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BARCELONA CITY COUNCIL

Auditor's report on
annual accounts as at December 31, 2013

This version of our report on the annual accounts is a free translation of the original, which was issued in Catalan and prepared in accordance with generally accepted accounting principles for governmental entities in Spain. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

AUDITOR'S REPORT ON ANNUAL ACCOUNTS

To the Mayor-President of
the Barcelona City Council,

We have audited the annual accounts of the Barcelona City Council, consisting of the balance sheet as of December 31, 2013, the statement revenues and expenses, the budget reconciliation statement and the related notes to the annual accounts for the year then ended. The Corporation's Directors are responsible for the preparation of these annual accounts in accordance with the financial reporting framework applicable to the Entity (as identified in Note 1.1.a to the accompanying annual accounts), and in particular, with the accounting principles and criteria included therein. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on the work performed in accordance with legislation governing the audit practice in Spain, which requires the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of whether their overall presentation, the accounting principles and criteria applied and the estimates made are in accordance with the applicable financial reporting framework.

In our opinion, the accompanying annual accounts for 2013 present fairly, in all material respects, the net worth and financial position of the Barcelona City Council as of December 31, 2013 and the results of its operations as reflected in the statement of revenues and expenses and budget reconciliation statement referred to above, and its source and application of funds for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

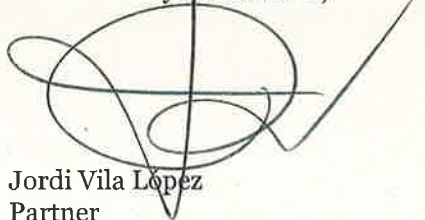
PricewaterhouseCoopers Auditores, S.L.



Sandra Deltell
Partner

April 30, 2014

Gabinete Técnico
de Auditoría y Consultoría, S.A.



Jordi Vila López
Partner

City of Barcelona

2013 Annual accounts (along with the auditors' report)

City of Barcelona

Balance sheet as of December 31, 2013 and 2012

(thousands of euros)

Assets	Note	As of December 31, 2013	As of December 31, 2012
Fixed Assets		7,592,897	7,710,560
Intangible fixed assets	3	31,507	25,044
Tangible fixed assets	3	7,876,656	7,378,805
Public land assets	3	517,732	488,647
Tangible fixed assets assigned to municipal agencies and third parties	3 & 9	(616,221)	(590,359)
Fixed assets pending classification and in progress	3	630,237	1,146,744
Investments in infrastructures and assets for public use	3	7,489,008	7,169,286
Investments assigned for public use	3 & 9	(7,489,008)	(7,169,286)
Accumulated depreciation	3	(1,043,427)	(949,593)
Long-term financial investment	4	186,577	202,239
Long-term off-budget receivables	5	9,836	9,033
Deferred expenses	6	637	709
Current assets		952,322	812,876
On budget receivables	7.1	880,689	833,549
Allowance for bad debt	7.1	(507,638)	(451,116)
		373,051	382,433
Other off-budget receivables	7.2	58,789	46,355
Public administrations receivables	15	1,343	2,691
Short-term financial investment	8	50,000	15,200
Cash	8	469,139	366,197
TOTAL ASSETS		8,545,856	8,524,145

Notes 1 to 21 of the attached report form an integral part of the balance sheet as of December 31, 2013.

City of Barcelona

Balance sheet as of December 31, 2013 and 2012

(thousands of euros)

Liabilities		As of December 31, 2013	As of December 31, 2012
	Note		
Equity	9	5,821,195	5,726,736
City of Barcelona equity		7,780,415	7,740,096
Property assigned to municipal agencies and third parties		(616,221)	(590,359)
Property delivered for public use		(7,489,008)	(7,169,286)
Property assigned by municipal agencies and third parties		35,728	35,728
Results of previous fiscal years		5,710,557	5,416,115
Results of fiscal year		399,724	294,442
Deferred income		657,624	695,771
Capital transfers and other capital income	10	556,046	594,366
Other deferred income	11	101,578	101,405
Provisions for contingencies and expenses	12	107,034	76,188
Long-term liabilities		1,269,975	1,393,058
Long-term loans and debentures	13	971,680	1,061,376
Long-term guarantees and deposits		28,335	28,423
Other long-term payables	14	269,960	303,259
Short-term liabilities		690,028	632,392
Short-term payables for loans and debentures	13	129,696	103,725
On-budget payables		398,715	389,409
Public administration payables	15	28,418	26,781
Other off-budget payables	16	121,455	100,012
Accrued expenses	17	9,104	10,318
Amounts pending application		2,640	2,147
TOTAL LIABILITIES		8,545,856	8,524,145

Notes 1 to 21 of the attached report form an integral part of the balance sheet as of December 31, 2013.

