

COMPANY ACCOUNTS



Groupe ActionLogement

31/12/2017

- Financial statements
- Notes to the accounts

in'li

PUBLIC LIMITED COMPANY WITH CAPITAL OF €479,373,550.50

18 bis, rue de Villiers - 92594 LEVALLOIS PERRET Cedex
602 052 359 - Trade and Companies Register of NANTERRE

Items	notes	31/12/2017	31/12/2016
Sales of goods			
Goods sold			
Services sold		340 387 347	212 358 165
- including advances on rental charges: 2017 = €67,663,021 / 2016 = €48,065,789			
NET TURNOVER	4.2	340 387 347	212 358 165
Stored and capitalised production		11 729 548	3 146 712
Operating subsidies		49 895	8 838
Reversals of depreciations and provisions, transfers of expenses	4.4	10 351 483	654 539
Other income		4 425 251	4 715 913
OPERATING INCOME		366 943 524	220 884 166
Purchases of raw materials, and other supplies			
Inventory change, raw materials			
Other purchases and external expenses		136 426 849	82 625 600
Taxes and similar payments		49 501 956	32 102 353
Salaries and wages		24 264 979	17 938 780
Social Security expenses		13 766 487	7 921 499
OPERATING ALLOWANCES			
On fixed assets: allocations for amortisation and provisions for depreciation	4.3	68 789 619	35 447 631
On fixed assets: allocations to provisions	4.3		
On current assets: allocations to provisions	4.3	2 390 679	535 765
Allocations to provisions for liabilities and expenses	4.3	2 798 516	829 798
Other expenses		5 926 290	3 681 306
OPERATING COSTS		303 865 375	181 082 732
OPERATING INCOME		63 078 149	39 801 434
Financial income from investments			
Proceeds from other marketable securities and fixed asset receivables		79 648	175 088
Other interest receivable and similar income		1 009 333	1 053 772
Reversals of provisions and transfers of expenses			
Foreign exchange gains			
Net income from sales of marketable securities		134 388	27 359
FINANCIAL INCOME		1 223 369	1 256 218
Financial allocations to depreciations and provisions			
Interest payable and similar charges		23 773 059	11 279 936
Foreign exchange losses			
Charges on sales of marketable securities			
FINANCIAL EXPENSES		23 773 059	11 279 936
FINANCIAL RESULT	4.5	(22 549 690)	(10 023 719)
FINANCIAL RESULT BEFORE TAX		40 528 459	29 777 715
Extraordinary income from management activities		3 749 255	1 610 765
Extraordinary income from capital transactions		38 116 302	3 960 800
Reversals of provisions and transfers of expenses		1 077 338	949 154
EXTRAORDINARY INCOME		42 942 895	6 520 719
Extraordinary expenses for management activities		5 283 570	2 303 375
Extraordinary expenses for capital transactions		25 113 912	404 644
Extraordinary allocations to depreciations and provisions		189 410	868 700
EXTRAORDINARY EXPENSES		30 586 892	3 576 720
EXTRAORDINARY PROFIT AND LOSS	4.6	12 356 003	2 943 999
Employee profit sharing			
Income taxes	4.8	19 408 180	12 596 098
TOTAL INCOME		411 109 788	228 661 103
TOTAL EXPENSES		377 633 506	208 535 486
RESULT [Profit or loss]		33 476 284	20 125 616

Appendix to company accounts 2017

I - Principles, guidelines and accounting methods

II - Significant events of the financial year and events subsequent to the balance sheet date

III - Notes to the balance sheet

IV - Notes to the profit and loss statement

I - PRINCIPLES, GUIDELINES AND ACCOUNTING METHODS

1.1 - General information

The financial statements were drawn up pursuant to regulation N° 2016-7 and following of the French Accounting Standards Authority.

1.2 -, The basic principles are the following:

General accounting conventions were applied pursuant to the General Accounting Plan, following a principle of caution, and the following basic hypotheses:

- 1) continuity of operations,
- 2) independence of financial years,
- 3) continuity of accounting methods from one financial year to the next,

and in accordance with the general rules for the preparation and presentation of annual accounts.

Only significant information was presented.

The basic method used when stating the value of items in the financial statements is the historical cost method, except for contributions recorded during the merger-absorption by OGIF of thirty-four public limited companies in the property sector between 1973 and 1975, contributions in-kind made by SIF DU LOGIS MODERNE to OGIF in 1998 and 1999, contributions recorded during the merger-absorption of SICB in 2007 and of five SCIs (civil property companies) in the Oise region in 2010 and contributions recorded during the merger-absorption of SLP in 2016.

Valuation of property activities:

A depreciation test of property assets is implemented when a property complex has an average annual commercial vacancy rate of at least 10%.

The valuation test consists in comparing the net book value with the projected cash flow amount generated during the remaining lifetime of the property concerned. In the event of net book values in these operations being higher than their expected cumulative cash-flows, the necessity of a depreciation is considered as compared with their value in use.

1.3 - Fixed assets

Gross value:

Intangible assets are valued at their acquisition cost, costs included.

Land is valued at its purchase price plus its acquisition costs.

Rental properties are valued at their cost price plus notary's and registration fees or their transfer value. They are broken down into different components. The division system used is in line with the recommendations and work of the CSTB (Scientific and Technical Centre for Construction) on ESH (Social housing companies).

Financial assets are valued at their cost of acquisition, or their transfer value.

Depreciation of fixed assets:

Intangible and tangible assets are depreciated over a period whose length varies depending on the type of each asset. Depreciation plans can be broken down into the following:

Components	Depreciation period	allocation keys for collective housing units	allocation keys for individual housing units
Lift	15 years	2,80%	
District heating	25 years	3,20%	
Individual heating	15 years	3,20%	3,20%
External woodwork	25 years	3,30%	5,40%
Water proofing	15 years	1,10%	
Façade refurbishment	15 years	2,10%	2,70%
Electricity	25 years	5,20%	4,20%
Plumbing	25 years	4,60%	3,70%
Structure	50 years	balance	balance

- For new constructions, expenditure is broken down into real costs when they can be determined. Otherwise, particularly in “off-plan” situations, construction costs are allocated on the basis of the above table. The same applies to the acquisition of old buildings.

