

NOVACT

Simplified Financial Statements
at 31 December 2020
and Auditor's Report

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Audit report's of the simplified annual accounts issued by an independent auditor

(Translation from the original in Catalan. In the event of discrepancy, the original Catalan language version prevails)

To the members of NOVACT Board of Directors by order of the members of the same:

Opinion

We have audited the accompanying annual accounts of NOVACT (hereinafter, the Entity) which comprise the balance sheet as at December, 31, 2020, and the income statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of NOVACT as at December, 31, 2020, and its financial performance for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

Basis for Opinion

We conducted our audit in accordance with Spain Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Accounts section of our report.

We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Risk related to the subsidies received

As indicated in note 14.1, the subsidies represent the majority of the Entity's revenues.

Our response

Our audit procedures to address the verification of the previously described income are the following:

- Obtaining the documentation of the concessions of the subsidies of the different public entities and checking the justification documentation of the mentioned subsidies.
- Circularization to the Public entities about outstanding balances, grants granted and existing revocations.

Conclusion

After carrying out the audit procedures mentioned above, we do not find any elements that could contradict the valuation in the accounting of the Entity.

Responsibilities of the members of Board of Directors in relation to the annual accounts

The members of Board of Directors are responsible for the preparation and fair presentation of the annual accounts in accordance with Spanish Law and for such internal control as management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the members of Board of Directors are responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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Audit report's of the simplified annual accounts issued by an independent auditor

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Auditor's Responsibilities for the Audit of the simplified annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Spanish Law 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 annual accounts.

As part of an audit in accordance with Spanish Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, misrepresentations, or the override of internal control.
- Obtain 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of Board of Directors.
- Conclude on the appropriateness of the members of Board of Directors 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 Entity's ability to continue as a going concern.

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issued by an independent auditor**

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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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

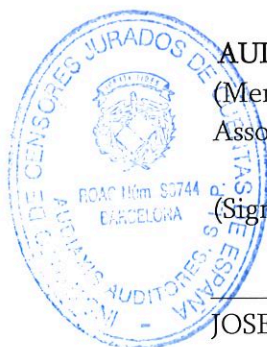
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members of the Board of Directors 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 identify during our audit.

From the matters communicated with those charged with the members of Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Barcelona, 14th May 2021.



AUDIAXIS AUDITORES, S.L.P.

(Member of the Official Chartered Accountants Association (R.O.A.C.) with number S0744)

(Signed on the original in Catalan)

JOSEP M. MORERA (R.O.A.C. 15.722)
Partner and Chartered Accountant

Balance

ACCOUNTS	ASSETS	NOTES ON THE MEMORY	(Debit) Credit	
			YEAR 2020	YEAR 2019
	A) NON CURRENT ASSETS		110.379,49	119.859,02
20, (280), (290)	I. Intangible assets	5	25.524,30	20.427,94
21, (281), (2910), (2911), (2912), (2913), (2914), (2915), (2916), (2917), (2918)	II. Property, plan and equipment	5	39.697,88	46.820,97
22, (282), (292)	III. Investment property			
23, (29190), (29191), (29192), (29193), (29194)	IV. Cultural property assets			
2403, 2404, 2413, 2414, 2423, 2424, (2493), (2494), (2933), (2934), (2943), (2944), (2953), (2954)	V. Long-term investmens in group entities	9	36.762,17	44.214,97
2405, 2415, 2425, 250, 251, 252, 253, 254, 2550, 258, (259), 26 (495), (2935), (2945), (2955), (296), (297), (298), 474	VI. Long-term financial investments	9	8.395,14	8.395,14
	B) CURRENT ASSETS		2.303.375,71	3.200.591,00
30, 31, 32, 33, 34, 35, 36, (39), 407	I. Inventories		2.725,69	22.370,24
	II. Users, sponsors and activity debtors and other receivable accounts	9	748.157,48	2.127.844,56
440, 441, 442, (447)	1. Receivables from sales and services	9	31.081,11	37.281,87
443, (4933), (4934), (4935)	2. Other liabilities with group companies and associates	9	2.200,00	60,00
444	3. Donors			
445, 446, 449, (490)	4. Other debtors	9		-31,81
460, 464, 544	5. Personnel	9	491,76	-59,00
4700, 4707, 4708, 4709, 471, 472, 473	6. Current tax assets and other receivables from public authorities	9 i 13	714.384,61	2.090.593,50
558	7. Receivable on called-up capital			
5303, 5304, 5313, 5314, 5323, 5323, 5333, 5334, 5353, 5354, (5393), (5394), 5523, 5524, (5933), (5934), (5943), (5944), (5953), (5954)	III. Short-term investments with group companies and associates			
5305, 5315, 5325, 5335, 5345, 5355, 540, 541, 542, 543, 544, 546, 546, 547, 548, (549), (5395), (5935), 551, 5525, 554, 5590, 565, 566, (5945), (5955), (596), (597), (598)	IV. Short-term financial investments	9	1.596,26	10.000,00
480, 567	V. Short term accrual			
570, 572, 574, 576	VI. Cash and other cash equivalents		1.550.896,28	1.040.376,20
	TOTAL ASSETS (A+B)		2.413.755,20	3.320.450,02

