

NOVACT ASSOCIATION

**Simplified Financial Statements
at 31 December 2022 and Auditor's Report**

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NOVACT ASSOCIATION

Audit report 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 the NOVACT ASSOCIATION Board of Directors by order of the members of the same:

Opinion

We have audited the accompanying annual accounts of NOVACT ASSOCIATION (hereinafter, the Association) which comprise the balance sheet as of December 31, 2022, 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 ASSOCIATION as of December 31, 2022, 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 the Spanish 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 Association in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the annual accounts in Spain in accordance with the regulations governing the auditing of accounts. In this respect, we have not provided services other than auditing of accounts nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned regulations, have affected the necessary independence in such a way that it has been compromised.

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 as risks of material misstatement in our audit of the financial statements of the current period.



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These risks 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.

Risk related to the subsidies received

As indicated in note 14.1 of the attached report, the Association's income is mainly composed of services rendered through contracts and agreements with private and public entities for an amount of 264,696.12 euros, as well as income linked to subsidies for an amount of 2,433,577.21 euros, the latter amount representing 89.83% of the income from the Association's activities. Due to the importance of the correct recording of income, as well as compliance with the conditions of the subsidies, this area has been the one where the audit has concentrated most of its efforts.

Our response

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

- Obtaining the documentation of the subsidy awards from the different public entities and checking the documentation of the justification of these subsidies and the fulfilment of their conditions, as well as if there were any subsequent requirement regarding them.
- Circularisation of a sample of the public entities about outstanding balances, subsidies granted and existing revocations.
- For the review of the continuity of projects, we analysed their historical background. We read the minutes of the Board of Directors meetings and Management meetings to analyse the continuity of projects, as well as review subsequent events.
- We have verified the correct disclosure in the financial statements of the information described above.

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

The members of the Board of Directors of the Association are responsible for the formulation of the accompanying financial statements so that they give a true and fair view of the Association's assets, financial position and results of operations in accordance with the financial reporting framework applicable to the Association in Spain, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

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In preparing the financial statements, the members of the Association's Board of Directors are responsible for the assessment of the Association's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting, except if the members of the Board of Directors intend to liquidate the Association or cease operations, or if there is no other realistic alternative.

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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 degree 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. Material 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 the financial statements.

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 Association'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 Board members' use of the going concern basis of accounting and, based on the audit evidence obtained, conclude on 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.



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Audit report of the simplified annual accounts 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 audit report to the related disclosures in the financial statements or, if those disclosures are inadequate, to express a modified 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 be 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 the 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, 5th July 2023.

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)

NOELIA ACOSTA SÁNCHEZ R.O.A.C. 20.811)
Partner and Chartered Auditor

Balance

Financial Year 2022

ACCOUNTS	ASSETS	NOTES ON THE MEMORY	(Debit) Credit	
			YEAR 2022	YEAR 2021
	A) NON CURRENT ASSETS		106.481,67	126.839,95
20, (280), (290)	I. Intangible assets	5	30.497,32	23.222,67
21, (281), (2910), (2911), (2912), (2913), (2914), (2915), (2916), (2917), (2918)	II. Property, plan and equipment	5	30.587,05	33.848,05
2403, 2404, 2413, 2414, 2423, 2424, (2493), (2494), (2933), (2934), (2943), (2944), (2953), (2954)	V. Long-term investments in group entities	9	-	36.796,93
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	45.397,30	32.972,30
	B) CURRENT ASSETS		4.425.536,89	3.066.892,61
	II. Users, sponsors and activity debtors and other receivable accounts	9	1.852.155,14	712.918,45
440, 441, 442, (447)	1. Receivables from sales and services	9	9.733,87	27.107,09
443, (4933), (4934), (4935)	2. Other liabilities with group companies and associates	9	-	4.686,81
445, 446, 449, (490)	4. Other debtors	9	3.209,02	3.209,05
460, 464, 544	5. Personnel	9	2.940,22	550,76
4700, 4707, 4708, 4709, 471, 472, 473	6. Current tax assets and other receivables from public authorities	13	1.836.272,03	677.364,74
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	100,00	-
570, 572, 574, 576	VI. Cash and other cash equivalents	9	2.573.281,75	2.353.974,16
	TOTAL ASSETS (A+B)		4.532.018,56	3.193.732,56