- The structure of buildings on third-party land is depreciated in accordance with the length of the construction lease,

- Renovation work is entered into the accounts as a component when a replacement is involved and as an improvement when a new creation is involved,

- Technical facilities are depreciated on the basis of a lifetime between 10 and 20 years inclusive, depending on the type of facility.

- Other tangible assets are depreciated on the basis of a lifetime of between 3 and 10 years inclusive.

The component “outside spaces” records reconstruction and improvement work on roads and utility services and work on the “residentialisation” and development of outside spaces. The depreciation period is 20 years.

Depreciation plans for constructions arising from mergers which have occurred during the financial year have not been altered. Consequently, the depreciation period of the structure component is between 40 and 60 years, inclusive. For new assets, this period is 50 years.

1.4 - Operating receivables

Receivables are entered into the accounts at their nominal value.

1.5 - Marketable securities

Marketable securities appear in the balance sheet at their acquisition price. They are assessed for write-down when their realisable value is lower than their net book value.

1.6 - Subsidies

Subsidies used to fund depreciable assets are reversed in the profit and loss statement, this reversal being calculated on a straight-line basis over the lifetime of the depreciable asset to which it is assigned.

1.7 - Provision for "ANRU" (National Agency for Urban Renovation) expenses

Provisions for ANRU expenses have been determined on the basis of demolition balance sheets appended to ANRU agreements in force at the end of the financial year.

These provisions correspond to the share of planned expenditure not funded by ANRU.

1.8 - Provision for write-down of rent receivables

Provision for the write-down of rent receivables is calculated using a statistical method. It is based on the non-recovery rate of receivables held for debtor tenants who have either left their accommodation or are still occupying it.

For tenants who have left their accommodation, the non-recovery rate was analysed over a 6 year period following the departure of the tenants in question. On 31 December 2017, the average non-recovery rate came out at 60.40% (58.40% on 31 December 2016). It was calculated on the basis of outstanding debts recorded at the end of 2006, 2007, 2008, 2009, 2010 and 2011.

For tenants occupying their accommodation, the percentage of tenants for whom outstanding debts were recorded while they were occupying their accommodation and who have left without paying their debt was determined. This percentage corresponds to the relationship between the total amount of outstanding debts on the date the tenants left and the average amount of outstanding debts of present tenants. It is calculated over a six-year period from 2012 to 2017.

The rate obtained was multiplied by the non-recovery rate of debts of tenants who have left in order to give the coverage ratio for the outstanding debts of present tenants. This rate came out at 23.31% on 31 December 2017 (22.83% on 31 December 2016).

The sum for the provision for the write-down of rent receivables stands at €17,892, 914.

1.9 - Transactions carried out with related parties

Transactions with related entities are concluded under normal market conditions.

1.10 - Pension commitments

Pension commitments to employees are mainly covered by an externally managed pension fund with defined benefits. The amount potentially not covered is subject to a provision for expenses.

The amount for pension commitments is calculated taking into account the different criteria reviewed every year, including turnover rate (admin. = 2.92%, building staff = 0.34%, concierges = 1.20%), employee progression rate (admin = 1.91%, building staff 1.43%, concierges = 1.94%), discount rate (1.42%), social security rate (admin. = 60.77 building staff = 53.65%, concierges = 58.41%).

The average retirement age is 62.

On 31/12/2017 pension commitments to employees stood at €13,498,227. An additional allocation of €2,435,545 was entered into the accounts taking the provision to €6,468,637, corresponding to the non-covered amount.

1.11 - Long service awards

On 31/12/2017, commitments earmarked for long service awards stood at €284,298.

1.12 - in'li SUPPORTS

The shareholders in the joint venture company OGIF Services decided to approve new shareholders, and to change the corporate purpose and name of the company.

Consequently, the joint venture company OGIF Services has become in'li SUPPORTS. It is made up of SOGUIM, in'li AURA, in'li Grand-Est, CILEO HABITAT, PARLONIAM, SACICAP AIPAL, and MONTALIVET IMMOBILIER with effect from 1 October 2017.

The corporate purpose of this company is the management of support functions, mainly human resources, accounts, financial services, legal services, administrative services, general resources, IT services, communications, and support services for rental management and strategic consulting.

Internal expenditure is divided between the partners on the basis of several criteria: the number of housing units managed during the financial year under consideration, the time spent, workforce and turnover.

1.13 External auditor fees

The total amount for external auditor fees appearing in the profit and loss statement stands at €100k. They are invoiced as legal auditing of accounts.

1.14 - Consolidation

In'li's accounts are consolidated with Action Logement.

II - SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

2.1 - Merger - absorption

As a continuation of the reform of "1% logement" which replaced the "Action Logement" group in the network of rent collection companies and their subsidiaries, Action Logement Immobilier (ALI) received the property holdings of the collection companies.

Action Logement Immobilier wanted to reorganise the assets of its property subsidiaries and intermediate housing in particular by creating regional business hubs.

The merger and contribution operations below form part of the setting up of the Ile-de-France, Grand Est and Auvergne-Rhône Alpes regional hubs.

2.1.1 - Merger - absorption of SNR and the Bagnolet Orteaux property company

The merger - absorption of SNR and the Bagnolet Orteaux property company by OGIF was decided by the annual general meeting of 21 June 2017 with retroactive effect from 1 January 2017.

OGIF and SNR were both direct subsidiaries of Action Logement Immobilier. The Bagnolet Orteaux property company was 100% owned by OGIF.

The contributions from SNR and the Bagnolet Orteaux property company were valued at their net book value on 31 December 2016. The contributed net assets, after allocation of the regulated reserves and investment subsidies of the SNR stand at €399,863,362.

As remuneration for contributions OGIF created 107,875,744 new shares of €1.50 each, representing an increase in capital of €161,813,616. To this can be added a merger premium of €238,048,984.

As OGIF hold all the voting securities of the Bagnolet Orteaux property company, this is a merger with share rights waiver which does not give rise to an increase in capital. The negative difference between the net assets received (€765) and the book value of the shares of the property company (€3,096,902) represents a merger deficit of €3,096,140.