City of Barcelona

Statements of revenues and expenses for the fiscal years ended as of December 31, 2013 and 2012

(see Note 18) (thousands of euros)

Expenses	2013	2012	Revenues	2013	2012
Personnel expenses	342,676	348,789	Sale of goods and services	42,058	42,739
Wages and salaries	262,672	252,735	Sale of goods	396	420
Compensation for services	2,615	2,527	Charges on services	9,339	8,609
Social security expenses	76,193	75,975	Public prices for sale of services	32,323	33,710
Other welfare expenses	1,196	17,552			
Welfare benefits	783	853	Other operating revenues	182,486	167,172
			Interest	6,840	2,678
			Profit sharing	10,939	-
			Surcharge on collection proceedings	10,623	10,460
Financial expenses	32,056	31,906	Late payment surcharge	8,622	7,322
			Fines	96,804	96,865
			Rents, concessions and special uses	34,482	37,189
			Other	14,176	12,658
Taxes	700	389			
Works, supplies and subcontracted services	530,958	525,417	Taxes	977,515	941,401
Rent	22,017	22,593	Property tax (IBI)	601,194	580,182
Maintenance and repairs	14,857	13,306	Tax on economic activity (IAE)	91,839	95,640
Supplies	33,542	34,174	Tax on motor vehicles (IVTM)	63,188	64,386
Communications	4,632	6,274	Tax on construction, installations and works (ICIO)	21,573	31,910
Subcontracted work	409,507	407,255	Tax on the increase in land values (IIVT)	113,841	94,639
Miscellaneous expenses	46,403	41,815	Assignment of Central Government taxes	85,880	74,644
Current transfers	927,096	932,046	Other tax revenues	146,644	153,724
To municipal agencies and firms	522,684	516,799	Charges on services	52,206	56,345
To autonomous communities, metropolitan areas and consortia	336,912	344,052	Charges on use of public domain	94,441	97,384
Other current transfers	67,500	71,195	Replaced taxes	(3)	(5)
Provision to allowance for bad debt	93,129	109,196	Current transfers	1,106,185	1,057,767
			Supplementary Finance Fund	975,364	924,394
			Other Central Government agencies	2,401	2,521
			From the Generalitat of Catalonia	64,066	65,878
			From local entities	62,295	62,846
			From foreign transfers	1,781	1,829
			Other	278	299
TOTAL OPERATING EXPENSES	1,927,398	1,948,596	TOTAL OPERATING REVENUES	2,454,888	2,362,803
Operating result (before capital transfers)	527,490	414,207			
Capital transfers	24,207	36,770			
Operating result (after capital transfers)	503,283	377,437			
Negative extraordinary expenses	115,365	121,459	Positive extraordinary revenue	112,657	133,655
Provision for depreciation	94,817	90,267			
Financial investment provisions	6,034	4,924			
RESULT FOR THE YEAR	399,724	294,442			
TOTAL	2,567,545	2,496,458	TOTAL	2,567,545	2,496,458

Notes 1 to 21 of the attached report form an integral part of the statement of revenues and expenses as of December 31, 2013.

Integral report of the annual accounts corresponding to the fiscal year ending December 31, 2013

Note 1 – Basis of presentation

1.1. Accounting policies

1.1.a) These annual accounts have been drawn up from the City's accounting records corresponding to the fiscal year 2013 and have been prepared in accordance with the generally accepted accounting principles for public administrations, as laid down in the Instruction on Local Government Accounting Standards, order of November 23, 2004, which took effect on January 1, 2006, and in Law 1/2006, which governs Barcelona's special regime, for the purpose of presenting a faithful rendering of the equity, of the financial position, of the results of its operations reflected in the statement of revenues and expenses and in the budget account settlement, and of the resources obtained and applied during the fiscal year.