Balance

ACCOUNTS	EQUITY AND LIABILITIES	NOTES ON THE MEMORY	(Debit) Credit	
			YEAR 2020	YEAR 2019
	A) EQUITY		2.351.722,13	3.238.179,05
	A-1) Capital	11	13.901,28	19.146,40
	I. Share capital			
100, 101	1. Share and assigned capital			
(103), (104)	2. Uncalled capital			
102	II. Capital			
120, 121	III. Prior periods profit and loss	11	19.146,40	-6.545,28
124	IV. Surpluses to be allocated to statutory activities			
129	V. Reserve profit and loss	3	-5.245,12	25.691,68
118	VI. Contributions from equity holders or owners			
	A-2) Grants, donations and bequests received	12	2.337.820,85	3.219.032,65
130	1. Government capital grants	12	2.299.893,97	3.173.652,97
131	2. Donations and capital bequests	12	2.164,71	2.164,71
132	3. Other grants, donations and bequests	12	35.762,17	43.214,97
137	4. Deferred tax incomes			
	B) NON CURRENT LIABILITIES			
14	I. Provisions			
	II. Long-term liabilities			
1605, 170	1. Debts with financial institutions			
1615, 1625, 1635, 171, 172, 173, 174, 175, 176, 180, 185, 189	2. Other long-term liabilities			
1603, 1604, 1613, 1614, 1623, 1624, 1633, 1634	III. Long-term debts with group entities and associates			
473	IV. Withholdings and payments on account			
181	V. Long-term accruals			
	C) CURRENT LIABILITIES		62.033,07	82.270,97
499, 529	I. Short-term provisions			
	II. Short-term liabilities	10	6.415,34	3.969,75
5105, 520, 527	1. Debts with financial institutions	10	6.415,34	3.969,75
5115, 5135, 5146, 521, 522, 523, 525, 528, 551, 554, 5525, 555, 5565, 5566, 560, 561, 569	2. Other short-term liabilities	10		
5103, 5104, 5113, 5114, 5123, 5124, 5125, 5133, 5134, 5143, 5144, 524, 5523, 5524, 5563, 5564	III. Other short-term liabilities with group companies and associates			
	IV. Trade and other payables			
400, 401, 403, 404, 405, (406)	1. Suppliers	10	55.617,73	78.151,22
41	2. Creditors			
465, 466	3. Personnel (unpaid salaries)	10	17.504,32	32.318,03
475, 476, 477	4. Current tax liabilities and other payables to public administrations	10	48,59	-0,44
448	V. User's advanced payment	10 i 13	38.064,82	45.833,63
485, 568	VI. Short-term accruals			150,00
	TOTAL EQUITY AND LIABILITIES (A+B+C)		2.413.755,20	3.320.450,02

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Profits and Losses

Financial year 2020

ACCOUNTS		NOTES ON THE MEMORY	(Debit) Credit	
			YEAR 2020	YEAR 2019
	1. Continuing operations	14	213.975,21	211.457,92
700,705,(706), (708),(709)	a) Sales and services	14	213.975,21	211.457,92
721	b) Income received on a recurring basis			
722,723	c) Income received from donors and collaborators			
724,727,728,(658)	d) Grants, donations and other incomes			
	2. Grants and other expenses			
(650), (651), (652), 729	a) Grants			
(653), (654)	b) Expenses for collaborations and for the exercise of the member office of the governing board			
(6930),71*, 7930	3. Changes in inventories of finished and semi-finished goods			
73	4. Work carried out by the company for assets			
(600), (601), (602), 606, (607, 608, 609, 61*, (6931), (6932), (6933), 7931, 7932, 7933	5. Purchases		-19.715,27	11.515,35
	6. Other income	12 i 14	2.090.430,24	2.698.315,01
752	a) Income from lease agreements			
751, 753, 754, 755, 759	b) Other additional incomes and other current management income	14	2.090.430,24	2.698.315,01
(64)	7. Personnel expenses	14	-736.441,16	-860.515,63
	8. Other operating expenses		-1.539.086,51	-2.031.512,31
	a) External services		-1.538.236,84	-2.031.141,30
(620)	a.1) Research and development			
(621)	a.2) Leases and royalties		-27.278,88	-44.497,43
(622)	a.3) Repairs and maintenance		-13.094,78	-26.255,64
(623)	a.4) Independent professional services		-311.268,84	-370.481,90
(624)	a.5) Transports		-1.293,98	-2.283,00
(625)	a.6) Insurance premiums		-8.143,44	-4.541,50
(626)	a.7) Banking services		-4.703,32	-9.864,22