2.1.2 - Merger - absorption of the companies RRP, SOCALOG and immobilière ACL PME

OGIF, RRP, SOCALOG and immobilière ACL PME were all four direct subsidiaries of Action Logement Immobilier.

The date for the legal merger was set for 30 September 2017 with retroactive effect from 1 January 2017.

The contributions from the companies were valued at their net book value on 31 December 2016. The assets contributed represented €444,847,646.

As remuneration for contributions OGIF created 118,274,511 new shares of €1.50 each, representing an increase in capital of €177,411,766.50. To this can be added a merger premium of €259,262,582 after allocation of regulated reserves and provisions and investment subsidies.

Partial asset contributions

Shortly before the merger, OGIF and SOCALOG made partial asset contributions to EHI and SICI (direct subsidiaries of Action Logement Immobilier):

- OGIF gave EHI its property holdings mainly located in the Lyon region, and amounting to 586 housing units.
- SOCALOG gave EHI its property holdings of 308 housing units located in the Lyon region and SICI its property holdings of 1189 housing units located in the Lorraine - Alsace - Champagne Ardennes region.

On the date of the merger, regional business being deemed as transferred to EHI and SICI, the equity securities of EHI and SICI issued in remuneration for this contribution will have been substituted at the same value in the balance sheet assets of OGIF and SOCALOG.

2.2 - Increase in Capital

The increase in capital decided by the board of directors on 29 September 2017 was subscribed by:

- Action Logement Immobilier, 11,333,333 shares for the sum of €16,999,999.50 by offsetting receivables.
- RIVP (Paris Housing Authority), 782 shares for the sum of €1,173.00.

Making an increase in capital of 11,334,115 shares for a sum of €17,001,172.50.

2.3 Change of company name

At OGIF's annual general meeting on 29 September 2017 it was decided to change the company's name. As from 2 October 2017, the company became in'li.

2.4 - Change of the company's mode of governance and management

Pursuant to the decision of the annual general meeting of 29 September 2017, the company has been managed since 2 October 2017 by a board of directors and a supervisory board.

2.5 - Disposals of fixed assets

During the 2017 financial year, disposals of fixed assets mainly concerned:

- land in Saint Denis and Epinay as part of ANRU operations

- a piece of land in Asnières
- 2 ex-Ogif housing units, 24 ex-Socalog housing units, and 105 ex-RRP housing units from various schemes.
- a scheme of 52 housing units in Marcoussis was sold to Erigère for the sum of €5,185K
- a scheme of 21 housing units in Aubervilliers was sold to Erigère for the sum of €2,550K
- a scheme of 137 housing units in Roanne was sold to Ophéor for the sum of €6,500K

2.6 - Deliveries and acquisitions of fixed assets

20 new projects with a total of 729 housing units were completed in 2017. The capitalised construction costs of these operations and land stand at €147,608K. 18 schemes were purchased off plan. They are located in:

SAINT DENIS - ilot A3	49 housing units	ex Ogif
DEUIL LA BARRE - rue Faveau/la Galathée	70 housing units	ex Ogif
VIROFLAY - Place de la fête	56 off plan housing units	ex Ogif
MONTREUIL - rue de la Révolution	67 off plan housing units	ex Ogif
ROMAINVILLE - Paul de Kock	25 off plan housing units	ex Ogif
ROMAINVILLE - rue Jean Lemoine	37 off plan housing units	ex Ogif
RUEIL MALMAISON - Place Jean Jaures	12 off plan housing units	ex Ogif
ROSNY SOUS BOIS - la mare Huguet	25 off plan housing units	ex Ogif
LOUVECIENNES - Plains champs	27 off plan housing units	ex Ogif
IVRY SUR SEINE - rues Marcel Lamant	12 off plan housing units	ex Ogif
VILLEPINTE - rue Paul Vaillant Couturier	20 off plan housing units (AHLO)	ex Ogif
VILLEMOMBLE - impasse Humblot	27 off plan housing units	ex Ogif
RUEIL-MALMAISON - 40 rue Paul Doumer	52 off plan housing units	ex RRP
VELIZY - 4 rue grange dame rose	43 off plan housing units	ex RRP
THIAIS - rue de la couture du moulin	39 off plan housing units	ex RRP
ROMAINVILLE - av Gaston Roussel	41 off plan housing units	ex RRP
ROSNY SOUS BOIS - 3 bd G. Peri	29 off plan housing units	ex RRP

VITRY SUR SEINE	29 off plan housing units	ex Socalog
VILLEPINTE	69 off plan housing units	ex Socalog

Old property was also acquired:

170 housing units in Fontenay aux Roses for the capitalised sum of €29,556K (buildings and land).

159 housing units in Paris - rue du commandant Mouchotte for the capitalised sum of €59,163K (buildings and land).

24 housing units in Rueil-Malmaison acquired in 2016 with use from 1/1/17, for the capitalised sum of €12,426K (buildings and land).

21 housing units in various communes in the Paris region for the capitalised sum of €4,710K (buildings and land).

2.7 - ANRU Operations

- The impact of urban renewal operations on the Epinay 4 and Saint Denis 1 sites is as follows:

	Epinay 04	St Denis 01	Total
Financial downtime (rents & charges)	0	0	0
Allocations to provisions and expenses	0	0	0
Extraordinary expenses	0	0	0
Losses on outgoing of assets (1)	-23 542	0	-23 542
Write-down of assets	0	0	0
Demolition costs recorded as expenses (2)	-738 848	-1 120 967	-1 859 815
Capital gains on sales of land	0	1 070 689	1 070 689
Extraordinary income	0	0	0
Reversals of provisions and expenses	0	0	0
Total	-762 390	-50 278	-812 668

On 31 December 2017, the housing units in Epinay 04 and Saint Denis 01 were all demolished.

namely:

Epinay 04: 323 housing units demolished, of which 140 were demolished in 2016.

St Denis 01: 412 housing units demolished before 2016.

(1) Negative asset flows following demolitions

(2) This is the share of the demolition and development costs for the land in Saint Denis sold during the financial year and calculated on the basis of the ANRU budget.

