



**International Association of Marine Aids
To Navigation and Lighthouse Authorities (IALA)**

**STATUTORY AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

For the year ended December 31st, 2015

Groupe indépendant d'audit et de conseil

105, av. Raymond Poincaré - CS 81691 - 75116 Paris Cedex 16
Tél : +33 1 45 00 76 00 - Fax : +33 1 45 00 40 10
T.V.A. FR 45 347 496 788

Membre de UHY International, réseau de
cabinets indépendants d'audit et de conseil. 

www.gva.fr - info@gva.fr

GVA AUDIT SAS - Société par actions simplifiée de Commissaires aux
Comptes inscrite à la Compagnie de Paris au capital de 4 800 €
Siret 347 496 788 00022 - NAF 6920 Z

 Membre Indépendant
du Groupement Différence

Certifié ISO 9001
Version 2008

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

The statutory auditor's report includes information specifically required by French law in such reports, whether modifies or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant and auditing matters.

These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to members. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.



**International Association of Marine Aids
to Navigation and Lighthouse Authorities (IALA)**

**10, rue des Gaudines
78100 SAINT GERMAIN EN LAYE**

**STATUTORY AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

For the year ended December 31st, 2015

To the Members,

In compliance with the assignment entrusted to us by your Council, we hereby report to you,
for the year ended 31 December 2015, on:

- the audit of the accompanying financial statements of International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA)
- the justification of our assessments
- the specific verification and information required by law.

These financial statements have been approved by your Secretary General.
Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the organization as at 31st December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention that we were focused on the compliance of the accounting principles applied in your organization.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

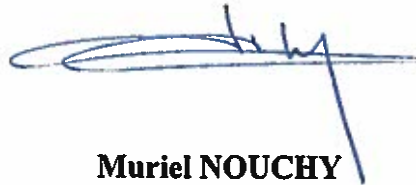
We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Secretary General and in the documents addressed to members with respect to the financial position and the financial statements.

Paris, June 2nd 2016

The Statutory Auditor

GVA AUDIT



Muriel NOUCHY



**INTERNATIONAL ASSOCIATION OF MARINE AIDS
TO NAVIGATION AND LIGHTHOUSE AUTHORITIES**

**FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2015
(FRENCH FORMAT)**

10, rue des Gaudines - 78100 Saint Germain en Laye, France
Tél: +33 (0)1 34 51 70 01 - Fax: +33 (0)1 34 51 82 05 - contact@iala-aism.org
www.iala-aism.org

International Association of Marine Aids to Navigation and Lighthouse Authorities
Association Internationale de Signalisation Maritime





BALANCE SHEET (IN €)

ASSETS	2015			2014
	GROSS	DEPRECIATION AND ALLOWANCES	NET	NET
FIXED ASSETS				
Intangible assets				
Organisation and start-up costs	-	-	-	-
Franchises, patents, licenses, trademarks, processes, and other similar rights or interests held	61 239	28 450	32 789	40 020
Goodwill	-	-	-	-
Others intangible assets	-	-	-	-
Intangibles in process	-	-	-	-
Advances, down-payments and prepaids	-	-	-	-
Tangible assets				
Land	240 552	-	240 552	240 552
Buildings	1 167 139	129 360	1 037 779	1 064 526
Machinery and equipment	291 785	70 558	221 227	235 816
Others tangible assets	1 172 013	444 307	727 706	744 539
In-progress	-	-	-	-
Advances, prepaids and others	-	-	-	-
Investments				
Controlling interests	-	-	-	-
Receivables from controlled entities	-	-	-	-
Long-term portfolio of securities held	-	-	-	-
Other fixed securities	-	-	-	-
Loans	17 231	-	17 231	17 231
Other investments	4 289	-	4 289	4 150
Total Fixed Assets	2 954 251	672 677	2 281 573	2 346 834
CURRENTS ASSETS				
Inventories				
Raw materials and supplies	-	-	-	-
Work in process inventory	-	-	-	-
Services in progress	-	-	-	-
Goods held for resale	-	-	-	-
Down-payments to suppliers	-	-	-	-
Accounts receivables				
Trade notes and accounts receivables from members	782 728	260 148	522 580	477 836
Other receivables	3 864	-	3 864	319
Common stock subscribed to, called for payment, but not yet collected	-	-	-	-
Securities and holdings	-	-	-	-
Cash	2 478 716	-	2 478 716	2 151 157
Prepaid expenses	49 886	-	49 886	18 776
Total currents assets	3 315 195	260 148	3 055 046	2 648 088
Expenses capitalized to be amortized over several periods	-	-	-	-
Bonds and loan discounts, amortized over life of borrowing contracted	-	-	-	-
Unrealized losses on foreign exchange	-	-	-	-
GRAND TOTAL ASSETS	6 269 446	932 825	5 336 619	4 994 923