Balance

Financial year 2022

ACCOUNTS	EQUITY AND LIABILITIES	NOTES ON THE MEMORY	(Debit) Credit	
			YEAR 2022	YEAR 2021
	A) EQUITY		33.622,31	55.503,91
	A-1) Capital	11	33.622,31	19.741,74
120, 121	III. Prior periods profit and loss	11	19.741,74	13.901,28
129	V. Reserve profit and loss	3	13.880,57	5.840,46
	A-2) Grants, donations and bequests received	11	-	35.762,17
131	2. Donations and capital bequests I		-	35.762,17
	B) NON CURRENT LIABILITIES		2.328.944,58	1.653.897,96
	II. Long-term liabilities		2.328.944,58	1.653.897,96
1615, 1625, 1635, 171, 172, 173, 174, 175, 176, 180, 185, 189	2. Other long-term liabilities	12	2.328.944,58	1.653.897,96
	C) CURRENT LIABILITIES		2.169.451,67	1.484.330,69
	II. Short-term liabilities	10	3.485,78	4.314,69
5105, 520, 527	1. Debts with financial institutions	10	2.123,55	3.874,69
5115, 5135, 5146, 521, 522, 523, 525, 528, 551, 554, 5525, 555, 5565, 5566, 560, 561, 569	2. Other short-term liabilities	10	1.362,23	440,00
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	10 i 15	359.243,98	156.112,19
	IV. Trade and other payables	10	1.806.721,91	1.323.903,81
41	2. Other payables	10	1.745.159,95	1.273.687,40
465, 466	3. Personnel (unpaid salaries)	10	-	16,39
475, 476, 477	4. Current tax liabilities and other payables to public administrations	13	61.561,96	50.200,02
	TOTAL EQUITY AND LIABILITIES (A+B+C)		4.532.018,56	3.193.732,56

ANNUAL REPORT FOR THE FINANCIAL YEAR 2022

Profits and Losses

Financial year 2022

ACCOUNTS		NOTES ON THE MEMORY	(Debit) Credit	
			YEAR 2022	YEAR 2021
	1. Continuing operations	14	2.708.831,20	2.242.268,81
700,705,(706), (708),(709)	a) Sales and services		275.253,99	241.629,26
724,727,728,(658)	d) Grants, donations and other incomes	12	2.433.577,21	2.000.639,55
(600), (601), (602), 606, (607, 608, 609, 61*, (6931), (6932), (6933), 7931, 7932, 7933	5. Purchases		-	-6.254,94
	6. Other income	14	1.874,60	1.847,56
752	a) Income from lease agreements			
751, 753, 754, 755, 759	b) Other additional incomes and other current management income		1.874,60	1.847,56
(64)	7. Personnel expenses	14	-983.111,26	-837.471,56
	8. Other operating expenses		-1.723.437,96	-1.386.952,27
	a) External services		-1.683.690,26	-1.366.558,08
(621)	a.2) Leases and royalties		-30.776,18	-27.409,67
(622)	a.3) Repairs and maintenance		-6.445,95	-18.041,14
(623)	a.4) Independent professional services		-356.422,08	-276.126,79
(624)	a.5) Transports		-65.131,89	-24.973,27
(625)	a.6) Insurance premiums		-10.081,36	-8.622,74
(626)	a.7) Banking services		-8.232,45	-4.663,23
(627)	a.8) Advertising, publicity and public relations		-31.656,10	-36.618,15
(628)	a.9) Utilities		-13.166,64	-17.105,42
(629)	a.10) Ather services		-1.161.777,51	-952.997,67
(631), (634), 636, 639	b) Taxes		-0,10	-2.083,18
(655), (694), (695), 794, 7954	c) Losses, impairment and changes in provisions for operations activities		-	-
(656), (659)	d) Other operating losses		-39.747,60	-18.311,01
(68)	9. AMORTISATION	5	-14.863,57	-15.378,64
725, 726	10. Grants, donations and bequests transferred to profits and losses	11 i 14	47.314,69	-
(678), 778	13. Excepcional income	14	-	6.748,17

