

EGEA AISBL

Audit report on the financial statements as of 31 December 2015

Mission:

Upon the request of EGEA aisbl's board of directors, VRC Registered Auditors, represented by Brigitte Motte, has been asked to perform an audit of EGEA financial statements as at December 31, 2015.

1. Presentation of the entity

EGEA: European Garage Equipment Association. The association is an international not-for-profit association incorporated under the Belgian Law under the number 883.057.910. EGEA is since 2014 VAT registered.

Activity

The association, whose activities are completely non-profit, is vested with the mission of performing scientific, economic, technical and administrative studies of all problems relating to the manufacture and distribution of garage and test equipment and which concern international economic integration, in particular within the EU, together with research into and application of suitable solutions to such problems.

More particularly, the objectives for which the association is established are:

- To encourage and to promote a unity of purpose among European members of the garage equipment industry including manufacturers, distributors and dealers in the fields of interest of its members and specifically, but not exclusively, the pursuance of:
- The establishment in the interest of quality, safety, and efficiency, of common standards for the design, construction, installation and operation of garage and test equipment;
- The exchange of information on existing and proposed European and national regulations affecting the design, construction, installation, operation and servicing of garage and test equipment, and preparation of representations to the EU and national governments to seek alliances with other associations;
- The standardization of vehicle in-servicing testing procedures within Europe;
- The harmonization of dates of garage and test equipment tradeshow throughout Europe. Each member country retains the right to determine its own dates;
- The collection and exchange of market information in order to prepare and circulate general European market data.

2. Presentation of the financial statements

2.1 Income statement (in euro cent)

INCOME STATEMENT	31/12/2015	31/12/2014
Membership fees	179.816,00	189.066,00
Voluntary contribution ASA	0,00	30.000,00
Other income	24.369,26	53.803,47
TOTAL SALES	204.185,26	272.869,47
Services and other goods	145.941,12	147.545,81
Personnel costs	78.722,02	14.951,56
Depreciations	782,59	86,22
Other operating charges	489,23	23.354,53
TOTAL OPERATING CHARGES	225.934,96	185.938,12
OPERATING RESULT	-21.749,70	86.931,35
Financial income	0,00	0,69
Financial Charges	392,60	296,86
RESULT ON ACTIVITIES	-22.142,30	86.635,18
RESULT BEFORE TAXES	-22.142,30	86.635,18
Tax of the year	78,81	
NET RESULT	-22.221,11	86.635,18

2.2 Balance sheet (in euro cent)

STATUTORY ACCOUNTS	31/12/2015	31/12/2014
Plant, machinery and equipment	1.392,74	775,98
Furniture	689,76	0,00
Trade debtors	1.086,45	31.986,46
VAT recoverable	14,37	1.195,03
Cash at bank and in hand	202.256,18	204.770,57
Deferred charges	99,60	0,00
TOTAL ASSETS	205.539,10	238.728,04
Issued capital	0,00	0,00
Accumulated profits	204.237,60	117.602,42
Result of the year	-22.221,11	86.635,18
EQUITY	182.016,49	204.237,60
Amounts payable after more than one year	0,00	0,00
Amounts payable within one year	18.534,61	34.348,99
Accrued charges and deferred income	4.988,00	141,45
TOTAL AMOUNTS PAYABLE	23.522,61	34.490,44
TOTAL LIABILITIES	205.539,10	238.728,04

ASSETS **€ 205.539,10**

Fixed assets: **€ 2.082,50**

- Plant, machinery and equipment € 1.392,74
- Furniture and vehicles € 689,76

Purchase of a laptop in 2015, depreciated at linear rate over 3 years.
Furniture is depreciated over 10 years.
No pro rata depreciation is applied.

Current assets: **€ 203.456,60**

Trade debtors

Credit note to receive (onss) € 1.086,45

Other assets

- VAT current account € 14,37

This is the amount of VAT recoverable after calculating the exact % for the year 2015.
Egea is a mixed VAT payer as of the year 2014.

Cash at Bank

- ING Current account € 202.256,18

The amount is in accordance with the bank statement at 31.12.2015

Deferred charges

Prepaid expenses (2016 costs) € 99,60

LIABILITIES		<u>€ 205.539,10</u>
Accumulated profit per 31.12.2015		€ 182.016,49
Accumulated profit per 31.12.2014	€ 204.237,60	
Result of the year 2015	<u>€ -22.221,11</u>	

Short term liabilities		€ 23.522,61
- Suppliers	€ 1.910,05	

The suppliers balance is detailed as follows:

- Partena	€ 1.842,05
- Taxis verts	€ 68,00

The balances have been paid in 2016.

- Invoices to receive	€ 5.932,58
- Consulting fees (Xen Consultancy)	€ 231,67
- Figiefa	€ 2.680,65
- Traxio	€ 980,26
- Other	€ 2.040,00
- Corporate tax	€ 78,81
- Holiday pay	€ 10.613,17
- Accrued charges	€ 4.988,00

These amounts are linked to the year 2015 but paid in 2016.

Comments

During our audit, we noticed some points of attention we would like to share with you:

VAT status

In 2014 EGEA became a mixed VAT payer. During the year 2015 a percentage of 12% recoverable VAT and 88% non-recoverable VAT was applied. At year-end the exact percentage for the year was calculated as follows:

Calculation pro rata VAT 2015			
7000000	Membership fees	179.816,00	
7000150	Voluntary contribution ASA	0,00	
7013000	Recovery of expenses	22.500,00	VAT
7014000	ECSS project move	0,00	VAT
7409000	Inter-professional agreement	<u>505,31</u>	
	Part with VAT	22.500,00	11,09%
	Part without VAT	180.321,31	88,91%
	Total VAT charged (case 59 + # 640120)	24.414,92	
	VAT recovered (12%)	2.929,79	(B)
	Total VAT recoverable	2.708,47	(A)
	VAT adjustment	-221,32	(A)-(B)

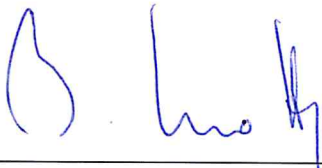
Insurance covering the responsibility of the board members decisions.

We noticed that such an insurance has been taken by the association.

3. Conclusions

We proceeded with the audit of the financial statements as of December 31, 2015 of the association and concluded that the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

Brussels, May 11, 2016



VRC Registered Auditors
SC s.f.d. SCRL
Represented by Brigitte Motte