BALANCE SHEET (IN €)

LIABILITIES	2015	2014
Association funds without possibility of resumption	2 570 808	2 283 449
Revaluation of assets above historical cost	-	-
Equity reserves wich may not be distributed	-	-
Statutory reserves	-	-
Regulated reserves	-	-
Others reserves	-	-
Unappropriated retained earnings	-	-
Net income of period	244 014	287 362
Total association funds and reserves	2 814 822	2 570 811
Association funds with possibility of resumption	-	-
Contribution with possibility of resumption	-	-
Legacy and donation	-	-
Subsidies of long-term investments allocated to special properties	-	-
Profits controlled by others	-	-
Revaluation of assets above historical cost	-	-
Subsidies of long-term investments	847 075	878 664
Regulated provisions	-	-
Rights of the owners	-	-
Total other association funds and reserves	847 075	878 664
Contingency provisions	-	-
Loss provisions	360 417	315 627
Total contingencies and loss provisions	360 417	315 627
Dedicated funds	-	-
On running subsidies	108 268	108 265
On other resources	-	-
Total dedicated funds	108 268	108 265
Convertibles bond debentures	-	-
Other debenture bonds	-	-
Borrowings and loans from banks and credit organizations	-	-
Various debts	-	-
Down-payments from clients for orders in progress	-	-
Trade notes and accounts payable	148 363	53 744
Taxes payable, liabilities to personnel and others accrued social liabilities	224 501	291 983
Liabilities to fixed assets suppliers	-	-
Others liabilities	206 721	167 274
Prepaid incomes	626 451	608 552
Total debts and liabilities	1 206 036	1 121 554
Unrealized gains on foreign exchange	-	-
GRAND TOTAL LIABILITIES	5 336 618	4 994 922



INCOME STATEMENT (IN €)

	2015	2014
Sales of goods held for resale	-	-
Sales or gross revenues	-	-
Change in finished goods and in-progress inventory	-	-
Assets manufactured for use by the association itself	-	-
Operating subsidies	930 248	545 992
Recovery of excess depreciation and provisions charged to expense in prior periods	155 332	247 843
Other income	108 804	146 908
Contributions of members	1 917 210	1 800 995
Legacy and donation	-	-
Transfers of the resources not used by the previous years	-	-
Portion of capital subsidies reported as income	-	-
Total sales from operations	3 111 593	2 741 737
Inventory purchases for resale	-	-
Change in inventory of goods held for resale	-	-
Raw materials and supplies bought	2 423	-
Change in inventories	-	-
Other purchases	556 135	442 272
Purchases and outside contractors	846 698	613 758
Taxes and other contributions	80 845	101 864
Wages and salaries	591 055	624 548
Employment taxes and social security contributions	334 792	305 769
Depreciation expenses	155 841	151 295
Provisions	331 353	160 600
Commitment to realize on allocated resources	-	-
Other expenses	52 922	134 393
Total operating expenses	2 952 064	2 534 501
OPERATING INCOME OR LOSSES (I)	159 529	207 236
Other interest income	24 786	34 954
Foreign exchange gains	17 581	951
gains of sales of short-term investments	-	-
Total interest and other financial income	42 367	35 905
Interest expense	88	69
Foreign exchange losses	2 043	143
Total interest and other financial expenses	2 131	212
FINANCIAL INCOME OR LOSSES (II)	40 236	35 693
CURRENT RESULTS FROM OPERATIONS BEFORE TAXES (I)+(II)	199 765	242 929
Extraordinary gains in operations	11 041	27 282
Process from sales of assets and gains from other capital transactions	44 589	31 589
Total extraordinary gains	55 630	58 871
Extraordinary losses in operations	-	-
Book value of assets sold & other capital losses	7 199	6 771
Total extraordinary losses	7 199	6 771
EXTRAORDINARY RESULT	48 431	52 100
Income tax	4 185	7 667
Total gains	3 209 590	2 836 513
Total expenses	2 965 576	2 549 151
NET INCOME OR LOSSES FOR THE PERIOD	244 014	287 362



NOTE TO THE FINANCIAL STATEMENTS

The balance sheet of the 12-month tax year closed on 31 December 2015 and presented before the allocation of the net profit shows a total of € 5,336,617 €

The tax year's income statement shows a net income of € 244,014.04

The notes and tables thereafter are part of the annual financial statements.