III - NOTES TO THE BALANCE SHEET

3.1 Fixed assets

3.1.1 Intangible and tangible fixed assets

	Starting 01/01/2017	SNR merger contribution	Bagnolet Orteaux merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	Immob ACL PME merger contribution	Contributions to EHI	Acquisitions and allocations	Disposals and reversals	Reclassifications	Financial year ended 31/12/2017
<i>(in euros)</i>											
Gross intangible assets	4 790 985	2 864 925		326 898	584 214	100 800		3 154 820	-2 512 035	-4 748 861	4 561 746
Land & rental constructions:	1 306 816 339	681 680 648	1 140 432	496 091 876	220 078 681	82 502 852	-52 173 611	93 682 170	-35 943 555	234 211 288	3 028 087 120
Land	197 722 901	152 779 330	1 135 860	112 208 757	77 881 806	20 540 183	-7 092 977	37 627 284	-5 942 185	40 609 898	627 470 857
Rental constructions	1 109 093 438	528 901 319	4 573	383 883 119	142 196 875	61 962 669	-45 080 634	56 054 886	-30 001 370	193 601 390	2 400 616 265
Improvement works	111 517 724	682 169		13 068 713	4 541 447	302 223			-236 190		129 876 086
Miscellaneous tangible assets (1)	30 003 410	842 804		1 680 152	621 516	187 411	-47 357	127 085	-221 195	4 285 668	37 479 494
Tangible assets in progress	196 891 045	21 215 427		71 631 517	23 713 909	8 349	-356 371	330 792 999	-8 349	-233 748 094	410 140 432
TOTAL GROSS VALUES OF FIXED ASSETS	1 650 019 503	707 285 973	1 140 432	582 799 156	249 539 767	83 101 635	-52 577 339	427 757 074	-38 921 324	0	3 610 144 887
Amt./prov. for intangible assets	-3 034 218	-934 038		-232 997	-123 145	-88 058		-115 721	910 422	37 082	-3 580 673
Dep./prov. for rental constructions	-410 512 428	-152 386 081	-4 573	-130 942 430	-56 515 160	-20 923 716	18 347 924	-67 386 811	12 518 203		-807 805 072
Dep./prov. for improvement works	-111 108 256	-682 169		-8 706 682	-2 232 227	-288 212		-780 786	213 669		-123 584 663
Dep./prov. for miscellaneous tangible assets	-28 948 630	-807 547		-477 658	-59 947	-164 384	47 357	-485 371	134 414	-37 082	-30 798 848
Dep./prov. for tangible assets in progress											
TOTAL DEPRECIATIONS AND PROVISIONS	-553 603 531	-154 809 836	-4 573	-140 359 767	-58 930 479	-21 464 370	18 395 281	-68 768 689	13 776 708	0	-965 769 254
NET ASSETS	1 096 415 972	552 476 137	1 135 859	442 439 389	190 609 288	61 637 265	-34 182 058	358 988 385	-25 144 616	0	2 644 375 628

(1) includes merger deficits of €5,768K

Excluding the effect of contributions, the change in gross fixed assets stands at €388,836. This mainly comes from the increase in rental constructions (€219,655K) and land (€72,295K) following the acquisitions made during the financial year and the increase in tangible assets in progress (€97,037K).

The increase in assets in progress comes from new constructions in progress or delivered in 2017, renovation work and replacements of components.

Asset outgoings mainly concern the sale of 341 housing units and 3 plots of land as mentioned in point 2.5 of the appended notes and the replacements of components.

3.12 Financial assets

(in euros)

	2017.12	2016.12	Variation
Nef financial assets	128 735 012	38 306 111	90 428 901
Gross values	128 735 012	38 306 111	90 428 901
Equity securities (1)	123 172 512	36 327 121	86 845 391
Other receivables and loans attached to holdings (2)	1 397 283	1 023 783	373 500
Other fixed securities	26 682	16 000	10 682
Other gross financial assets (3)	4 138 535	939 207	3 199 328
Write-downs	0	0	0
on equity securities	0	0	0
on other gross financial assets	0	0	0

SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	Immob ACL PME merger contribution	Contribution to EHI
593 017	5 548 073	1 079 332	4 996 588	-182 700
593 017	5 548 073	1 084 112	4 996 588	-182 700
2	5 002 112	0	4 996 588	0
126 980	0	0	0	0
0	0	15 347	0	0
466 035	545 961	1 068 765	0	-182 700
0	0	-4 780	0	0
0	0	0	0	0
0	0	-4 780	0	0

(1) The increase in this item comes from mergers and contributions to EHI (€44,307K) and SICI (€34,402K).

(2) This item records the working capital paid to GIE ASTRIMMO (€1097), and an advance paid to the Puits mi-ville civil property company.

(3) This item mainly records the working capital paid to property management companies (€2,802K) and a security deposit for the Tour Ariane premises (€700K).

3.2 Current assets

3.21 Inventories and work in progress

(in euros)

	2017.12	2016.12	Variation	Merger contribution
Inventories	20 517 934	8 871 233	11 646 701	0
Inventories of land	12 832 995	12 832 898	97	0
Write down of inventoried land	-7 108 268	-7 108 171	-97	0
Property development inventories	14 793 207	3 146 506	11 646 701	0
Write down of other inventories	0	0	0	0

Inventories consist of:

- several plots of land in Chatou representing a total of 15,000 m² and valued at €720,000 and a plot of land in Cannes valued at €300.

-several plots of land in Domont representing a total of 868,720 m² and valued at €11,730,605 and plots of land in Moiselles of 27,041 m² valued at €381,787. Provisions have been allocated to them of €6,751,996 and €355,969 respectively.

In'li has also carried out two property developments in Saint Cyr and Paris. The first began in 2016 and the second in 2017. The amount for stored production stands at €7,069,738 and €6,723,469 respectively.