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(627)	a.8) Advertising, publicity and public relations		-1.195,36	-10.595,50
(628)	a.9) Utilities		-9.543,25	-12.249,03
(629)	a.10) Other services		-1.161.714,99	-1.550.373,08
(631), (634), 636, 639	b) Taxes		-21,85	-200,67
(655), (694), (695), 794, 7954	c) Losses, impairment and changes in provisions for operations activities			
(656), (659)	d) Other operating losses		-827,82	-170,34
(68)	9. AMORTISATION	5	-13.755,36	-9.057,82
725, 726	10. Grants, donations and bequests transferred to profits and losses	14	7.452,80	9.859,18
7951, 7951, 7955, 7956	11. Provision surpluses			
	12. Impairment and gains/(losses) on disposal of fixed assets			
(690), (691), (692), 790, 791, 792	a) Impairment and losses			
(670), (671), (672), 770, 771, 772	b) Gains/(losses) on disposal and other			
(678), 778	13. Exceptional income	14	-642,24	-3.498,82
	I) RESULTS FROM OPERATING ACTIVITIES (1+2+3+4+5+6+7+8+9+10+11+12+13)		2.217,71	26.562,88
760, 761, 762, 769	14. Finance income	14	181,83	47,94
(660), (662), (665), (669)	15. Finance expenses			
(663), 763	16. Change in fair value of financial instruments			
(668), 768	17. Exchange gains/losses		-191,86	-456,95
	18. Impairment and gains/(losses) on disposal of financial instruments	9	-7.452,80	-462,19
(696), (697), (698), (699), 796, 797, 798, 799	a) Impairment and losses		-7.452,80	-462,19
(666), (667), (673), 766, 773	b) Gains/(losses) on disposal and other			
	II) NET FINANCE INCOME (14+15+16+17+18)		-7.462,83	-871,20
	III) PROFIT/LOSS BEFORE INCOME TAX (I+II)		-5.245,12	25.691,68
(6300)*, 6301, (633), 638	19. Income tax	13		
	IV) PROFIT/LOSS FOR THE PERIOD (III+19)		-5.245,12	25.691,68

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NOVACT

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1. Activities of the Nova Association, Centre for Social Innovation

1.- The NOVACT Association was constituted on 15 October 1999.

Its registered office is in Barcelona, Junta de Comerç, 20, principal. It is registered at the Direcció General de Dret i Entitats Jurídiques del Departament de Justícia de la Generalitat de Catalunya (Directorate-General for Law and Legal Entities of the Department of Justice of the Generalitat de Catalunya) with inscription number 23039 (N.I.F. G62083357).

2.- NOVACT is governed by its statutes; by Law 4/2008, of 24 April, of the third book of the Civil Code of Catalonia, relating to legal entities; by the Organic Law 1/2002 of 22 March, regulating the right of association and its statutes.

3.- NOVACT expressly excludes any profit motive and its main objectives, in summary, are the following:

- a) Promote transformative social innovation by collecting, generating, and disseminating socially innovative proposals to offer alternatives to social problems and systems that need to be rethought.
- b) Promote non-violence and the culture of peace as a strategy for transforming conflicts and reducing the structural causes that provoke them.
- c) Promote respect for human rights and global justice as a way of empowering people and creating bonds of solidarity among the most disadvantaged peoples and communities.
- d) Promote tolerance and respect between cultures through the creation of points of solidarity, dialogue, reconciliation processes and transitional justice.
- e) Promote gender equality through a cooperative gender approach based on women's empowerment and participation in decision-making processes and processes, as well as in the design and implementation of strategies, campaigns, and initiatives to eliminate patriarchal structures of domination.
- f) Promote protection mechanisms and support strategies for human rights defenders to ensure the continuity of their work and improve their impact on the defence of human rights.
- g) Promote the study, research and dissemination of the structural causes that perpetuate the culture of war, feed the military-industrial apparatus, and justify violent responses to the challenges of the 21st century.
- h) Promote mechanisms aimed at providing humanitarian action to those in greatest need and in compliance with the humanitarian principles of impartiality, neutrality, humanity, and operational independence.
- i) The resources obtained by NOVACT in the financial year 2020 have been allocated to the implementation of its foundational purposes.

4.- NOVACT's financial year corresponds to the period from 1 January to 31 December.

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5.- Situation COVID-19.

