations to make on the truthful presentation and consistency with the annual accounts of the information given in the Board of Director's annual report and in the documents sent to members about the financial position and the annual accounts.

Neuilly-sur-Seine

The auditor

Deloitte Marque & Gendrot

Balance Sheet – Assets

Firm: METROPOLIS
 Period: January to December
 Date: 23/09/2016

	31/12/2015		31/12/2014	
	Gross	Prov. Depr.	Net	Net
FIXED ASSETS				
Intangible fixed assets				
Formation expenses				
Research and development expenses				
Concessions, patents, licenses, software, trademarks and similar rights	12,369	12,369	-	-
Goodwill (1)				
Other intangible fixed assets				
Intangible fixed assets in progress				
Advances and prepayments				
Tangible fixed assets				
Land				
Buildings				
Plant, machinery and equipment				
Other tangible fixed assets	52,285	39,710	12,574	15,593
Tangible fixed assets in progress				
Advances and prepayments				
Financial fixed assets (2)				
Holdings				
Holding receivables				
Long-term portfolio securities				
Other long-term securities	-		-	-
Loans				
Other financial fixed assets	300		300	300
	64,954	52,079	12,874	15,893
CURRENT ASSETS				
Inventory and work in progress				
Raw materials and other supplies				
Work in progress (goods and services)				
Intermediate and finished products				
Merchandise				
Advances and prepayments on orders				
Accounts receivable (3)				
Trade accounts receivable	210,214		210,214	110,778
Other accounts receivable	6,465		6,465	-
Subscribed capital, called up and unpaid				
Marketable securities				
Own shares				
Other securities	73,880		73,880	105,000
Cash instruments			-	
Liquid assets	238,918		238,918	170,052
Prepaid expenses (3)	770		770	1,000
	530,246	0	530,246	386,830
Expenses spread over several financial years				
Loan redemption premiums				
Exchange differences (asset)				
GENERAL TOTAL	595,200	52,079	543,121	402,723

Balance Sheet – Liabilities

Firm: METROPOLIS
 Period: January to December
 Date: 23/09/2016

	31/12/2015	31/12/2014
	Net	Net
EQUITY		
Share capital (of which paid up:)		
Issue, merger and contribution premiums		
Revaluation differences		
Equivalence difference		
Reserves:		
- Legal reserves		
- Statutory and contractual reserves		
- Regulatory reserves		
- Other reserves		
Retained earnings	289,724	426,193
Financial year net income (profit or loss)	-12,491	-136,469
Investment subsidies		
Regulated provisions		
	277,233	289,724
OTHER EQUITY CAPITAL		
Proceeds from issues of participating shares		
Contingent advances		
Other equity capital	-	-
PROVISIONS FOR LOSSES AND EXPENSES		
Provisions for losses		
Provisions for expenses	-	-
DEBTS (1)		
Convertible debenture loans		
Other debenture loans		
Bank borrowings and debts (2)	206	398
Borrowings and financial debts (3)		
Advances and prepayments received on orders in progress	10,917	2,133
Trade accounts payable	78,247	47,876
Tax and social security liabilities	31,801	31,269
Liabilities on fixed assets and accounts payable		
Other debts	144,717	31,323
Cash instruments		
Deferred income (1)	-	-
	265,888	112,999
Exchange differences (liability)		
GENERAL TOTAL	543,121	402,723
<i>(1) Of which due in over 1 year (a)</i>		
<i>(1) Of which due in up to 1 year (a)</i>	265,888	112,999
<i>(2) Of which bank overdrafts and credit balances</i>		
<i>(3) Of which equity borrowings</i>		
<i>(a) Other than the advances and prepayments received on orders in progress</i>		