3.22 Trade Accounts Receivable

(in euros)	2017.12	2016.12	Variation	SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	Immob ACL PME merger contribution	Contribution to EHI
Net trade receivables	43 742 160	33 198 250	10 543 910	7 042 179	3 632 443	6 526 056	765 770	-407 387
Gross rent receivables	57 114 920	35 496 179	21 618 741	9 097 164	7 064 777	11 156 163	1 901 780	-577 566
Other gross trade receivables	4 547 234	8 107 644	-3 560 410	0	0	0	231 389	0
Write down of rent receivables	-17 892 915	-10 375 091	-7 517 824	-2 054 985	-3 432 334	-4 630 107	-1 314 697	170 179
Write down of trade receivables	-27 080	-30 483	3 403	0	0	0	-52 702	0

Gross rent receivables include the balances on tenants' accounts of €50,333K and the rental charges of €6,782K to be paid.

The standardisation of the provision guidelines for rent receivables in the different companies (ex-Ogif method selected) has the effect of reducing the provision rate (31.3% in 2017 compared with 33.7% in 2016) for all companies, while an increase in the coverage ratio is observed for tenants who have left and tenants who are still present compared with 2016.

Other trade receivables include the remaining balance due on the off-plan sale of the development project in Saint Cyr (€4,227K) concluded in 2016.

Other receivables

(in euros)	2017.12	2016.12	Variation	SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	ACL PME merger contribution	Contribution to EHI
Other net receivables	15 128 035	18 233 540	-3 105 505	3 245 139	4 021 850	2 835 589	148 387	-847 510
Subsidies to be received (1)	1 540 999	1 265 192	275 807	230 738	45 582	0	0	0
Receivables on asset disposals (2)	1 520 388	21 000	1 499 388	0	136 941	0	0	0
Calls for funds by Property Management companies & managec	1 568 232	444 751	1 123 481	1 258 843	0	0	0	0
Group and Partners (3)	1 377 195	8 047 430	-6 670 235	0	47 063	0	5 666	0
Other gross receivables (4)	9 146 359	8 455 167	691 192	1 755 558	3 792 264	2 842 867	215 651	-847 510
Provisions for write down	-25 138	0	-25 138	0	0	-7 278	-72 930	0

(1) Subsidies to be received as part of funding for new projects.

(2) This item includes a debt on the sale of the Marcoussis and Aubervilliers projects to ERIGERE. This debt was paid in January 2018.

(3) Receivables held against shareholders and companies mainly consist of an advance to Apec Résidence of €1200K in 2016. This item included an advance to the civil property company Bagnolet Orteaux of €1790K cancelled following its merger with in'li and of €5572K into the SAMCEH current account. The latter was offset with the credit balance of €5,527K. The advance to Apec Résidence was increased by €700K in 2017.

(4) Other gross receivables consist of the following items:

- Other accrued income and sundry accounts receivable (€3,544K) This item includes in particular:

. Re-billing of salaries and charges in connection with the SEP (joint venture) in'li SUPPORTS, energy saving certificates, the balance of charges for 2017 of the Astrimmo economic interest grouping.

- Tax and social security receivables (€3,012K), mainly consisting of VAT to be disbursed (€1,250K) and the CICE tax credit (€1,067K).

All receivables with a maturity date of less than one year

3.3 Cash and cash equivalents (including marketable securities)

(in euros)	2017.12	2016.12	Variation	SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	ACL PME merger contribution
Cash on hand	134 764 690	128 810 853	5 953 837	17 608 769	72 323 131	13 740 376	2 580 719
Investments	81 625 716	48 721 244	32 904 472	4 555 769	16 907 124	13 066 593	409 320
Balance in bank accounts and cash	53 138 974	80 089 609	-26 950 635	13 053 000	55 416 007	673 783	2 171 399

3.4 Equity capital

(in euros)	Capital	Additional paid-in capital	Reserves - Balance carried forward	Profit or loss for the financial year	Investment subsidies	Regulated provisions	Equity capital
Situation at the beginning of the 2017 financial year	123 146 996	58 762 855	424 270 652	20 125 616	41 145 495	0	667 451 615
Appropriation of the result for the previous financial year			20 125 616	-20 125 616			
Profit or loss for the financial year				33 476 284			
Increase in capital	17 001 173						
SNR merger contribution	161 813 616	238 048 984	1 750 274		4 326 410		
Bagnolef Orteaux merger contribution	0						
RRP merger contribution	75 832 658	151 514 704			4 925 987		
SOCALOG merger contribution	65 518 725	108 022 169			1 230 938		
Immobilière ACL PME merger contribution	36 060 384	566 692			1 093 746	87 585	
Merger costs		-4 715 276					
Other movements					-2 756 588	5 170	
Situation at the end of the 2017 financial year	479 373 551	552 200 128	446 146 543	33 476 284	49 965 988	92 755	1 561 255 250

The share capital consists of 319,582,367 shares of €1.50 each.

The increase in capital decided by in'li's board of directors on 29 September 2017 was subscribed by ALI in the form of an offset of receivables to the amount of €16,999,999.50 and in cash from a shareholder for the sum of €1173.

3.5 Provisions for liabilities and charges

(in euros)	Start	SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	Immob ACL PME merger contribution	Contribution to EHI	Allocations for the financial year	Reversals for the financial year	End
Provisions for liabilities and charges	24 333 948	1 216 189	2 644 158	392 392	3 508 814	-24 546	2 999 707	-5 078 854	29 991 807
Provisions for retirement bonuses, pensions and long service	3 801 064	1 216 189	89 956	201 892	72 305	-24 546	2 529 718	-364 152	7 522 425
Provisions for tax on assets (mergers)	18 506 452	0	174 202	0	1 833 559	0		-518 877	19 995 336
Provisions for ANRU expenses	575 000	0	0	0	0	0			575 000

Provisions for major maintenance work	0	0	2 380 000	55 000	719 284	0		-3 154 284	0
Other provisions for liabilities & charges (1)	1 451 432	0	0	135 500	883 666	0	469 989	-1 041 541	1 899 046

(1) The other provisions for liabilities and charges mainly concern various litigations.

The provisions for retirement bonuses include in 'li's share in the ASTRIMMO economic interest grouping.

The provisions for major maintenance work made by acquired companies have been absorbed in accordance with in 'li's accounting methods.