ACCOUNTING POLICIES

Valuation method

The accounts are prepared in accordance with the accounting standards applicable in France in compliance with the principle of prudence and in compliance with the base hypothesis:

- Going concern status
- Separated accounting periods

The accounts are prepared in compliance with regulation ANC 2014-03 dated 05 June 2014 published the 15 October of 2014, and with rules fixed by the Accounting Code of Associations (CRC regulation n. 99-01) and following regulations.

Funds of the Association

This account registers the accumulated statutory allocations of the surpluses and deficiencies of results previously realized.

Variation of funds Table

	31 December 2014	Variation of 2015	31 December 2015
Association's funds	€ 2,283,448.85	€ 287,358.71	€ 2,570,807.56
TOTAL	€ 2,283,448.85	€ 287,358.71	€ 2,570,807.56

Restricted Funds

The restricted funds register the part of the tax year's resources allocated by third parties providing a financing of defined projects that could not be used in all or in part during the tax year, in compliance with the commitments made towards them.

Variation Table of the Restricted Funds

Resources	Funds to be used at the beginning of the tax year	Variation	Funds that remain to be used at the end of the tax year
Grants and others	€ 108,264.60	€ 76,204.73	€ 32,059.87
Korea			€76,208.00
TOTAL	€108,264.60	€ 76,204.73	€ 108,267.87





Equipment Grant

The Ministry of Ecology, of sustainable development, of transportation and of housing paid in 2011 to IALA, a grant of € 1,000,000 aimed at financing the acquisition of the new registered office located at 10-12, rue des Gaudines in Saint Germain en Laye.

This grant is registered in the income statement for the depreciable part of the acquisition (buildings), on the weighted duration of the depreciation, i.e. a duration of 35, 28 years and for the non-depreciable part (the land) on a duration of 20 years.

The depreciable part of the grant represents 85% of it and the non-depreciable part 15%.

For the 2015 tax year, the portion of the grant reported as income is equal to € 31,589.

Provision for Risks and Charges

Provision for severance pay

A provision for severance pay is computed for all the employees. Except in the case of a contradictory provision provided for by the employment agreement, such a provision is computed based on the seniority and corresponds to 0.5 month of salary by year of seniority.

As of 31 December 2014, the provision amounted to € 222,982, i.e. € 141,127 for the indemnity and € 81,854 for the social contributions.

Provision for Planned Retirements

1*) Base Hypothesis:

- the retirement is at the initiative of the employee ; it is fully subject to social contributions ;
- rate of social and tax contributions : 58% ;
- Retirement benefits: 1/4 of month by year of presence brought to 1/3 of month as from the 11th year of presence.
- Age of retirement : 65 years

Likelihood to stay in the company until the age of 65 years old (turn-over)

< 30 years old	20%
< 35 years old	35%
< 40 years old	40%
< 45 years old	60%
< 50 years old	70%
< 55 years old	90%
< 60 years old	95%
< 65 years old	100%

2*) Computation Formula Used:

= (Retirement Individual Rights acquired at 65 years old) X (Likelihood to stay in the company) X (Likelihood to stay Alive) x (Social Contributions) X (3 % update corrected by a salary increase of 1% per year).

Conclusion:

The amount computed based on an hypothesis of an update rate of 3% and of a salary increase rate of 1% is equal to € 137,435 divided as follows:

- € 86,984 for the compensations ; and
- € 50,451 for the related social contributions.





Tangible Fixed Assets

The transfer duties, fees, commissions or deed expenses on tangible fixed assets were incorporated into the cost of the tangible fixed assets.

The building located at 10-12 rue des Gaudines in Saint Germain en Laye was the subject of depreciation by component parts.