On the occasion of the exceptional circumstances that occurred with the publication of Royal Decree 463/2020 on 14 March 2020, which declared a state of alarm for the management of the health situation generated by the coronavirus (COVID-19) and which entered into force on the same day, 14 March, we declare that:

As far as possible, the Association's activity continues as normal. For this reason, organisational measures have been put into practice to manage the crisis, both individually (management of contagion or isolation situations) and collectively. These measures have proved to be perfectly compatible with the continuity of the activity, mainly the following:

- Teleworking has been introduced to guarantee the safety of its employees, without the need to establish other significant extraordinary measures.
- Work has been carried out to guarantee the achievement of the Association's aims.
- No major investments or additional expenditures have been necessary due to the state of alarm.
- The Association does not foresee the possibility of non-fulfilment of any contractual obligation, and therefore no consequences derived from the lack of contractual fulfilment due to the pandemic are foreseen.
- The current situation may increase the risk linked to the credit, making the appropriate arrangements to make it liquid in the short term and improve the Association's borrowing position. Despite the health crisis, the institution has not resorted to external financing.

2. Bases for presenting the annual accounts:

1.- Faithful representation:

The annual accounts have been prepared from NOVACT's accounting records. They are presented by current legislation and with the rules and principles established in the Accounting Plan for Foundations and Associations subject to the legislation of the Generalitat de Catalunya, approved by Decree 259/2008 of 23 December, of the Department of Justice of the Generalitat de Catalunya, to show a true and fair view of the assets, the financial situation and the results of its operations and changes in net assets.

There is no accounting principle or valuation criterion that, having a significant effect on the annual accounts, has not been applied.

2.- Comparison of information:

The annual accounts are presented for comparison purposes, with each of the items of the balance sheet, the income statement, the statement of changes in net assets and the annual report, in addition to the figures for the financial year 2020, those corresponding to the previous financial year, which formed part of the annual accounts for the financial year 2019 approved by the General Assembly.

3.- Grouping of items:

There are no elements grouped under several headings.

4.- Elements grouped under different headings:

There are no elements under different headings.

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5.- Changes in accounting criteria and correction of errors:

There have been no changes in the accounting criteria applied and no errors have been corrected.

3. Application of results.

The surpluses for 2020 and 2019 are applied as follows:

	2020	2019
<u>Surplus sharing basis</u>		
Surplus for the year	-5.245,12	25.691,68
<u>Application to</u>		
Carry-over		
Surplus from previous years	-5.245,12	25.691,68
Surpluses pending application in statutory activities		
Total	-5.245,12	25.691,68

4. Recording and valuation standards.

The most important recording and valuation standards applied in the preparation of these annual accounts were as follows:

1.- Intangible assets:

The different intangible fixed assets are recognised as such to comply with the definition of an asset and the accounting recognition criteria set out in the Accounting Conceptual Framework. Furthermore, they meet the criterion of identifiability, since they are separable elements arising from legal or contractual rights regardless of whether these rights are transferable or separable.

Intangible fixed assets are valued at their cost, whether the acquisition price or the production cost, without prejudice to the rules on this type of fixed asset.

Indirect taxes levied on intangible fixed assets have only been included at acquisition or production costs when they are not directly recoverable from the Public Treasury.

Amortisation has been established systematically and rationally based on the useful life of intangible assets established at 5 years and their residual value, considering the normal depreciation due to their operation, use and enjoyment, without prejudice to the consideration of any technical or commercial obsolescence that may affect them. When value adjustments have been recognised, the depreciation of impaired fixed assets in subsequent years has been adjusted, considering the new book value.

An impairment loss has occurred on an intangible asset when its carrying amount has exceeded its recoverable amount.

In the company's balance sheets, there were no goodwill or other intangible assets with an indefinite useful life.

2.- Tangible assets:

Property, plant, and equipment are stated at acquisition cost less accumulated depreciation and, where applicable, estimated losses that may arise from comparing the net book value of each item with its recoverable amount.

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At the end of the year, NOVACT assesses the impairment of the different assets, estimating the recoverable value of these assets, which is the higher of their fair value and their value in use. If the recoverable value is lower than the net book value, the corresponding value adjustment for impairment is made with a charge to the income statement. Reversals of previously recorded impairment losses, if any, are recognised in the income statement for the year in which the impairment is eliminated or reduced.

The costs of renovation, extension or improvement that represent an increase in capacity, productivity, or an extension of the useful life of the assets are capitalised as a major cost of the corresponding assets. Upkeep and maintenance expenses are charged to the income statement for the year in which they are incurred.

Depreciation of tangible fixed assets is taken on the cost value using the straight-line method, applying the following depreciation rates:

- Other facilities 10%
- Furniture 5% - 10%
- Information processing equipment 12,5% - 25%

The new additions are amortised from the moment they come into operation.