Profit and Loss Account

Firm: METROPOLIS
 Period: January to December
 Date: 23/09/16

	31/12/2015		31/12/2014
	France	Export	Total
Operating income (1)			
Sales of merchandise			
Sales of finished goods			
Sales of finished services	315,890		348,121
Net turnover	315,890		348,121
Stock of finished goods			
Capitalised production			
Net income on long-term operations			
Operating subsidies			571,763
Reversals of provisions and transfer of expenses			
Other income			0
			887,653
Operating costs (2)			
Purchase of merchandise			
Change in stock			
Purchase of raw materials, supplies and other consumables			
Change in stock			
Other purchases and external expenses (a)			466,535
Taxes, levies and similar payments			315
Salaries and wages			302,188
Social security contributions			133,926
Allocation to depreciation and provisions:			
- Fixed assets: to depreciation			4,546
- Fixed assets: to provisions			
- Current assets: to provisions			
- Losses and expenses: to provisions			
Other expenses			0
			907,511
OPERATING RESULT			-19,858
			804,500
			387,879
			68,500
			804,500
Share of profits from joint ventures			
Allocated profit or transferred loss			
Supported loss or transferred profit			
Financial income			
From equity (3)			
From securities and other financial fixed assets (3)			
Other interest or similar income (3)			
Reversals of provisions and transfers of expenses			
Gains on exchange differences			
Proceeds from assignment of securities			8,906
Other financial income			
			8,906
Financial expenses			
Allocation to depreciation and provisions			
Interest and similar expenses (4)			1,539
Losses on exchange differences			
Net loss from assignment of securities			
			1,539
			5,866

FINANCIAL RESULT	7,367	804
CURRENT RESULT BEFORE TAX	-12,491	-134,192

Extraordinary income		
Extraordinary income from operations		
Extraordinary income from capital transactions		
Other extraordinary income	-	-
Reversals of provisions and transfers of expenses	-	-
Extraordinary expenses		
Extraordinary expenses from operations		
Extraordinary expenses from capital transactions		
Other extraordinary expenses	-	-
Allocation to depreciation and provisions	-	-
EXTRAORDINARY RESULT	-	-

Employees' profit sharing		
Tax on profit	0	2,277

Total income	896,559	811,170
Total expenses	909,050	947,639

NET PROFIT/LOSS	-12,491	-136,469
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<i>a) Including:</i> - equipment lease payments - property lease payments 1) Of which income relating to previous financial years 2) Of which expenses relating to previous financial years 3) Of which income concerning linked companies 4) Of which interest concerning linked companies		
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Accounting Rules and Methods

(Decree 88-1020 of 29/11/1983 – Articles 7, 21, 24 beginning, 24.1, 24.2 and 24.3)

ANNEX TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Annex to the balance sheet before appropriation of earnings for the financial year ended 31/12/2015, whose total is €536,656.05, and to the profit and loss account for the financial year, presented in the form of a list, showing a net income of €-12,491.21.

The financial year covers a period of 12 months, from 01/01/2015 to 31/12/2015.

The notes and tables below are an integral part of the annual accounts.

These annual accounts were submitted on 25/07/2016.

Significant events during the financial year:

Change of Secretary General due to Mr Le Saux's retirement.

The general accounting conventions were applied, adhering to the principle of prudence, in accordance with the following fundamental assumptions:

- The continuance of operations.
- The permanence of accounting methods from one financial year to the next.
- The independence of financial years.

The general rules for establishing and presenting annual accounts were also observed.

The basic method used to assess the entries posted in the accounts was the historical cost method.

mode

Intangible fixed assets

Intangible fixed assets are valued at their acquisition cost.

A straight-line or accelerated method is applied to depreciation according to the expected life of the asset.

- Concessions, patents and licences 3 years

Tangible fixed assets

Tangible fixed assets are valued at their acquisition cost (purchase price and sundry expenses).

A straight-line or accelerated method is applied to depreciation according to the expected life of the asset.

- Fixtures and fittings of buildings 5 years
- Others 4 years

Holdings, other long-term securities and marketable securities

At the end of the financial year, the association had €13,781.90 BS GARANTIA FIJA 14 FI CP at a historic cost of €73,880 and an asset value of €112,148.

Accounts receivable

Accounts receivable are valued at their face value. A provision for depreciation is made when the inventory value is lower than the book value.

Extraordinary income and expenses

There is no extraordinary income.