The land was registered in the assets for € 240,552, i.e. 15% of the whole building before renovation works. The remaining amount, i.e. € 1,458,923 was allocated to the constructions and divided as follows:

- Structure: 50% of the value, i.e. € 729,461.89
- Facade waterproofing: 30% of the value, i.e. € 437,677.31
- Installations significant works: 20% of the value, i.e. € 291,784.74.

Depreciation is computed on a straight-line basis based on the following rate and duration of depreciation:
Depreciation is provided at rates calculated to write down the cost of each asset and its estimated residual value over its expected useful life.

	<u>Method</u>	<u>Duration</u>	<u>Rate</u>
Web site	straight-line	5 years	20%
Software	straight-line	3 years	33,33%
Structure	straight-line	60 years	1,67%
Façade waterproofing	straight-line	30 years	3,33%
Installation big works	straight-line	20 years	5%
Layouts and installations	straight-line	10 to 20 years	10% à 5%
Transportation equipment	straight-line	5 years	20 %
Office equipment	straight-line	5 years	20%
Household appliances	straight-line	5 years	20%
Computer equipments	straight-line	3 years	33,33%
Téléphone installations	straight-line	10 years	10 %

Receivables held against Members

A provision for bad debts is registered if there is a risk of absence of payment of the membership contributions.

This provision is computed on « a case-by-case basis » based on several criteria (age of the receivables, economic and political situation of the country...).

As at 31 December 2015, the provision amounted to € 260,148.00 against € 204,990.00 the previous year.
The depreciation allocation of the tax year is equal to € 210,355.00 and the depreciation reversal is equal to €155,197.00, do not € 52,250 used for credit losses in 2015 and € 102,947 in unused balance.

Interests to be received

At 31 December 2015, this item amounted to € 9,624 corresponding to accrued interest on saving accounts (Compte sur Livret) and short-term deposits (Compte à Terme).

Others liabilities

As of 31 December 2015, this position is composed

- The funds entrusted to the A.I.S.M . by I.M.C (Industrial Members Committee) € 201,538
- Accrued interest on Livret to € 1,515
- Contributions to advances in respect of 2016 amounting to € 335,290 .





Other payables

At 31 December 2015, this item amounted to € 105,387 broken down as follows:

- Suppliers € 10,155
- Tax and social liabilities € 95,232

Prepaid Expenses

They correspond to the expenses paid during the 2015 tax year but related to the 2016 tax year. They are mainly composed of the insurance expenses, the condominium expenses, the expenses related to future seminars, etc. and amounted to 31 December 2015 to € 49,886.

Prepaid Income

This item amounts to 31 December 2015 to € 291,161 relating mainly a grant for the project Efficiensea, to recall: In December 2014, the Minister of Oceans and Fisheries of the Republic of Korea signed a Memorandum of Understanding with IALA to support the activity of the Academy. The total commitment of the three years (2015-2017) is 900 million Korean Won.

Investment Securities and Cash

A provision for depreciation is registered when there is a likely loss on the investment securities.

The membership contributions are not usually immediately spent. They are therefore invested in the following secured support:

- Short-term deposit ;
- Livret A (specific savings account) ;
- Passbook savings account (Compte sur Livret) ;

As of 31 December 2015, the interest to be received on short-term deposits, livret A and passbook savings account amounted to € 9,623.56.

Distribution of the finance to 31/12/2015

AIMS	WWA	IMC	Total Consolidé
2 178 829,65 €	96834,14 €	203 052,17 €	2 478 715,92 €
88%	4%	8%	100%

Extraordinary Income

Prior period income

This account amounts to € 11,041 on 31 December 2015 and includes:

- € 9,400 of unpaid contributions, paid by industrial members
- € 1,641 extraordinary income corresponding to the accounting entries of regularization
- € 13,000 a vehicle sale price
- € 31,589 QP Equipment Grant





Extraordinary charges

This item amounted to € 7,199 at 31 December 2015, corresponding to the net book value of assets sold during the year.

Bottom line

The financial result amounts to € 40,236 at 31 December 2015, broken down as follows:

- € 24,786 Interest on accounts Booklet / CAT
- € 17,581 Gains Changes
- € 2,131 Translation adjustment and exchange differences

OTHER INFORMATION

Social Related Matters

Average number of staff by category:	* Executives	5
	* Non executives	4

Fees of the auditor

The total amount of fees commissioner to accounts related to its statutory audit of the financial statements in the financial year income statement amounted to € 13,416.