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	I) RESULTS FROM OPERATING ACTIVITIES (1+2+3+4+5+6+7+8+9+10+11+12+13)		36.607,70	4.807,13
760, 761, 762, 769	14. Finance income	14	100,07	-
(660), (662), (665), (669)	15. Finance expenses		-63,00	-
(668), 768	17. Exchange gains/losses		-0,04	-1,43
	18. Impairment and gains/(losses) on disposal of financial instruments	9	-22.764,26	1.034,76
(696), (697), (698), (699), 796, 797, 798, 799	a) Impairment and losses		-	1.034,76
(666), (667), (673), 766, 773	b) Gains/(losses) on disposal and other		-22.764,26	-
	II) NET FINANCE INCOME (14+15+16+17+18)		-22.727,23	1.033,33
	III) PROFIT/LOSS BEFORE INCOME TAX (I+II)		13.880,47	5.840,46
(6300)*, 6301, (633), 638	19. Income tax	13	-	-
	IV) PROFIT/LOSS FOR THE PERIOD (III+19)		13.880,47	5.840,46

NOVACT

ANNUAL REPORT FOR THE FINANCIAL YEAR 2022

1. Activity of the Novact Association.

1.- The NOVACT Association, (from now on the Association or the Entity), 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.- The Association 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 Organic Law 1/2002 of 22 March, regulating the right to association and its statutes.

3.- The Association expressly excludes any profit motive and its main objectives, in synthesis, 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 transnational 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 complex, 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 the Association in the financial year 2022 have been allocated to the application of its foundational purposes.

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

2. Bases for presenting the annual accounts:

1.- Faithful representation:

The annual accounts have been prepared from the Association's accounting records. They are presented following current legislation and with the rules and principles established in Decree 125/2010, of 14 September, amending 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 the true image of the assets, the financial situation and the results of the operations and the changes in the 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 comparative purposes, with each of the budget items of the balance sheet, the income statement, and the annual report, in addition to the figures for the 2022 financial year, those corresponding to the previous financial year, which formed part of the annual accounts for the 2021 financial year 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 grouped under different headings.

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 the financial year 2022 as well as those for the financial year 2021 are applied as follows:

	2022	2021
<u>Surplus sharing basis</u>		
Surplus for the year	13.880,57	5.840,46
<u>Application to</u>		
Carry-over		
Surpluses from previous financial years	13.880,57	5.840,46
Surpluses pending application in statutory activities		
<u>Total</u>	<u>13.880,57</u>	<u>5.840,46</u>

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

assets and the criteria for recording or recognition for accounting purposes contained in the conceptual framework of accounting.

Moreover, they meet the criterion of identifiability, since they are separable elements arising from legal or contractual rights regardless of whether such 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 according to the useful life of the intangible assets, computer applications, are set at 5 years and their residual value, considering the depreciation normally suffered by their operation, use and enjoyment, without prejudice to considering also the technical or commercial obsolescence that may affect them.

The book value of the Entity's intangible fixed assets is reviewed at the date of the balance sheet closure to determine whether there is any indication of impairment. In the event of impairment, the recoverable amount of the affected assets is calculated.

The recoverable amount is the higher of the net selling price or the value in use of the asset. To determine the value in use, the expected cash flows are discounted to present value using the pre-tax discount rate that reflects current market estimates of the time value of money and the specific risks associated with the asset. For those assets that do not generate independent cash flows, the recoverable amount is determined by the cash-generating units to which the valued assets belong.

There were no goodwill or other intangible assets with an indefinite useful life in the company's balance sheets.

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.

At the end of the year, the Association 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 Registrations are amortised from the moment they come into operation.

3.- Leases:

Leases are classified as financial assets 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 2022 and 2021, the Association 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 will be the transaction price in the event of evidence to the contrary. 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.

Impairment is considered to exist when there are reasonable doubts about the recoverability in amounts and maturities. 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.

Balances with public administrations are not considered financial assets, following the indications of the consultation published in the Boicac 87 dated September 2011.

5.- Taxes on profits:

The Association 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 tax periods 2022 and 2021.

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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 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.

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5. Tangible and intangible fixed assets.

The movements recorded during the 2022 financial year in the tangible and intangible fixed assets accounts are detailed in the following table:

COST	Balance 01.01.22	Inflow/ allocations	Euros Outflow / reductions	Reclassified	Balance 31.12.22
Industrial property	-	-	-	38.404,00	38.404,00
Computer applications	42.055,67	-	-	2.740,00	44.795,67
Other installations	32.771,72	3.466,78	-	-	36.238,50
Furniture	11.833,78	1.008,64	-	-	11.833,78
Information processing equipment	29.337,16	-	-	-	30.345,80
Other tangible fixed assets	2.796,95	-	-	-	2.796,95
Total	118.795,28	4.475,42	-	41.144,00	164.414,70
ACCUMULATED AMORTISATION					
Industrial property	-	-	-	25.235,20	25.235,20
Computer applications	18.833,00	7.127,15	-	1.507,00	27.467,15
Other installations	14.954,00	3.495,78	-	-	18.449,78
Furniture	4.866,58	1.281,00	-	-	6.147,58
Equipment for information processing and other fixed assets.	23.070,98	2.959,64	-	-	26.030,62
Total	61.724,56	14.863,57	-	26.742,20	103.330,33