1.1. b) The following prevailing legislation was also taken into account:

- Law 7/1985, of April 2, governing the basis of law for local legislation.
- Royal Decree Law 781/1986, of April 18, approving the Amended Text of the current provisions concerning the local regime.
- Legislative Decree 2/2003 of April 28, approving the Amended Text of the Municipal Law of the Local Government Regime System of Catalonia.
- Legislative Royal Decree 2/2004, of March 5, approving the Amended Text of the Law Regulating Local Taxation (Law 39/1988, of December 28).
- Royal Decree 500/1990, of April 20, developing Chapter I of Title VI of Law 39/1988, of December 28, on the regulation of local taxation in the area of budgeting.
- Documents on accounting principles issued by the Commission on Public Accounting Principles and Standards, created by the Resolution of the Secretary of State for Treasury on December 28, 1990.
- Order of April 27, 2007, on the deployment of Decree 94/1995, of February 21, modified by resolutions ECF/2901/2008, ECF/1769/2009, ECF/3210/2010, ECO/1406/2011 and ECO/2829/2012 on the financial monitoring of local entities.
- Law 15/2010, of July 5, of the modification of Law 3/2004, of December 29, which established measures against arrears in commercial operations.
- Organic Law 2/2012, of April 27, of Budget Stability and Financial Sustainability, with the amendments added in Organic Law 9/2013, of December 20, of control of commercial debt in the public sector.

- Organic Law 9/2013, of December 20, of control of commercial debt in the public sector.
- Law 27/2013, of December 27, of rationalisation and sustainability of the Local Administration.

1.2. Accounting system, annual accounts and general account

In accordance with the Law 1/2006, governing Barcelona's special regime, the accounting information system of the City of Barcelona consists mainly of the subsystems of financial accounting, consolidation of accounts and budget accountancy.

Financial accounting is undertaken in accordance with generally accepted accounting principles in order to offer a faithful rendering of the equity and financial position of the City of Barcelona, and the results of its operations during the fiscal year. This is composed of:

- Balance sheet.
- Statement of revenues and expenses.
- Report.

The balance sheet has basically been drawn up according to the models established by the Instruction on Local Government Accounting Standards (ICAL), applicable from January 1, 2006.

The statement of revenues and expenses has been published in more detail than required by the aforementioned standards in order to provide more thorough information on revenues and expenses.

The report is basically presented in accordance with the models established by the aforementioned ICAL.

The figures contained in the documents that go to make up these annual accounts are expressed in thousands of euros.

The consolidated accounts integrate the City of Barcelona's accounts and its autonomous local agencies, public business entities and dependent trading companies.

The budget account is composed of the state of the budget results statements:

- Summary of the status of the revenues account budget.
- Summary of the status of the expenses account budget.
- Budget results.
- Budget treasury reserves.

The budget results statement was approved by Decree, issued by the Mayor's Office on February 21, 2014. Regarding the legal terms established, General Accounts will be submitted to the Municipal Council Plenary Session for approval within the established statutory period.

1.3. Comparability of the information

The annual accounts for the fiscal years 2013 and 2012 have been drawn up in accordance with ICAL provisions, with their preparation following uniform criteria regarding valuation, grouping, classification and monetary units, and as such information presented is therefore uniform and comparable.

1.4. Organisation

The Municipal Charter of Barcelona regulates, inter alia, municipal authority, the organisation of the Municipal Government, the districts, the municipal executive organisation and citizen participation.

1.5. Public services management

Municipal public services are managed directly, except for cleaning and waste-collection services and some municipal facilities linked to social services (housing services, homes and day care centres for the elderly, emergency accommodation, etc.).

Note 2 - Valuation criteria

The most significant accounting criteria applied in drawing up the annual accounts are the following:

2.1. Tangible fixed assets

These include the City's assets and those in the public domain that are directly assigned to the provision of public services, which constitute the local entity's long-term investments.

The valuation criteria for fixed assets are the following:

- a) Land and buildings. Additions made prior to January 1, 1992 are valued according to an expert estimate of their current market value carried out by an independent valuation firm. For properties officially listed as of historic-artistic interest, this value is equivalent to the cost of replacement. To this end, with regard to non-financial assets, the document on accounting principles issued by the Commission on Public Accounting Principles and Standards defines replacement value as "the sum of all the expenses necessary for the construction of an asset of identical nature and characteristics. In the case of buildings officially listed as of historic-artistic interest, this value will be that of reconstruction". Posterior additions are valued at their purchasing price or, in the case of assets received free of charge, at their appraised value, reduced by accumulated depreciation.
- b) Historical, artistic and cultural heritage assets. These are valued at acquisition price and not subject to amortisation.
- c) Machinery, installations, furniture, data processing equipment and vehicles. These are valued at their purchasing price, reduced by accumulated depreciation.