Volunteering

Within the framework of its operations, the association is supported by its members. In the absence of internal tools to collect and value those data in a sufficiently reliable manner, the association took the option not to value those voluntary contributions in kind.





ASSETS (IN €)

INTANGIBLE ASSETS	2 014	Increase	decrease	2 015
Others intangible assets	55 490	5 749	-	61 239
TOTAL INTANGIBLE ASSETS	55 490	5 749	-	61 239

TANGIBLE ASSETS	2 014	Increase	decrease	2 015
Lands	240 552	-	-	240 552
Buildings	1 458 923	-	-	1 458 923
Machinery and equipment	861 345	1 039	-	862 384
Other tangible assets	-	-	-	-
General installations	6 921	-	-	6 921
Car	42 106	-	22 768	19 338
office equipment & IT, furniture and fixtures	207 756	89 864	14 248	283 372
In-progress	-	-	-	-
TOTAL TANGIBLE ASSETS	2 817 602	90 903	37 017	2 871 488

INVESTMENTS	2 014	Increase	decrease	2 015
Loans	17 231	-	-	17 231
Other investments	4 150	3 139	3 000	4 289
TOTAL FINANCIAL ASSETS	21 381	3 139	3 000	21 520

GRAND TOTAL	2 894 473	99 791	40 017	2 954 247
--------------------	------------------	---------------	---------------	------------------





DEPRECIATION OF ASSETS (IN €)

INTANGIBLE ASSETS	2 014	Increase	decrease	2 015
Others intangible assets	15 470	12 980	-	28 450
TOTAL INTANGIBLE ASSETS	15 470	12 980	-	28 450

TANGIBLE ASSETS	2 014	Increase	decrease	2 015
Lands	-	-	-	-
Buildings	158 582	41 335	-	199 917
Machinery and equipment	196 102	53 943	-	250 045
Other tangible assets	-	-	-	-
General installations	7 996	2 632	-	10 628
Car	31 340	5 556	17 559	19 337
office equipment & IT, furniture and fixtures	138 149	39 394	23 526	154 017
In-progress	-	-	-	-
TOTAL TANGIBLE ASSETS	532 169	142 860	41 085	633 944

GRAND TOTAL	547 639	155 840	41 085	662 394
--------------------	----------------	----------------	---------------	----------------

LISTING OF PROVISIONS (IN €)

PROVISIONS	2 014	Increase	decrease	2 015
provisions for retirement pension	-	12 709	-	137 435
Other provisions	124 726	32 081	-	222 982
TOTAL CONTINGENCIES AND LOSS PROVISIONS	315 627	44 790	-	360 417

provisions for bad debts	204 990	210 355	155 197	260 148
TOTAL LOSS PROVISIONS	204 990	210 355	155 197	260 148

GRAND TOTAL	520 617	255 145	155 197	620 565
--------------------	----------------	----------------	----------------	----------------

<i>Increases or decreases in provisions (operating provisions)</i>		<i>255 145</i>	<i>155 197</i>	
--	--	----------------	----------------	--





STATEMENT OF RECEIVABLES AND PAYABLES DUE DATES AT END OF PERIOD (IN €)

STATEMENT OF RECEIVABLES	Gross	Maturity	
		< 1 year	> 1 year
Loans	17 231	-	17 231
Other investments	4 289	-	4 289
Doubtful accounts	-	-	-
Account receivables from members	617 728	617 728	-
Other receivables	3 864	3 864	-
Prepaid expenses	49 886	49 886	-
			-
TOTAL	692 998	671 478	21 520

STATEMENT OF PAYABLES	Gross	> 1 year	> 1 year < 5 years	> 5 years
Borrowings and loans from banks and credit organizations	-	-	-	-
Other financial borrowing and debts	-	-	-	-
Trade notes and accounts payable	148 363	148 363	-	-
Liabilities to personnel and others accrued social liabilities	56 210	56 210	-	-
Social security amounts payable and due	154 389	154 389	-	-
Income tax	4 182	4 182	-	-
Tax liabilities	9 720	9 720	-	-
Other payables	542 011	542 011	-	-
Prepaid incomes	-	-	-	-
TOTAL	914 875	914 875	-	-
Decrease in borrowings and loans from banks and credit organizations	-			