As reclassifications this year, the Association has included in the attached balance sheet the liquidation balance of the company Delibera Serveis de Participació Interactiva, S.L., from the deed of dissolution and liquidation dated 14 July 2022, which corresponds to the brand and computer applications for a total net amount of 14,401.80 euros (see note 9).

The movements recorded during the 2021 financial year in the tangible and intangible fixed assets accounts are detailed in the following table:

COST	Balance 01.01.21	Inflow/ allocations	Euros Outflow / reductions	Reclassified	Balance 31.12.21
Computer applications	37.240,49	4.815,18	-	-	42.055,67
Other installations	32.771,72	-	-	-	32.771,72
Furniture	11.833,78	-	-	-	11.833,78
Information processing equipment	26.925,16	2.412,00	-	-	29.337,16
Other tangible fixed assets	2.796,95	-	-	-	2.796,95
Total	111.568,10	7.227,18	-	-	118.795,28

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ACCUMULATED AMORTISATION					
Computer applications	11.716,19	7.116,81	-	-	18.833,00
Other installations	11.631,00	3.323,00	-	-	14.954,00
Furniture	3.585,58	1.281,00	-	-	4.866,58
Equipment for information processing and other fixed assets.	19.413,15	3.657,83	-	-	23.070,98
Total	46.345,92	15.378,64	-	-	61.724,56

Fully depreciated intangible and tangible fixed assets

As of 31 December 2022, the Entity has fully amortised intangible and tangible fixed assets, which are still in use, amounting to 6,419.91 euros and 17,789.35 euros, respectively.

As of 31 December 2021, the Entity has fully amortised intangible and tangible fixed assets and is still in use for 6,419.91 euros and 14,752.14 euros, respectively.

Insurance

The Association has contracted an insurance policy to cover the risks to which the different elements of the tangible fixed assets are subject. The coverage of this policy is considered sufficient.

6. Real estate investments.

In the financial years 2022 and 2021, the Association has no real estate investments.

7. Cultural heritage assets

In the financial years 2022 and 2021, the Association does not have assets that are part of the cultural heritage.

8. Leases and other similar operations.

In the financial years 2022 and 2021, the Association has not entered any financial leases or transactions of a similar nature.

The operating account includes expenses on 31 December 2022 and 2021 of 22,677.06 euros and 20,429.19 euros respectively, for the operating lease corresponding to the property located at Carrer 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 in 2022 and 2021 amounted to 1,562.00 euros and 2,915.70 euros, respectively, in the 2022 and 2021 financial years.

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9. Financial assets.

The book value of each of the categories of financial assets in compliance with recording and valuation standards, except for investments in group and associated companies and balances with public administrations (see note 13), is shown in the following classification table, according to their nature and function:

Long-term financial assets	CLASSES							
	Equity Instruments		Representative values of debt		Credits, derivatives, and others		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
Assets at fair value with changes in losses and gains	1.200,00	1.200,00					1.200,00	1.200,00
Financial assets at cost					44.197,30	31.772,30	44.197,30	31.772,30
TOTAL	1.200,00	1.200,00			44.197,30	31.772,30	45.397,30	32.972,30

Long-term financial assets on 31 December 2022 and 2021 are included under the heading of long-term financial investments.

Short-term financial assets	CLASSES							
	Equity instruments		Representative values of debt		Credits, derivatives, and others		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
Financial assets at cost					2.589.264,86	2.389.527,87	2.589.264,86	2.389.527,87
TOTAL					2.589.264,86	2.389.527,87	2.589.264,86	2.389.527,87

Short-term financial assets on 31 December 2022 and 2021 comprise the headings “users, sponsors and debtors” of assets and other receivables, short-term financial investments and cash and cash equivalents.

