

Muntaner, 479 entl, 4-6  
08021 **BARCELONA**  
Telf. 93 494 74 70  
Fax. 93 363 11 39

C/ José Abascal, 44, 4º  
28003 **MADRID**  
Telf. 91 282 53 45

Plaça Cervantes, 4  
(Entrada C/ Murcia, 41)  
25002 **LLEIDA**  
Telf. 973 28 32 91



**AUDIT REPORT OF THE INDEPENDENT AUDITORS OF  
ABBREVIATED ANNUAL ACCOUNTS  
AT 31 DECEMBER 2017  
OF:**

**ASSOCIACIÓ MEDCITIES**

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## **AUDIT REPORT OF THE INDEPENDENT AUDITORS OF ABBREVIATED ANNUAL ACCOUNTS**

To the members of General Assembly of **ASSOCIACIÓ MEDCITIES**

### **Opinion**

We have audited the abbreviated annual accounts of **ASSOCIACIÓ MEDCITIES**, which consist of the abbreviated balance sheet at 31 December 2017, the abbreviated statement of income and expenditure and the notes to the abbreviated annual accounts for the year then ended.

In our opinion, the accompanying abbreviated annual accounts express, in all material respects, a true and fair view of the Association's equity and financial situation at 31 December 2017, as well as the results for the year then ended, in accordance with the framework of applicable financial reporting legislation (identified in Note 2 of the Summary report) and, in particular the accounting principles and policies established therein.

### **Basis of the Opinion**

We have performed our audit in accordance with legislation governing audits in Spain. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the abbreviated annual accounts section of our report.

We are independent of the Association in accordance with ethical requirements, including those of independence that are relevant to our audit of the abbreviated annual accounts in Spain in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than audit and no situations or circumstances have arisen that compromised our independence in accordance with that legislation.

We believe that the audit evidence we have obtained is sufficient and adequate to provide a basis for our opinion.

### **Key Audit Matters**

The key audit matters are those which, in our professional opinion, have been considered to be the most significant risks during our audit of the abbreviated annual accounts for the current period. These matters were addressed in the context of our audit of the abbreviated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters.

### Grant income recognition

The recognition of income is a significant area and subject to material misstatements, particularly at the end of the exercise in relation to appropriate temporary imputation, reason which has been considered a relevant aspect of the audit.

Our audit procedures included, among others, the evaluation of the controls carried out by the Entity regarding the process of recognition of income, the verification of the documentation generated, as well as the analysis of the documentation corresponding to subsidies received through agreements signed with public entities, which partially finance the Entity's activities.

Based on the results of our work, we have validated that the income is recorded in the income statement according to the accrual of the activities.

### **Responsibility of Board Directors for the Abbreviated Annual Accounts**

Board of Directors is responsible for preparing the abbreviated annual accounts accompanying statements such that they express a true and fair view of the equity, financial situation and the results obtained by the Association in accordance with the financial reporting legislation applicable to the Association in Spain and the internal control that is considered necessary to allow abbreviated annual accounts to be prepared free of material misstatement due to fraud or error.

When preparing abbreviated annual accounts, the Board of Directors is responsible for assessing the Association's ability to be a going concern, disclosing, as applicable, matters related to its going concern status and using the accounting principle of going concern unless the Association's Board either intend to liquidate the Association or to cease operations, or have no other realistic alternative.

### **Auditor's Responsibilities for the Audit of the Abbreviated Annual Accounts**

Our objectives are to obtain reasonable assurance that the abbreviated annual accounts taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an Audit Report that contains our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when one 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 abbreviated annual accounts.

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A more detailed description of our responsibilities in relation to the audit of the abbreviated annual accounts is included in the Annex of this audit report. This description found on page 4 is an integral part of our audit report.

Barcelona, June 4, 2018

**Col·legi  
de Censors Jurats  
de Comptes  
de Catalunya**

PLETA AUDITORES, S.L.P.

2018 Núm. 20/18/09648

IMPORT COL·LEGIAL: 96,00 EUR

Informe d'auditoria de comptes subjecte  
a la normativa d'auditoria de comptes  
espanyola o internacional

**pleta auditors, s.l.p.**  
**R.O.A.C. N° S/0525**

Signature: Mª Dolors Poch Vilaplana  
R.O.A.C. N° 4.802

Partner – Account Auditor  
Muntaner, 479 entl. 4º-6ª, 08021 Barcelona

## Annex of our audit report

In addition to the included in our audit report, in this Annex we include our responsibilities respect for the audit of the abbreviated annual accounts.

### Auditor's Responsibilities for the Audit of the Abbreviated Annual Accounts

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the abbreviated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 or misrepresentations, or the override of internal control.
- We obtained relevant knowledge of the internal control system for the audit to design the audit procedures that are adequate in accordance with the circumstances, and not for the purpose of expressing an opinion regarding the effectiveness of the Association's internal control.
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We reached a conclusion as to the appropriateness of the Board of Director's use of the going concern principle 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the abbreviated annual accounts or, if such disclosures are inadequate, to amend our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Association to cease to continue being a going concern.
- We assessed the overall presentation, structure and content of the abbreviated annual accounts, including the disclosures, and whether the abbreviated annual accounts represent the underlying transactions and facts in a manner that expresses a true and fair view.

We communicated with the Board of Directors of the Association regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Among the matters that have been reported to the Association Board of Directors, we determined those matters that were most important within the context of the audit of the abbreviated annual accounts for the current period and they are therefore the key audit matters.

We describe these matters in our audit report unless the law or regulations precludes the public disclosure of the matter.