- d) Fixed assets in progress and pending classification. Additions are valued at their purchasing price or construction cost and these are transferred to the corresponding fixed assets account or to the "Property delivered for public use" account upon full completion, and they are fully operational.

Repairs not contributing to an extension of useful life and maintenance costs are charged directly to the statement of revenues and expenses. The costs of any additions or improvements that extend an asset's useful life span are capitalized as an increase in its value.

The annual provision for asset depreciation is calculated by applying the straight-line method based on each asset's estimated useful lifespan, which, in the case of property, begins one month after its incorporation into the City's Asset inventory.

	Estimated years of useful life
Buildings	65
Property assigned by municipal agencies or third parties	65
Technical installations and machinery	8-12.5
Vehicles	5
Fittings	6
Data-processing equipment	4
Livestock	7
Bibliographic archives and others	8

The process of economic depreciation started in the fiscal year 1992. The estimated years of useful life corresponding to the "Buildings" and "Property assigned by municipal agencies and third parties" accounts are determined according to the criteria of the aforementioned independent appraisal.

In the case of properties with historic-artistic value, depreciation is calculated on the cost of an asset that would be needed to reproduce its capacity and usefulness. As such, the part of the registered book value corresponding to the building's historic-artistic component, which amounts to 221,573 thousand euros as of 31 December 2013, is excluded from the depreciation calculation, with this based on the aforementioned independent appraisal. This treatment is justified by the fact that the aforementioned historic-artistic component is subject to maintenance to guarantee its long-term value.

Property assigned by municipal agencies or third parties shows the value of the property assigned to the City of Barcelona to be managed and used, coming from other entities.

The "Tangible fixed assets assigned by municipal agencies and third parties" account shows the book value of those assets assigned free of charge by the City of Barcelona to its public agencies, firms or to third parties for their operation or use.

When an asset is assigned, its retirement is recorded through a charge to the "Property assigned to municipal agencies and third parties" account on the balance sheet (see note 9) and thus it is no longer depreciated.

2.2. Public land assets

The Public Land Assets (PMS) refers to the group of assets that, in accordance with Legislative Decree 1/2005, of July 26, approving the Amended Text of the Town

Planning Law of Catalonia, and in accordance with the Barcelona Municipal Charter, are affected for the purposes of social interest established by law.

Municipal-owned properties included in this account are as follows:

- Properties for social housing, managed by the City of Barcelona itself or municipal operators.
- Properties that have been awarded surface rights in favor of third parties status, to build social housing, homes for the elderly, care centers and other investments with a social aspect.
- Properties sited under investment projects which, when finished, will be given over for usage as social housing and other socially-oriented programs.

The valuation and depreciation criteria are as described in note 2.1.

2.3. Investments in infrastructures and assets assigned to public use

Assets delivered for public use includes thoroughfare infrastructure (roads, pavements, public lighting, and signs), large installations for public services (sewers and utility supplies), green spaces, trees, gardens and, in general, all assets constituting public property provided for public use by citizens.

Additions made prior to January 1, 1992 are valued in accordance to the criteria described in note 2.1. Subsequent additions are valued at their purchasing price.

Upon completion of investments in infrastructures and property for public use and once fully operational, these are retired from the balance sheet with a charge to the "Property delivered for public use" account (see note 9).

For the purposes of presentation, the assets side of the balance sheet shows the value of assets assigned to municipal agencies or third parties for public use, as well as the corresponding compensatory sums to reflect their retirement. Likewise, note 3 reflects the movements registered under these concepts over the fiscal year.

2.4. Long-term and short-term financial investments

Long-term financial investments made by the City of Barcelona prior to January 1, 1992 in its municipal agencies and firms, as well as other shareholdings, are recorded at their technical book value as of December 31, 1991. Subsequent additions are registered at their purchasing price.

As of December 31, 2013, the difference between the book value and the recoverable value of those shareholdings with substantial losses has been impaired in the attached accounts (see note 4).

Except where there is better evidence of the recoverable value of these investments, the net equity of the company in which the shareholding is held has been considered, corrected for adjustments due to changes in the value of financial derivatives and for implied capital gains at the valuation date.

The balance of the "Short-term investment" account includes repos operations (public bond issues) and term deposits in financial entities.

2.5. On-budget receivables and payables

These are registered according to their nominal value.