Details of the maturities of financial assets for both 2022 and 2021 (ended 31st December) are as follows:

Items	Maturities Year 2022							TOTAL
	2023	2024	2025	2026	2027	2027 onwards		
Equity instruments						1.200,00	1.200,00	
Bonds and deposits posted	100,00	4.500,00	19.012,16	12.490,00		8.195,14	44.297,30	
Users and debtors of services provided	9.733,87						9.733,87	
Debtors, group entities, associates, and other related parties								
Other debtors	3.209,02						3.209,02	
Staff	2.940,22						2.940,22	
Treasury	2.573.281,75						2.573.281,75	
	2.589.264,86	4.500,00	19.012,16	12.490,00		9.395,14	2.634.662,16	

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Items	Maturities Year 2021						TOTAL
	2022	2023	2024	2025	2026	2026 onwards	
Equity instruments						1.200,00	1.200,00
Bonds and deposits posted		4.500,00		19.012,16		8.260,14	31.772,30
Users and debtors of services provided	27.107,09						27.107,09
Debtors, group entities, associates, and other related parties	4.686,81						4.686,81
Other debtors	3.209,05						3.209,05
Staff	550,76						550,76
Treasury	2.353.974,16						2.353.974,16
	2.389.527,87	4.500,00		19.012,16		9.460,14	2.422.500,17

The movement in financial assets for the years 2022 and 2021 (ended 31st December) is as follows:

	Euros				
	Balances 1.01.22	Increases	Decreases	reclassified	Balances 31.12.22
Equity instruments	1.200,00	-	-	-	1.200,00
Bonds and deposits posted	31.772,30	12.590,00	65,00	-	44.297,30
Users and service providers	35.553,71	15.883,11	35.553,71	-	15.883,11
Treasury	2.353.974,16	5.414.573,71	5.195.266,12	-	2.573.281,75
	2.422.500,17	5.443.046,82	5.230.884,83	-	2.634.662,16

	Euros				
	Balances 1.01.21	Increases	Decreases	reclassified	Balances 31.12.21
Equity instruments	1.200,00	-	-	-	1.200,00
Bonds and deposits posted	8.195,14	23.577,16	-	-	31.772,30
Other financial assets	1.596,26	-	1.596,26	-	-
Users and service providers	33.772,87	35.553,71	33.772,87	-	35.553,71
Treasury	1.550.896,28	2.343.563,28	1.550.896,28	10.410,88	2.353.974,16
	1.595.660,55	2.402.694,15	1.586.265,41	10.410,88	2.422.500,17

The amount of the reclassification corresponds to the integration of the final liquidation balance sheet of the participating company Delibera Serveis de Participació Interactiva, S.L. of the treasury item for an amount of 10,410.88 euros (see note 9).

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Equity instruments

The movement in this section in 2022 and 2021 is as follows:

	Balances 1.01.21	Registratio ns	Balances 31.12.21	Registrati ons	Balances 31.12.22
Avalis Catalunya SGR	200,00	-	200,00	-	200,00
REC Cooperative	1.000,00	-	1.000,00	-	1.000,00
	<u>1.200,00</u>	<u>-</u>	<u>1.200,00</u>	<u>-</u>	<u>1.200,00</u>

Avalis Catalunya SGR

This amount recorded by the Association corresponds to the fee for becoming a member of the entity Avalis Catalunya SGR, for the subscription in previous years of a guarantee linked to the "B-MINCOME" project, this guarantee will expire on 30 June 2020 and the Association will maintain the membership fee.

REC Cooperative

This amount corresponds to the membership fee for this cooperative. During the financial years 2022 and 2021, this cooperative has remained inactive. The Association's management will take steps during the 2023 financial year to request the return of the amount, in the hope of recovering the totality of the balance invested.

Bonds and deposits posted.

In this section of its financial assets, NOVACT registers the bonds linked to the rental contracts of its registered office and its headquarters abroad, as well as the deposits given as a guarantee for the performance of the services contracted by different municipalities.

Long-term investments in group and associated companies.

The Association acquired 860 shares in the company Delibera Serveis de Participació Interactiva, S.L. by donation from the previous owners on 22 December 2017 (595 shares) and 18 April 2018 (265 shares), becoming the majority shareholder with more than 50% of the company's shares, with its shareholding standing at 76.11% on 31 December 2021.

These shares were valued at the time of acquisition at 35,057.40 euros for those acquired in 2017 and 15,613.80 euros for those acquired in 2018. However, valuation adjustments were made to these shares in 2017, 2018, 2019 and 2020, accumulating an impairment on 31 December 2020 amounting to 14,909.03 euros.