VOLUNTARY CONTRIBUTIONS IN KIND

Three workers made available by Barcelona City Council:

- Partnership and Corporate Image Manager Full-time
- Project Officer Full-time
- Project Officer Part-time (70% full-time equivalent)

The overall cost of the above is €143,700.

Premises made available by Barcelona City Council, located in Avinyó 15, 08002 Barcelona, Spain, with a total floor area of 200m².

Barcelona City Council meets the expenses linked to association's headquarters, namely:

- Rent	€35,373
- Related expenses (water consumption, phone) and maintenance	€9,087
Total	€44,460

Two workers made available by the Barcelona Metropolitan Area:

- Initiatives Coordinator Part-time (70% full-time equivalent)
- Institutional Relations Manager &
Coordinator of the Metropolis Women
International Network Full-time

The overall cost of the above is €96,111.

Fixed assets

Table A		Gross value at start of financial year	Increase	
			Revaluation	Acquisition
Intangible fixed assets				
Formation, research and development expenses	Total I			
Other entries under intangible fixed assets	Total II	12,369		
Tangible fixed assets				
Land				
Buildings on own land				
Buildings on others' land				
General facilities, fixtures and fittings of buildings				
Plant, machinery and equipment				
General facilities, miscellaneous fixtures and fittings		1,216		-
Transport equipment				
Office and IT equipment, furniture		33,512		1,528
Furniture		16,029		-
Returnable packaging and miscellaneous				
Tangible fixed assets in progress				
Advances and prepayments				
	Total III	50,757		1,528
Financial fixed assets				
Holdings valued on an equity basis				
Other holdings				
Other long-term securities				
Loans and other financial fixed assets		300		-
	Total IV	300	0	0
GENERAL TOTAL (I + II + III + IV)		63,426	0	1,528

Table B		Reduction		Gross value at end of financial year	Revaluation original value
		Due to transfer	Due to assignment		
Intangible fixed assets					
Formation, research and development expenses	(I)				
Other entries under intangible fixed assets	(II)			12,369	
Tangible fixed assets					
Land					
Buildings on own land					
Buildings on others' land					
General facilities, fixtures and fittings of buildings					
Plant, machinery and equipment					
General facilities, miscellaneous fixtures and fittings				1,216	
Transport equipment					
Office and IT equipment, furniture					
Furniture				35,040	
Returnable packaging and miscellaneous				16,029	
Tangible fixed assets in progress					
Advances and prepayments					
	Total III			52,285	
Financial fixed assets					
Holdings valued on an equity basis		-	-		
Other holdings					
Other long-term securities				0	
Loans and other financial fixed assets				300	
	Total IV	-	-	300	0
GENERAL TOTAL (I + II + III + IV)		-	-	64,954	0

Depreciation

Table A POSITION AND TRANSACTIONS FOR THE FINANCIAL YEAR					
DEPRECIABLE FIXED ASSETS		Value at start of financial year	Provision increase	Reduction outflow/reversal	Value at end of financial year
Intangible fixed assets					
Formation, research and development expenses	Total I				
Other intangible fixed assets	Total II	12,369			12,369
Tangible fixed assets					
Land					
Buildings on own land					
Buildings on others' land					
General facilities, fixtures and fittings of buildings					
Plant, machinery and equipment					
General facilities, miscellaneous fixtures and fittings		1,216	-		1,216
Transport equipment					
Office and IT equipment, furniture		33,948	4,546		38,495
Returnable packaging and miscellaneous					
	Total III	35,164	4,546	-	39,710
	GENERAL TOTAL (I + II + III)	47,533	4,546	0	52,079

Table B BREAKDOWN OF PROVISIONS FOR DEPRECIATION FOR THE FINANCIAL YEAR				Table C PROV. DEPR. ALLOWANCE	
DEPRECIABLE FIXED ASSETS	Straight-line depreciation	Accelerated depreciation	Extraordinary depreciation	Provision	Reversal
Intangible fixed assets					
Formation, research and development expenses					
Other intangible fixed assets	0				
Tangible fixed assets					
Land					
Buildings on own land					
Buildings on others' land					
General facilities, fixtures and fittings of buildings					
Plant, machinery and equipment					
General facilities, miscellaneous fixtures and fittings					
Transport equipment					
Office and IT equipment, furniture	4,546				
Returnable packaging and miscellaneous					
	4,546				
	GENERAL TOTAL (I + II + III)	4,546			