3.- Leases:

Leases are classified as finance leases whenever it can be deduced from the conditions of the lease that the risks and benefits inherent in the ownership of the asset covered by the contract are substantially transferred to the lessee. The remaining leases are classified as operating leases.

On 31 December 2020 NOVACT only has operating leases. Payments to third parties in respect of operating leases are charged to the income statement at the time they are earned on a straight-line basis over the lease period.

4.- Loans and receivables:

They are initially valued at their fair value, which, in the event of evidence to the contrary, will be the transaction price. Subsequently, they are valued at amortised cost, considering the interest earned in the income statement by applying the effective interest rate method.

However, those receivables from commercial transactions maturing in less than one year and which do not have a contractual interest rate, as well as other receivables, the amounts of which are expected to be received in the short term, are valued at nominal value, both in the initial valuation and in the subsequent valuation, when the effect of not discounting the cash flows is not significant.

The following financial assets are included in this category:

- Accounts receivable for operations of the activities corresponding to the balances of debtors of the activities.
- Accounts receivable for other transactions. This includes balances with other debtors, staff, etc.
- Short- and long-term deposits. They are valued at face value, as the effect of the non-updating of cash flows is not significant.

At year-end, the necessary value adjustments for impairment are made if there is objective evidence of impairment.

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Impairment is considered to exist when there are reasonable doubts as to the recoverability in terms of the amounts and maturities of the amounts. As a general criterion, the correction of the book value due to impairment is made with a charge to the income statement for the year in which the impairment becomes evident. Reversals of previously recorded impairment losses, if any, are recognised in the income statement for the year in which the impairment is reversed or reduced.

The debts for activities and other receivables are subject to valuation adjustments, if applicable after they have been analysed on an individual basis.

5.- Taxes on profits:

NOVACT opted for the special tax regime for non-profit organisations and incentives for sponsorship approved by Law 49/2002, on 10 June 2014, by submitting the corresponding census declaration. Consequently, this regime is fully applicable in the 2020 tax period.

Insofar as the Association excludes the profit motive in its activities, it is exempt from corporate tax on the income derived from the activities that make up its foundational purpose.

6.- Value Added Tax (VAT) and other taxes

Non-deductible input VAT forms part of the purchase price of current and non-current assets, as well as services, which are the subject of transactions subject to VAT. The rules on non-deductible input VAT apply to any other indirect tax levied on the acquisition of goods or services that are not recoverable directly from the Public Treasury.

The output VAT does not form part of the income derived from the operations taxed by this tax or of the net amount obtained in the sale or disposal by other means in the case of the disposal of the non-current asset. The rules on output VAT apply to any other indirect tax levied on transactions carried out by the Entity and which are recoverable through the Public Treasury.

7.- Revenue and expenses:

Revenues and expenses are charged according to the merit criterion, i.e. when the actual flow of goods and services they represent is produced, regardless of when the resulting monetary or financial flow is produced. Specifically, at the end of the financial year, income from Grants is accrued according to the expenses incurred in each project during the financial year.

Income is valued at the fair value of the consideration received or to be received for goods delivered and services rendered in the ordinary course of business, net of discounts and taxes.

Interest income is recognised based on its merit and does not differ significantly if the effective interest rate method has been applied.

8.- Grants, donations, and legacies.

Non-repayable grants, donations and legacies are generally recorded as income directly attributed to net assets and are recognised in the income and expenditure account as income on a systematic and rational basis in correlation with the expenses derived from the grant, donation, or legacy.

Grants, donations, and legacies that are repayable are recorded as liabilities of the Institution until they become non-repayable. For these purposes, it will be considered non-refundable when there is an individual agreement granting the grant, donation, or legacy in favour of the

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Institution, the conditions established for its concession have been fulfilled and there are no reasonable doubts as to the receipt of the grant, donation, or legacy.

To charge them to the income and expenditure account, the following types of grants, donations and receipts have been distinguished: when they are granted to ensure a minimum return or to compensate for operating deficits, they have been charged as income in the year in which they were granted, unless they refer to future years. When they have been granted to finance specific expenses, they have been charged as expenses in the same financial year in which the expenses were incurred. When they have been granted to acquire assets or to cancel liabilities, they have been recorded as income for the year to the extent that they have been disposed of or in proportion to the depreciation allowance made. Finally, when monetary amounts have been received without being assigned to a specific purpose, they have been recorded as income for the year in which they were recognised.