In the 2021 financial year, a part of this impairment was reversed, specifically 1,034.76 euros, accumulating an impairment of 13,874.27 euros.

On 18 May 2022, the Association became the sole shareholder of the company and received the remaining 270 shares as a donation. These shares were valued at a total amount of 11,552.52 euros. The net value of the investment was 48,349.95 euros.

On 14 July 2022, the company Delibera Serveis de Participació Interactiva, S.L. was dissolved, approving the following final liquidation balance sheet:

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Industrial property (brand)	13.168,80	Social capital	113.000,00
Computer applications	1.233,00	Legal reserve	1.764,73
HP VAT Receivable	772,51	Voluntary reserve	19.642,89
Treasury	10.410,88	Results of previous years	-100.265,82
		Result of the exercise	-8.556,61
Total assets	25.585,19	Total net assets and liabilities	25.585,19

Because of this dissolution, the Association has recognised a loss of 22,764.26 euros, recorded under the heading "Deterioration and results from alienation of financial instruments" in the attached income statement, as well as recognising as income the donation of capital amounting to 47.47,314.69 euros, recorded under the heading "Grants, donations and receipts transferred to income" of the attached income and expenditure account.

10. Financial liabilities.

Details of the categories and classes of financial liabilities are in the accompanying balance sheet for 31 December 2022 and 2021, except long-term liabilities convertible into grants, donations and receipts (see note 12), as well as balances with public administrations (see note 13).

Short-term financial liabilities	CLASSES							
	Bonds and other negotiables				Derivatives & others		TOTAL	
	Debts to credit institutions							
	2022	2021	2022	2021	2022	2021	2022	2021
Financial liabilities at amortised cost or at cost	2.123,55	3.874,69			2.015.766,16	1.430.255,98	2.017.889,71	1.434.130,67
TOTAL	2.123,55	3.874,69			2.015.766,16	1.430.255,98	2.017.889,71	1.434.130,67

The financial liabilities on 31 December 2022 and 2021 include short-term liabilities, short-term liabilities with the group and associated companies and receivables from assets and other payables, except for balances with public administrations.

A detail of the maturities of the financial liabilities, both in the financial year ending on 31 December 2022 and 2021, is short-term, with a maturity in 2023.

Debts to credit institutions:

Under this heading the Association records the debt of the credit cards on 31 December 2022 and 2021 with a global limit of 7,300.00 euros and a credit limit of 100,000.00 euros which was available on 31 December 2022 and 2021 in a null amount in the two financial years.

11. Net worth.

The movements recorded in the 2022 financial year are summarised below:

	Euros					
	Balance 1.01.22	Application of surplus for the year 2021	Increases	Decreases (see note 14.1)	Profit/ loss for the year 2022	Balance 31.12.22
Carry-over	13.901,28	5.840,46	-	-	-	19.741,74
Results (-) of previous years	-	-	-	-	-	-
Results of the financial year	5.840,46	-5.840,46	-	-	13.880,57	13.880,57
Grants/Donations	35.762,17	-	11.552,52	-47.314,69	-	-
	55.503,91	-	11.552,52	-47.314,69	13.880,57	33.622,31

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In the 2021 financial year, the movements that were recorded were as follows:

	Euros				
	Balance 1.01.21	Application of surplus for the year 2020	Increases/ Decreases	Profit/ loss for the year 2021	Balance 31.12.21
Carry-over	19.146,40	-5.245,12	-	-	13.901,28
Results (-) of previous years	-	-	-	-	-
Results of the financial year	-5.245,12	5.245,12	-	5.840,46	5.840,46
Grants/Donations	35.762,17	-	-	-	35.762,17
	49.663,45	-	-	5.840,46	55.503,91

Capital grants and donations:

In this section of the net assets, the Association recorded the amount of the donations in the form of shares of the company Delibera Serveis de Participació Interactiva, S.L. that it received in 2017, 2018 and the current year (see note 9). As a result of its liquidation, the Association has recognised the amount of 47,314.69 euros in the attached income statement, under the heading "Grants, donations and legacies transferred to income".

12. Other long-term debts

In this section of the attached balance sheet, the Association records those grants of a repayable nature that are pending to be allocated to the income and expenditure account.

Grants are recorded as income for the financial year as the costs of each project are incorporated.