3.6 Financial debts

	2016.12	SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	Immob ACL PME merger contribution	Contribution to EHI	Subscriptions	Redemptions	Reclassifications	2017.12
(in euros)										
Financial debts	548 276 951	163 153 276	280 387 456	87 117 769	26 958 986	-11 805 684	314 853 589	-93 092 806	-1 450	1 315 848 090
PEEC (participation of employers in the construction effort) loan	92 817 168	73 822 565	77 219 581	23 889 455	9 658 902	-6 145 411	27 213 227	-18 697 373		279 778 114
Crédit Foncier de France loans	72 033 472	18 670 225	22 133 808	11 797 402	8 257 182	-4 870 621	11 147 393	-17 263 900		121 904 961
Caisse de Dépôt loans	2 135 203		3 275 000				10 105 750	-826 752		14 689 201
Crédit Agricole loans	194 586 375	9 115 968	18 819 464	12 321 788	665 544		57 379 079	-9 661 923		283 226 295
Caisse d'Epargne loans	103 998 231	47 709 621	64 291 075	22 752 617			59 068 634	-9 796 072		288 024 106
Pre-financing	0	0	42 846 614				12 891 217	-21 532 406		34 205 425
other loans	56 642 643	7 055 918	40 913 697	14 405 129	7 262 140		126 251 708	-11 994 254		240 536 981
accrued interest not yet due	4 150 260	1 628 069	1 170 673	634 209	621 736	-181 411	1 097 825	-72 996		9 048 365
bank accounts payable	0		4 931 304		475		6 274 479	0		11 206 258
loans and borrowings from credit institutions	526 363 352	158 002 366	275 601 216	85 800 600	26 465 979	-11 197 443	311 429 312	-89 845 676	0	1 282 619 708
Security deposits	15 209 181	4 368 541	3 987 889	1 317 169	491 557	-372 526	3 424 277	-2 972 240		25 453 848
Other financial debts	6 704 418	782 373	798 351		1 450	-235 715		-274 890	-1 450	7 774 537
sundry financial debts	21 913 599	5 150 912	4 786 240	1 317 169	493 007	-608 241	3 424 277	-3 247 130	-1 450	33 228 382

Payments of loans stand at €304,057K including €31,500K to fund renovation work, the financial balance and new projects.

Loan repayments and other debts stand at €90,048K.

Financial debts by maturity date	(in euros)	End 2017	Under 1 year	Between 1 and 5 years	More than 5 years
3.6 Financial debts		1 315 848 090	145 753 282	247 345 702	922 749 106
PEEC (participation of employers in the construction effort) loans		279 778 114	17 900 506	68 927 557	192 950 051
Crédit Foncier de France loans		121 904 961	10 306 077	27 737 013	83 861 871
Caisse de Dépôt loans		14 689 201	1 057 507	1 682 863	11 948 831
Crédit Agricole loans		283 226 295	10 520 442	47 557 913	225 147 940
Caisse d'Epargne loans		288 024 106	12 493 354	53 323 488	222 207 264

Pre-financing	34 205 425	34 205 425	0	0
other loans	240 536 981	13 160 635	46 068 919	181 307 429
Accrued interest on long term debts	9 048 365	9 048 365	0	0
bank accounts payable	11 206 258	11 206 258		
loans and borrowings from credit institutions	1 282 619 708	1 19 898 569	245 297 753	917 423 386
Security deposits	25 453 848	25 453 848		
Other financial debts	7 774 537	400 865	2 047 949	5 325 724
sundry financial debts	33 228 382	25 854 713	2 047 949	5 325 720

3.7 Short term debts

(in euros)	2017.12	2016.12	Variation	SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	Immob ACL PME merger contribution	Contribution to EHI
Trade payables and related accounts	26 034 804	19 845 839	6 188 965	3 685 493	4 375 131	3 478 359	361 532	-54 542
Trade payables and related accounts	16 732 821	11 962 518	4 770 303	2 967 836	3 083 319	2 918 199	330 181	-54 542
Suppliers of fixed assets	9 301 983	7 883 321	1 418 662	717 657	1 291 812	560 160	31 351	
Other short-term debts	63 284 395	66 803 951	-3 519 556	7 124 649	5 325 043	848 075	1 928 483	-151 248
Amounts owed to tenants and adjustment of shared costs (1)	21 360 167	14 386 518	6 973 649	1 629 354	1 183 553	0	357 269	
Social Security liabilities (2)	11 316 754	7 609 622	3 707 132	789 707	1 069 392	335 404	172 794	-36 684
Tax liabilities	4 799 364	4 569 338	230 026	198 220	2 380 086	345 840	298 357	-2 825
Subsidies for ANRU projects (3)	4 407 436	2 457 206	1 950 230	0	0	0	0	
Sundry accounts payable	10 014 457	24 847 747	-14 833 290	4 507 369	692 012	166 831	1 039 893	-111 739
Prepaid income (4)	11 386 217	12 933 520	-1 547 303	0	0	0	60 170	

(1) The amount of charges in credit to be adjusted stands at €20,393K. This amount is partially offset by the charges in debit to be adjusted of €6,782K (point 3.22).

(2) Social Security liabilities include provision for paid holidays and time-saving accounts (€5,054K) and provision for profit-sharing before contributions and tax (€1,536K).

(3) Mainly concerns advances received from ANRU for the Epinay and Saint Denis projects.

(4) Concerns:

- rents paid in advance by the social housing public limited company France Habitation (€2,402K) following the extension in 2010 of an emphyteutic lease on land located in Paris's 20th arrondissement.

- The balance on the off-plan sale of the property development in Saint Cyr, not yet delivered (€8904K).