5. Tangible and intangible fixed assets.

The movements recorded during the financial year 2020 in the tangible and intangible fixed assets accounts are detailed in the following table:

COST	Balance 01.01.20	Inflow/ allocations	Outflow / reductions	Reclassified	Balance 31.12.20
Website	5.475,25	2.904,00	0,00	0,00	8.379,25
Computer applications	21.145,61	7.715,63	0,00	0,00	28.861,24
Other installations	32.771,72	0,00	0,00	0,00	32.771,72
Furniture	11.833,78	0,00	0,00	0,00	11.833,78
Information processing equipment	26.925,16	0,00	0,00	0,00	26.925,16
Other tangible fixed assets	1.687,95	1.109,00	0,00	0,00	2.796,95
Total	99.839,47	11.728,63	0,00	0,00	111.568,10
ACCUMULATED AMORTISATION					
Website	0,00	376,10	0,00	0,00	376,10
Computer applications	6.192,92	5.147,17	0,00	0,00	11.340,09
Other facilities	8.298,82	3.332,18	0,00	0,00	11.631,00
Furniture	2.305,03	1.280,55	0,00	0,00	3.585,58
Equipment for information processing and other fixed assets.	15.793,79	3.619,36	0,00	0,00	19.413,15
Total	32.590,56	13.755,36	0,00	0,00	46.345,92

The movements recorded during the financial year 2019 in the tangible and intangible fixed assets accounts are detailed in the following table:

COST	Balance 01.01.19	Inflow / Allocations	Outflow / reductions	Reclassified	Balance 31.12.19
Website	1.840,22	5.475,99	1.840,22	0,00	5.475,25
Computer applications	6.717,91	14.725,70	0,00	-298,00	21.145,61

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Other installations	32.771,72	0,00	0,00	0,00	32.771,72
Furniture	11.833,78	0,00	0,00	0,00	11.833,78
Information processing equipment	19.456,62	7.170,54	0,00	298,00	26.925,16
Other tangible fixed assets	1.687,95	0,00	0,00	0,00	1.687,95
Total	74.308,20	27.372,23	1.840,22	0,00	99.839,47

ACCUMULATED AMORTISATION

Website	1.840,22	0,00	1.840,22	0,00	0,00
Computer applications	4.817,86	1.375,06	0,00	0,00	6.192,92
Other installations	4.966,62	3.332,20	0,00	0,00	8.298,82
Furniture	1.024,48	1.280,55	0,00	0,00	2.305,03
Equipment for information processing and other tangible fixed assets	12.723,78	3.070,01	0,00	0,00	15.793,79
Total	25.372,96	9.057,82	1.840,22	0,00	32.590,56

6. Real estate investments.

NOVACT has no real estate investments.

7. Cultural heritage assets

NOVACT does not have any assets that are part of the cultural heritage.

8. Leases and other operations of a similar nature.

NOVACT has not entered any financial leases or transactions of a similar nature.

The operating account includes expenses on 31 December 2020 and 2019 of 21,498.47 euros and 20,633.10 euros respectively, for the operating lease corresponding to the property located at Junta de Comerç, 20, Barcelona, which constitutes the Association's headquarters.

On 2 May 2018, the Entity signed a rental contract for a monthly rent of 1,500.00 euros, plus the tax on the assigned value, which is due to expire in 10 years, after the first 5 years an increase in the rent will be applied, as well as the corresponding increase in the CPI.

The amount of the deposit derived from this lease is 3,000.00 euros and a guarantee deposited in the concept of guaranteeing the punctual payment of the rent, as well as the obligations linked to the contract for an amount of 4,000.00 euros.

Likewise, the expenditure on leasing seats abroad amounted to 2,800 euros and 20,577.31 euros respectively in the financial years 2020 and 2019. This lower amount in the financial year 2020 is due to the termination of the contract on 30 April 2020.

9. Financial assets.

The book value for each category of financial assets, except for investments in group, multi-group, and associated companies, is shown in the following classification table, according to their nature

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and function.

a) Long-term financial assets	CLASSES							
	Equity instruments		Representative values of debt		Credits, derivatives and others		TOTAL	
	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019
Assets at fair value with changes in losses and gains							0,00	0,00
Held-to-maturity investments	200,00	200,00					200,00	200,00
Loans and receivables					8.195,14	8.195,14	8.195,14	8.195,14
Available-for-sale assets							0,00	0,00
Hedging derivatives							0,00	0,00
TOTAL	200,00	200,00	0,00	0,00	8.195,14	8.195,14	8.395,14	8.395,14

Investments held to maturity.

The amount recorded in this section of the attached balance sheet corresponds to the fee to become a member of AVALIS CATALUNYA SGR, to subscribe to a guarantee for an amount of 50,000.00 euros within the framework of the "B-MINCOME" project.

This guarantee expires on 30 June 2020.