Details of the movement in this heading in the years ended 31 December 2022 and 2021 are as follows:

	Euros				
	Balance 1.01.22	Registrations/ Concessions	Divestitures/ allocation of results	Returns/ Counterpart payments	Balance 31.12.22
Long-term liabilities convertible into grants, donations, and legacies	1.653.897,96	3.759.777,66	-2.433.577,21	-651.153,83	2.328.944,58
	1.653.897,96	3.759.777,66	-2.433.577,21	-651.153,83	2.328.944,58
	1.653.897,96	3.106.538,62	-2.000.639,55	-1.754.059,79	1.653.897,96
Long-term liabilities are convertible into grants, donations, and legacies.	2.302.058,68	3.106.538,62	-2.000.639,55	-1.754.059,79	1.653.897,96
	2.302.058,68	3.106.538,62	-2.000.639,55	-1.754.059,79	1.653.897,96

All these Grants have been applied for, granted, and allocated to the achievement of the Association's objectives.

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Of the total Grants that the Association has received in the financial years 2022 and 2021, it has transferred an amount of 2,433,577.21 euros and 2,000,639.55 euros, respectively, in the "Grants, donations and other income" under the heading "Income from activities", the details of which are as follows:

ENTITY	Euros
ACCD Agència Catalana de Cooperació al Desenvolupament (Catalan Agency for Development Cooperation)	599.639,63
Spanish Agency for Development Cooperation	441.064,99
European Commission -EuropeAid	379.792,82
Ministry of Social Affairs	324.530,99
Barcelona City Council	221.326,07
Institut de Cultura de Barcelona	196.393,37
Open Society Foundation	74.760,86
People's Welfare Association	70.961,56
AEXCID- Extremadura Development Cooperation Agency	67.663,74
Generalitat de Catalunya	46.215,36
Diputació de Barcelona	5.346,21
Ministry of Foreign Affairs	4.688,88
Institut Català Internacional per la Pau	1.192,73
TOTAL YEAR 2022	2.433.577,21

ENTITY	Euros
ACCD Agència Catalana de Cooperació al Desenvolupament (Catalan Agency for Development Cooperation)	630.794,35
Spanish Agency for Development Cooperation	512.464,17
European Commission -EuropeAid	272.117,15
AEXCID- Extremadura Development Cooperation Agency	209.648,15
Barcelona City Council	188.823,68
Open Society Foundation	103.255,64
Institut de Cultura de Barcelona	40.257,93
Diputació de Barcelona	14.977,60
People's Welfare Association	7.891,04
Generalitat de Catalunya	7.654,72
United Community Fund	5.170,00
Cáceres Provincial Council	5.000,00
Ministry of Foreign Affairs	2.585,12
TOTAL YEAR 2021	2.000.639,55

Grants are recorded as income for the financial year as the costs of each project are incorporated.

In the financial years 2022 and 2021 there have been reversals amounting to 39,747.60 euros and 18,311.01 euros, with the expense being recorded under the heading "Other current management expenses" in the "Other operating expenses" section of the accompanying income and expenditure account.

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On 31 December 2022 and 2021, the balance pending allocation of the Grants, donations and receipts received amounts to 2,328,944.58 euros and 1,653,897.96 euros, respectively.

13. Fiscal situation.

The Association 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 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 four-year statute of limitations period has elapsed. As of 31 December 2022, the Association is open to inspection for all applicable taxes and social security contributions for all years that have not yet expired.

The composition of the balances of the Public Administration accounts on 31 December 2022 and 2021 is as follows:

	Euros Balances	
	Debtors	Creditors
a) Public Treasury:		
• Corporate Tax		
• V.A.T.	772,51	11.519,81
• Withholdings (IRPF)		28.465,02
• Author for Grants received	1.835.499,52	
• Author for Grants received		41,88
b) Social security:		
• Contributions December 2022		21.535,25
	1.836.272,03	61.561,96

	Balances	
	Debtors	Creditors
a) Public Treasury:		
• Corporate Tax		
• V.A.T.		4.430,15
• Withholdings (IRPF)		24.641,35
• Author for Grants received	677.364,74	
• Author for Grants received		41,88
b) Social security:		
• Contributions from December 2021		21.086,64
	677,364.74	50,200.02

The Association is covered by Law 49/2002 and, consequently, in the financial years ending on 31 December 2022 and 2021, the income obtained comes from non-profit activities and the expenses are deductible, with no corporate income tax payable for these years.

