



# CADES

***Statutory auditor's report on the financial  
statements***

For the year ended 31 December 2018

CADES

139 Rue de Bercy 75012 Paris

*This report contains 5 pages*

Reference : HV-192-001



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*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

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## **CADES**

Registered office: 139 Rue de Bercy 75012 Paris

### **Statutory auditor's report on the financial statements**

For the year ended 31 December 2018

To the Conseil d'administration of CADES

#### **Opinion**

In compliance with the engagement entrusted to us by your Conseil d'administration, we have audited the accompanying financial statements of CADES for the year ended 31 December 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles in accordance with the "Plan Comptable des Etablissements de Crédit", which applies to CADES by reason of notice no. 99-04 of the Conseil National de la Comptabilité.

The audit opinion expressed above is consistent with our report to the Audit Committee.

#### **Basis for Opinion**

##### ***Audit Framework***

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditor Responsibilities for the Audit of the Financial Statements" section of our report.

## **Independence**

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1<sup>st</sup> January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

## **Emphasis of Matter**

Without qualifying our opinion, we draw your attention to the matter set out in paragraph 4 of the accounting principles and methods and in the Note 12 which specify the applicable accounting treatment of the social security debt repayment contribution (CRDS), the social security contribution (CSG), and the social levies on income from property and investments.

Regarding the collection of the CRDS contributions, note that at no time does CADES act as primary collector; all the resources to which it is entitled are remitted by third parties, first and foremost ACOSS, followed by the offices of the DGFIP (Direction Générale des Finances Publiques or Public Finances Directorate). CADES' responsibility is confined to verifying that the sums transferred agree to the accounting vouchers raised.

## **Justification of Assessments - Key Audit Matters**

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We determined that there were not Key Audit Matters to communicate in our report.

## **Verification of the Management Report of the Conseil d'administration**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

## **Appointment of the Statutory Auditors**

We were appointed as statutory auditors of CADES by the Conseil d'administration held on 7<sup>th</sup> October 2016.

As at 31 December 2018, KPMG SA was in the 2<sup>th</sup> year of total uninterrupted engagement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Conseil d'administration

### **Statutory Auditor Responsibilities for the Audit of the Financial Statements**

#### *Objectives and audit approach*

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of CADES or the quality of management of the affairs of CADES.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement 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.
- Obtains 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of 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 significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
  
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Report to the Audit Committee*

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee [includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on the 4 avril 2019

The statutory auditors

French original signed by

Hubert de Vaumas  
*Associé*