Table D TRANSACTIONS FOR EXPENSES SPREAD OVER SEVERAL FINANCIAL YEARS		Net amount at start of financial year	Increase	Provision for depreciation for financial year	Net amount at end of financial year
Expenses spread over several financial years					
Loan redemption premiums					

Provisions on the Balance Sheet

Amount at start of financial year	Increase: Provision for financial year	Reduction: Reversal for financial year	Amount at end of financial year
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<p>Regulated provisions</p> <p>Provisions for reconstitution of mining and oil deposits</p> <p>Provisions for investments</p> <p>Provisions for price increases</p> <p>Special depreciation allowances</p> <p>Of which extraordinary increases of 30%</p> <p>Tax provisions for setting up abroad before 01/01/92</p> <p>Tax provisions for setting up abroad after 01/01/92</p> <p>Provision for start-up loans</p> <p>Other regulated provisions</p> <p style="text-align: right;">Total I</p> <p>Provisions for losses and expenses</p> <p>Provisions for litigation</p> <p>Provisions for customer warranties</p> <p>Provisions for losses on futures markets</p> <p>Provisions for penalties and fines</p> <p>Provisions for exchange losses</p> <p>Provisions for pensions and similar obligations</p> <p>Provisions for taxes</p> <p>Provisions for renewal of fixed assets</p> <p>Provisions for major repairs</p> <p>Provisions for tax and social security liabilities on paid holiday</p> <p>Other provisions for losses and expenses</p> <p style="text-align: right;">Total II</p> <p>Provisions for depreciation</p> <p>On intangible fixed assets</p> <p>On tangible fixed assets</p> <p>On securities treated on an equity basis</p> <p>On holdings</p> <p>On other financial fixed assets</p> <p>On inventory and work in progress</p> <p>On trade accounts</p> <p>Other provisions for depreciation</p> <p style="text-align: right;">Total III</p> <p style="text-align: right;">GENERAL TOTAL (I + II + III)</p>				
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<p><i>Of which appropriations and write-backs:</i></p>	<p>- operating</p> <p>- financial</p> <p>- extraordinary</p>		
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Securities treated on an equity basis: amount of depreciation for the financial year (Art. 39-1-5 of the General Tax Code)

Statement of accounts receivable and payable

Table A	RECEIVABLE	Gross amount	Due in up to 1 year	Due in over 1 year
From fixed assets				
Holding receivables				
Loans (1) (2)				
Other financial fixed assets				
From current assets				
Doubtful and disputed trade receivables				
Other trade receivables				
Receivables on securities lent				
Staff and related receivables				
Social security and other social organisations				
Income tax				
Value added tax				
Other taxes, levies and similar payments				
Miscellaneous				
Group and associated companies (2)				
Sundry debtors				
Prepaid expenses				
Total		217,448	217,448	-

(1) Of which loans agreed during the financial year

(1) Of which repayments received during the financial year

(2) Loans and advances granted to associated companies

Table B	PAYABLE	Gross amount	Due in up to 1 year	Due in 1-5 years	Due in over 5 years
Convertible debenture loans (1)					
Other debenture loans (1)					
Bank borrowings and debts: (1)					
- For up to 1 year at the outset					
- For over 1 year at the outset					
Miscellaneous financial borrowings and debts (1)					
(2)					
Advances and prepayments received					
Trade accounts payable					
Staff accounts payable					
Social security and other social organisations					
AGIRC-ARRCO French supplementary retirement institutions					
Payment on account of income tax on individuals					
Income tax					
Value added tax					
Guaranteed bonds					
Other taxes, levies and similar payments					
Amounts payable on fixed assets and related accounts					
Group and associated companies (2)					
Other debts					
Payables on securities borrowed					
Deferred income					
Total		265,888	265,888	-	-

(1) Borrowings agreed during the financial year

(1) Borrowings repaid during the financial year

(2) Borrowings and debts incurred with associated companies