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14. Income and expenditure.

1.- Income

The Association's income obtained in 2022 and 2021 amounted to 2,758,120.56 euros and 2,252,096.09 euros, distributed as follows:

	Euros
a) Sale of merchandises	8.047,87
b) Quotes from members	2.510,00
c) Provision of services	264.696,12
d) Grants (see note 12)	2.433.577,21
e) Income from services to staff	1.874,60
f) Financial income	100,07
g) Capital Grants transferred to profit or loss (see note 9)	47.314,69
TOTAL YEAR 2022	2.758.120,56

	Euros
a) Sale of merchandises	13.250,55
b) Quotes from members	2.990,48
c) Provision of services	225.388,23
d) Grants (see note 12)	2.000.639,55
e) Income from services to staff	1.874,56
f) Exceptional income	6.934,96
g) Reversal of impairment losses on financial instruments (see note 9)	1.034,76
TOTAL YEAR 2021	2.252.086,09

2.- Expenditure

In the financial years 2022 and 2021 the Association did not incur any expenses for the administration of the Entity's assets or derived from the functioning of the governing body.

The item "Staff costs" for the financial years 2022 and 2021 includes the following items:

	Euros
Wages and salaries	737.390,48
Compensations	11.122,61
Social Security payable by the company	232.883,17
Other social expenditure	1.715,00
Total Year 2022	983.111,26

	Euros
Wages and salaries	635.214,08
Compensations	-
Social Security payable by the company	201.782,48
Other social expenditure	475,00
Total Year 2021	837.471,56

Under the heading " Other social security expenses" no amount corresponding to contributions and endowments for pensions is included.

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15. Transactions with related parties.

The Association does not carry out transactions with related parties at a different value from those carried out with third parties. All transactions are carried out in the ordinary course of business and are carried out under market conditions.

The debit and credit balances with related parties in the years ended 31 December 2022 and 2021 are as follows:

	Current assets 2022	2021	Current liabilities 2022	2021
Group:				
Delibera, Serveis de Participació Interactiva, S.L.	-	4.686,81	-	-
Other related parties:				
Novact Tunisia	-	-	309.731,19	45.507,81
Novact Jordan	-	-	47.285,39	90.311,41
Novact Palestine	-	-	2.227,40	20.292,97
	-	4.686,81	359.243,98	156.112,19

The link with the other related parties is the coincidence of the governing body, the debt that is generated is because they participate in different conceived Grants.

The transactions carried out with related parties in the years ended 31 December 2022 and 2021 are as follows:

	Income 2022	2021	Expenditure 2022	2021
Group:				
Delibera, Serveis de Participació Interactiva, S.L.	3.100,00	11.071,50	-	15.758,31
Other related parties:				
Novact Tunisia			38.063,33	50.927,66
Novact Jordan			38.504,27	16.453,43
Novact Palestine			3.472,96	22.885,87
	3.100,00	11.071,50	80.040,56	106.025,27

In the 2022 and 2021 financial years, the Association has provided services to the investee company Delibera Serveis de Participació Interactiva, S.L. for 3,100.00 euros and 11,071.50 euros, respectively, for support and advice in the design and promotion of international communication strategies.

In the 2022 and 2021 financial years, the Association has received consultancy services from the investee for an amount of nil and 15,758.31 euros, respectively.

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16. Other information.

The number of employees in the 2022 and 2021 financial years is detailed below:

	2022	2021
Regular staff	23,93	12,55
Temporary staff	3,08	12,05
Total	27,01	24,60

Remuneration of the members of the Board of Directors

In the financial years 2022 and 2021, the members of the Board of Directors have not received any remuneration for their management positions.

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 years 2022 and 2021, nor have any loans or credits been granted during the financial years 2022 and 2021 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.

The remuneration of senior management in 2022 and 2021 amounts to 117,046.40 euros and 30,640.03 euros, respectively.

17. Subsequent events.

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

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The Board of Directors of the NOVACT ASSOCIATION, on 31 March 2023 and in compliance with current legislation, formulated these abridged annual accounts for the financial year from 1 January 2022 to 31 December 2022, which are made up of:

- Balance sheets abbreviated to 31 December 2022 and 2021.
- Abridged income statement for the years ended 31 December 2022 and 2021.
- Abridged report for the financial year 2022.

Ms. Simonetta Costanzo
(President)

Mr. Jordi Palau Loverdos
(Secretary)