The Association has maintained its membership fee with this organisation.

b) Short-term financial assets	CLASSES							
	Equity instruments		Representative values of debt		Credits, derivatives and others		TOTAL	
	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019
Assets at fair value with changes in losses and gains							0,00	0,00
Held-to-maturity investments							0,00	0,00
Loans and receivables					749.753,74	2.137.844,56	749.753,74	2.137.844,56
Available-for-sale assets							0,00	0,00
Hedging derivatives							0,00	0,00
TOTAL	0,00	0,00	0,00	0,00	749.753,74	2.137.844,56	749.753,74	2.137.844,56

	Balance 1.01.20	Increases	Decreases	reclassified	Balance 31.12.20
Investments held to maturity	18.395,14	0,00	10.000,00		8.395,14
Other financial assets	0,00	1.596,26	0,00		1.596,26
Users and service providers	37.251,06	262.890,22	-266.368,41		33.772,87
Public Administrations	2.090.593,50	2.447.426,86	-3.823.635,75		714.384,61
	2.146.233,98	2.711.884,31	-4.099.998,44		758.148,88

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	Balances 1.01.19	Increases	Decreases	Reclassified	Balances 31.12.19
Investments held to maturity	18.395,14	0,00	0,00		18.395,14
Users and service providers	90.747,22	338.348,48	-391.844,64		37.251,06
Public Administrations	2.435.306,76	2.816.819,65	-3.161.532,91		2.090.593,50
	<u>2.544.449,12</u>	<u>3.155,168,13</u>	<u>- 3.553.377,55</u>		<u>2.146.239,70</u>

The breakdown of NOVACT's assets according to their collection period is as follows:

Items	Maturities					Subtract	TOTAL
	2021	2022	2023	2024	2025		
Investments held to maturity						8.395,14	8.395,14
Other financial assets	1.596,26						1.596,26
Users and users of the services provided	33.772,87						33.772,87
Public Administrations	714.384,61						714.384,61
	<u>749.753,74</u>					<u>8.395,14</u>	<u>758.148,88</u>

Long-term investments in group and associated companies.

In addition, the Association owns 860 shares in the company Delibera Serveis de Participació Interactiva, S.L., which were acquired by donation from the previous owners on 22 December 2017 (595 shares) and 18 April 2018 (265 shares), the majority shareholder holding more than 50% of the company's shares, with a shareholding of 76.11% as of 31 December 2020.

These shares were valued at the time of acquisition at €35,057.40 for those acquired in 2017 and €15,613.8 for those acquired in 2018. However, valuation adjustments have been made to these shares in 2017, 2018, 2019 and 2020 for amounts of 1,042.85€, 5,951.19€, 462.19€ and 7,452.80€ respectively, accumulating an impairment as of 31 December 2020 for an amount of 14,909.03€.

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10. Financial liabilities.

The book value for each of the categories of financial liabilities is shown in the following classification table, according to their nature and function.

A) Long-term financial liabilities	CLASSES							
	Debts owed to credit institutions		Bonds and other marketable securities		Derivatives and others		TOTAL	
	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019
Debits and payables							0,00	0,00
Liabilities at fair value with changes in PiG							0,00	0,00
Others							0,00	0,00
TOTAL	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

B) Short-term financial liabilities	CLASSES							
	Debts owed to credit institutions		Bonds and other marketable securities		Derivatives and others		TOTAL	
	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019
Debits and payables	6.415,34	3.969,75			55.617,73	78.151,22	62.033,07	82.120,97
Liabilities at fair value with changes in PiG							0,00	0,00
Others							0,00	0,00
TOTAL	6.415,34	3.969,75	0,00	0,00	55.617,73	78.151,22	62.033,07	82.120,97

NOVACT's liabilities correspond entirely to maturing business debts as per the accompanying breakdown:

Items	Maturities							TOTAL
	2021	2022	2023	2024	2025	Subtract		
- Debts with credit institutions	6.415,34						6.415,34	
- Other short-term debts	-						-	
- Various creditors and staff	17.552,91						17.552,91	
- Debts with Public Administrations	38.064,82						38.064,82	
	62.033,07						62.033,07	

Debts with credit institutions:

In this section the Association registered the debt of the credit cards on 31 December 2020, being a global limit of 7.300,00 euros, likewise, it has a credit limit of 100.000,00 euros which is available on 31 December 2020 in 8.156,22.

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11. Net worth.