3.8 Off-balance sheet commitments

Off-balance sheet commitments at 31 December 2017 can be broken down as follows:

(in thousands of euros)	2017.12	2016.12	SNR merger contribution	RRP merger contribution	SOCALOG - IDF merger contribution	Immob ACL PME merger contribution
Commitments given						
Mortgages	682 539	355 288	30 752	0	0	2 446
Guarantees	0	0	0	0	0	0
Other	0	0	0	0	0	4

	2017.12	2016.12
TOTAL COMMITMENTS GIVEN	682 539	355 288
Commitments received		
Bank guarantees	4 422	10 817
Debts guaranteed by local authorities	61 318	11 052
Borrowings to be received	190 212	82 349
Subsidies to be received (ANRU)	8 068	9 553
supplier guarantees	15 017	20 715
Other commitments received	2 122	0
TOTAL COMMITMENTS RECEIVED	281 159	134 486

Bank guarantees

Bank guarantees in connection with reservation contracts for property complexes.

Other commitments

	2017.12	2016.12	2015.12	2014.12
	30 752	0	0	2 450
	114	0	0	0
	0	0	0	0
	5 052	0	0	0
	0	0	0	0
	1 917	0	0	0
	0	0	0	2 181
	7 083	0	0	2 181

3.9 Details of charges payable and accrued income

(in thousands of euros)	2017.12	2016.12
DETAILS OF CHARGES PAYABLE		
Loans and financial debts	9 048	4 150
Advances and prepayments	20 393	13 545
Fixed asset liabilities	2 294	1 092
Trade accounts payable	10 729	3 967
Tax and social security liabilities	8 153	5 673
Other liabilities	9 699	2 534
TOTAL CHARGES TO PAY	60 316	30 961

(in thousands of euros)	2017.12	2016.12
DETAIL OF ACCRUED INCOME		
Trade accounts receivable	3 869	2 907
Other receivables	2 813	4 692
Subsidies to be received	1 541	1 215
Marketable securities	123	323
TOTAL ACCRUED INCOME	8 346	9 137

IV - NOTES TO THE PROFIT AND LOSS STATEMENT

4.1 Structure of the result

(in euros)	2017.12	2016.12	Variation
Operating income	63 078 149	39 801 434	23 276 715
Financial result	-22 549 690	-10 023 718	-12 525 972
Extraordinary profit and loss	12 356 003	2 943 999	9 412 004
Income taxes	-19 408 180	-12 596 098	-6 812 082
Net result	33 476 284	20 125 616	13 350 668

4.2 Turnover

(in euros)	2017.12	2016.12	Variation
Rental income receipted & recovery of charges	340 387 347	212 358 165	128 029 182
Residential rents	253 842 596	155 052 100	98 790 496
Car park rents	11 797 288	4 895 442	6 901 846
Commercial and office rents	4 022 158	2 806 553	1 215 605
Community homes rents	1 069 528	418 829	650 699
other	1 992 756	1 119 452	873 304
Recovery of rental charges	67 663 021	48 065 789	19 597 232

4.3 Provisions for depreciation & operating provisions

(in euros)	2017.12	2016.12	Variation
Provisions for depreciation & prov.	73 978 814	36 813 194	37 165 620
Allocations for depreciations of fixed assets	68 789 619	35 447 631	33 341 988
Allocations for write-downs of fixed assets	0	0	0
Allocations for write-downs of rent receivables	2 390 679	535 765	1 854 914
Allocations for provisions on current assets	0	0	0
Allocations for other provisions (1)	2 798 516	829 798	1 968 718

(1) This mainly consists of the following allocations:

- provision for retirement bonuses €2,481K
- provision for construction lease (€33K) and various litigations

4.4 Reversals of depreciations & operating provisions

(in euros)	2017.12	2016.12	Variation
reversals of depreciations & prov.	10 351 483	654 539	9 696 945
Reversals of provisions for write-down of rent receivables	6 134 799	0	6 134 799
Reversals of provisions for retirement bonuses	89 956	63 382	26 574
Reversals of provisions for depreciation of fixed assets	0	0	0
Reversals of provisions for major repair work	3 099 284	0	3 099 284
Reversals of provisions for ANRU projects	0	0	0
Other reversals of provisions (1)	893 673	591 157	302 516
Transfer of expenses	133 772	0	133 772

(1) this mainly concerns reversals of provisions for tax following mergers and provisions for various litigations.

4.5 Financial result

(in euros)	2017.12	2016.12	Variation
Financial result	-22 549 690	-10 023 718	-12 525 972
Interest expenses on rental operations	-22 820 806	-11 114 248	-11 706 558
Losses linked to investment	-13 243	-25 403	12 160
Other financial expenses	-939 010	-140 286	-798 724
Allocations / reversals of provisions	0	0	0

Revenue from securities and share of earnings	79 648	175 088	-95 440
Other income from cash investments	1 009 333	1 053 772	-44 439
Net income from disposals of marketable securities	134 388	27 359	107 029

4.6 Extraordinary profit and loss

(in euros)	2017.12	2016.12	Variation
Extraordinary profit and loss	12 356 003	2 943 999	9 412 004
Result of outflows of assets (1)	9 281 066	618 431	8 662 635
Result of outflows of securities	-1 367	0	-1 367
Accidents	-1 843 169	-820 161	-1 023 008
Allocations / reversals of provisions	887 928	80 454	807 474
Other extraordinary expenses (2)	-3 440 401	-1 483 214	-1 957 187
Extraordinary income from accident claims	1 847 994	682 069	1 165 925
Reversals of subsidies	3 722 692	2 937 725	784 967
Other extraordinary income (3)	1 901 261	928 696	972 565

(1) corresponds to the capital gains realised on disposals of holdings mentioned in point 2.5 of the appended notes.

(2) includes:

demolition and development costs for the sale of land at Saint Denis and Epinay (ANRU) of €1860K,
 compensation for early repayment of Dexia loans of €393K
 and sundry litigations and compensations

(3) mainly includes the write down of rents received in advance on a construction lease following the merger of Ogif and SNR (€1577K)

4.7 Employee profit sharing and incentive schemes

(in euros)	2017.12	2016.12	Variation
	2 084 730	1 472 289	612 441
Legal Profit sharing	0	0	0
Incentive Profit sharing	2 084 730	1 472 289	612 441

The profit share of €2,084,730 includes the social contribution of 20% and the payroll tax of 13%.

4.8 Income taxes

(in euros)	2017.12	2016.12	Variation
Total Corporate Tax	19 408 180	12 596 098	6 812 082
Corporate tax payable	19 408 180	12 596 098	6 812 082

Corporate tax for the financial year of 2017 chargeable on extraordinary items stands at €4,182 K and on other items at €15,226K.