The movements recorded in 2020 are summarised below:

	Balance 1.01.20	Application of surplus for the year 2019	Increases / Decreases	Profit/ loss for the year 2020	Balance 31.12.20
Carry-over	-6.545,28	25.691,68			19.146,40
Results (-) from previous years					
Results of the financial year	25.691,68	-25.691,68		-5.245,12	-5.245,12
Grants/Donations	3.219.032,65	0,00	-881.211,80	0,00	2.337.820,85
	3.238.179,05	0,00	-881.211,80	-5.245,12	2.351.722,13

In the financial year 2019, the movements that were recorded were as follows:

	Balance 1.01.19	Application of surplus for the year 2018	Increases / Decreases	Profit/ loss for the year 2019	Balance 31.12.19
Carry-over	-48.177,13	41.631,85			-6.545,28
Results (-) from previous years	0,00				
Results of the financial year	41.631,85	-41.631,85		25.691,68	25.691,68
Grants/Donations	3.424.731,83	0,00	-205.699,18	0,00	3.219.032,65
	3.418.186,55	0,00	-205.699,18	25.691,68	3.238.179,05

12. Grants, donations, and legacies.

The total amount of grants received by NOVACT in 2020 was €2,082,608.83 (see note 14). All these grants have been applied for, granted, and allocated to the achievement of the Association's objectives, the details of which are as follows:

ENTITAT	€
Spanish Agency for Development Cooperation	410.546,90 €
UNITED COMMUNITY FUND	403.608,20 €
European Commission	395.051,70 €
Catalan Cooperation Agency	363.759,79 €
Barcelona City Council	332.990,50 €
Open Society Foundation	88.196,30 €
Horizon Price	52.297,60 €
Diputació de Barcelona	27.327,90 €
Ministry of Equality	4.836,34 €
Justice and Education Fund	3.993,60 €
TOTAL	2.082.608,83€

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The Grants are recorded as income for the year as the costs of each project are incorporated. The balance outstanding on 31 December 2020 which will be charged to the income statement in the coming years amounts to 2,299,893.97 euros, the remaining amount of 2,164.71 euros being donations and an amount of 35,762.17 euros corresponding to the net amount of the donations of the shares of the investee Delibera (see note 9).

13. Fiscal situation.

NOVACT is up to date with the payment of its fiscal obligations and presents quarterly declarations of Value Added Tax (VAT) and Personal Income Tax (IRPF) withholdings, as well as annual corporate income tax returns.

By current legislation, taxes and Social Security contributions cannot be considered definitively settled until the declarations submitted have been inspected by the tax or labour authorities, or until the limitation period of four years has elapsed. On 31 December 2020, NOVACT is open to possible inspections of all taxes applicable to it, as well as Social Security contributions, corresponding to all non-prescribed financial years.

The composition of the balances of the Public Administration accounts on 31 December 2020 is as follows:

	Balances	
	Debtors	Creditors
a) Public Treasury:		
- Corporate Tax	29,03	
- V.A.T.	8.541,59	
- Withholdings (IRPF)		18.144,30
- Author for Grants received	705.813,99	
- Payable for grants received		41,88
b) Social security:		
- Contributions December 2020		19.878,64
	714.384,61	38.064,82

14. Income and expenditure.

1.- Income

NOVACT's income from its activities in 2020 amounted to €2,312,825.35, distributed as follows:

a) Income from the provision of services	213.975,21
b) Quotes from members	2.630,00
c) Grants	2.082.608,83
d) Donations	1.343,00
e) Other donations (see note 9)	7.452,80
f) Income from services to staff	3.848,41
g) Extraordinary income	785,27
h) Other financial income	181,83
TOTAL	2.312.825,35

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2.- Expenditure

NOVACT has not incurred any expenses in the administration of the Association's assets or derived from the functioning of the governing body.

The heading "Staff costs" includes the following items:

Wages and salaries	558.478,45
Social Security payable by the company	175.075,71
Other social expenditure	2.887,00
	736.441,16

15. Transactions with related parties.

NOVACT does not carry out transactions with related parties at a different value from those carried out with third parties. All transactions carried out by NOVACT are in the ordinary course of business and are conducted on an arm's length basis.

To inform you that during the financial year 2020, NOVACT has provided services to the investee company Delibera, Serveis de Participació Interactiva, S.L. for an amount of 17,735.46 euros for support and advice in the design and promotion of international communication strategies, with a balance of 2,200.00 euros pending collection as of 31 December 2020.

The Association did not receive any services from the investee Delibera, Serveis de Participació Interactiva, S.L. during the 2020 financial year.

The members of the Board of Directors are free of charge and there are no pension or insurance premium obligations for current or former members of the Board.

Neither do they exist at the end of the financial year 2020, nor have any grants or credits been granted during the financial year to senior management staff or members of the Board of Directors, nor have any obligations have been assumed on their behalf in the form of guarantees.

16. Other information.

The number of employees during the year is detailed below:

	2020	2019
Regular staff	9,72	11,08
Temporary staff	11,52	12,54
Total	21,25	23,62

Remuneration of the members of the Board of Directors:

The members of the Board of Directors have not received any remuneration for their management positions.

The remuneration of the directors - who do not form part of the Board of Directors - was as follows:

- Luca Gervasoni Vila: 29.205,65 €.

17. Subsequent events.

There are no subsequent events additional to those mentioned above that affect the financial and equity situation of the Entity.

Barcelona, 31 March 2021.