In addition, in'li benefits from a tax credit for competitiveness and employment of €1080K which will reduce corporate tax.

The amount of tax on provisions reincorporated for tax purposes in 2017 but deductible in 2018 stands at €135,295.

4.9 CICE (Tax Credit for Competitiveness and Employment)

In accordance with the notice from the ANC (Accounting Standards Authority) dated 28 February 2013, the CICE is entered into the accounts as a reduction of staff costs.

During the financial year ended 31 December 2017, the company recorded a CICE amount of €1,080,068 as a reduction of staff costs.

During the financial year ended 31 December 2017, the CICE allowed us to invest in new build construction projects, thus allowing us to improve our competitiveness and to maintain a strong financial position.

4.10 Workforce at 31 December 2017

(numbers)

	2017.12	2016.12	Variation
TOTAL WORKFORCE	645,9	476,2	169,7
Administrative staff on permanent contracts	289,5	196,0	93,5
Building concierges and employees on permanent contracts	319,4	233,6	85,8
Administrative staff on fixed term contracts	21,0	35,6	-14,6
Building concierges and employees on fixed term contracts	9,0	6,0	3,0
Apprentices	7,0	5,0	2,0

* Full-time equivalent staff

FINANCIAL RESULTS OF THE COMPANY DURING THE LAST FIVE FINANCIAL YEARS
 (art. 133, 135 and 148 of the decree on commercial companies)

In Euros

TYPE OF INDICATIONS	2013	2014	2015	2016	2017
I - Financial situation at the end of the financial year					
a) Share capital	80 698 269,00	80 698 269,00	87 953 268,00	123 146 996,00	479 373 550,50
b) Number of shares issued	53 798 846	53 798 846	58 635 512	82 097 997	319 582 367
II - Overall result of current operations					
a) Turnover before tax	204 489 081,87	207 804 624,55	211 859 908,34	212 358 165,00	340 387 347,00
b) Result before tax, profit-sharing, incentive schemes, depreciations and provisions	+ 65 283 149,72	+ 67 616 884,21	+ 67 424 212,84	+ 70 272 204,39	+ 117 708 597,00
c) Result after tax, profit-sharing, incentive schemes, depreciations and provisions	+ 20 963 727,47	+ 20 505 890,64	+ 20 908 881,84	+ 20 125 616,39	+ 33 476 284,00
d) Employee profit share and incentives for the financial year	2 064 794,00	1 910 568,00	1 576 959,00	1 472 289,00	2 084 730,00
III - Earnings per share					
a) Result after tax, profit-sharing and incentive schemes but before depreciations and provisions	+ 0,94	+ 0,98	+ 0,91	+ 0,68	+ 0,30
b) Result after tax, profit-sharing, incentive schemes, depreciation and provisions.	+ 0,39	+ 0,38	+ 0,36	+ 0,25	+ 0,10
IV - Staff					
a) Number of employees	487	482	473	476	646
b) Total payroll	16 546 372,71	16 957 519,71	16 391 756,58	16 466 490,69	24 264 979,69
c) Amount of sums paid for employee benefits	8 361 477,35	7 785 461,49	8 280 972,32	9 393 787,81	13 766 486,55

LIST OF SUBSIDIARIES AND HOLDINGS - FINANCIAL YEAR ENDING 31/12/2017

In Euros

SUBSIDIARIES AND HOLDINGS	CAPITAL	EQUITY CAPITAL (excluding capital stock)	SHARE OF CAPITAL HELD IN %	BOOK VALUES OF SECURITIES HELD		LOANS AND ADVANCES GRANTED BY THE COMPANY NOT YET PAID	NUMBER OF GUARANTEES GIVEN	TURNOVER BEFORE TAX LAST FINANCIAL YEAR FOR WHICH THE ACCOUNTS HAVE BEEN CLOSED	PROFIT OR LOSS for the last financial year for which the accounts have been closed	DIVIDENDS RECEIVED	DATA FROM THE FINANCIAL YEAR ENDING:
				GROSS	NET						
- I - SUBSIDIARIES											
Civil property company of PUIITS MI-VILLE	211 066	9 205 666	100,00%	1 557 146	1 557 146			1 384 658	78 353		31/12/2017
RUISSEAU DES GAINS	112 875	6 944 055	95,84%	2 883 146	2 883 146			1 016 740	250 315		31/12/2017
SOGUIM	225 000	1 048 632	100,00%	24 621	24 621			497 850	-2 355		31/12/2017
SAMCEH	1 500	-12 962	100,00%	1 524	1 524			0	-12 986		31/12/2017
in'li - a				2	1 524						
in'li AURA	57 717 322	67 425 743	24,48%	44 307 207	44 307 207			28 997 274	3 979 548		31/12/2017
in'li Grand Est	24 814 083	40 118 019	36,94%	34 401 695	34 401 695			14 629 262	780 040		31/12/2017
SACI Est				19	19						
immobilières 3F			1,55%	5 000 421	5 000 421						
IRA public limited social housing company			0,00%	14	14						
EHC public limited social housing company			0,00%	152	152						
Erigère	66 189 840	186 314 944	1,84%	4 673 482	4 673 482			64 550 356	8 740 066		31/12/2017
Civil property company in unrestricted ownership				230 350	230 350						
Civil property company jointly owned				92 755	92 755						
- II - HOLDINGS (above 10%)											
FRANCE HABITATION	266 070 896	1 014 991 202	14,51%	29 999 994	29 999 994			339 105 950	62 939 686		31/12/2017
- III - HOLDINGS (under 10%)											
SEMARELP	19 823 475	7 691 440	0,14%	15 275	15 275			3 846 079	-3 800 331		31/12/2015
SAMIRAM				1 524	1 524						
Public limited company, town of Rombas				9 818	9 818						
SCI (civil property company) ST CHARLES				15	15						
SCI LA SARREBOURGEOISE				15	15						
SCI LOGIS SARREBOURGEOIS				15	15						
TOTAL				123 199 191	123 200 713						