For on-budget debtors, a compensatory allowance has been set up for debts that are considered difficult to collect on.

The provision for bad debts is determined by applying a collectability ratio, which expresses the likelihood of payment, based on the past experiences of the City, on the budget settlement of each tax figure in an individualized way and in each fiscal year.

In addition, provision has been made for receivables owing for non-fiscal concepts when they are regarded as doubtful.

2.6. Capital transfers and other capital income

Capital subsidies are recorded, mainly, when the requirements have been met for their payment by the entity granting them, i.e. when they have been duly justified by the City Council.

Other capital income is registered at the moment when the administrative operation generating it is actually carried out.

In both cases, capital income is moved to assets when the investment it was financing is assigned for public use or to the fiscal year's results in the proportion corresponding to the effective depreciation undergone, and recorded in the accounts.

2.7. Other deferred income

Early collection on amounts deferred to years subsequent to the year of collection are recorded under the "Other deferred income" account (see Note 11), except for the portion of such amounts that has been deferred to the following year, which is recorded under the "Accrued expenses" account (see Note 17) under liabilities on the balance sheet prior to being credited to the statement of revenues and expenses.

2.8. Provisions for risks and expenses

The balance of this account reflects the provisions established to cover the economic costs of contingent or probable debts.

2.9. Classification of long and short-term debtors and creditors

On the attached balance sheet, receivables, credits and debts that mature in a period equal to or less than a year are classified as short-term. Those which mature within a period greater than a year are classified as long-term.

2.10. Revenues and expenses

a) Financial and budget accounts

Revenues and expenses are primarily recorded in the statement of revenues and expenses in the fiscal year in which they occur depending on the real flow of assets and services they represent and regardless of the timing of the monetary or financial movement from which they are derived, except for those capital grants and transfers derived from agreements or conventions requiring the treatment described in sections 2.6 and 2.10.b) respectively.

Revenues and expenses are included in the budget results account when the administrative measure recognizes the respective receivables and payables.

b) Grants and transfers

To record the expenses for transfers and grants stemming from agreements subscribed to by different parties, which could take the form of collaborative agreements, cooperative agreements, contract programs or other similar agreements signed to co-finance or develop specific projects or activities (including capital grants to offset accumulated negative results), the grantor's obligation to pay arises at the moment when the debt matures and is liquid and payable on demand, in other words, when the requirements for payment have been met. The recognition of the grantor's payment obligation is recorded upon passage of the resolution by which the beneficiary's right to collect is recognized and quantified.

c) Capital transfers

This entry includes the City of Barcelona's contributions charged to its budget for financing investment processes carried out by municipal agencies, firms belonging to the municipal group or third parties not owned by the City.

2.11. Corporate tax

In accordance with Legislative Royal Decree 4/2004 of 5 March, approving the Amended Text of the Corporate Tax Law, the City of Barcelona is exempt from payment of this tax and profits from its investments are also not subject to retentions.

2.12. Environment

Expenses derived from actions intended to protect and improve the environment are registered, where applicable, as expenses in the year they are incurred. Notwithstanding this, if they entail investments as a result of actions to minimize impacts on the environment or to protect and improve it, the fixed asset in question is recorded at a higher value.

Note 3 - Intangible fixed assets, tangible fixed assets and infrastructures

Movements registered in the different tangible and intangible fixed assets and infrastructures accounts are as follows:

	As of December 31, 2012	Additions	Retirements	Transfers	As of December 31, 2013
Intangible fixed assets	25,044	-	-	6,463	31,507
Assets of historical, artistic and cultural heritage	-	-	-	1,646	1,646
Land	344,546	958	(726)	(25,522)	319,256
Buildings	6,082,115	23,826	(57)	436,409	6,542,293
Fixed assets assigned to municipal agencies and third parties	590,359	-	601	25,261	616,221
Vehicles	18,725	-	-	-	18,725
Machinery, equipment, installations and tools	102,895	1,780	-	12,665	117,340
Data-processing equipment	184,679	65	-	14,193	198,937
Office furniture and equipment	50,439	907	-	4,103	55,449
Others	5,047	1,164	-	578	6,789
Tangible fixed assets	7,378,805	28,700	(182)	469,333	7,876,656
Public land assets	488,647	6,823	(172)	22,434	517,732
Tangible fixed assets assigned to municipal agencies and third parties	(590,359)	-	(601)	(25,261)	(616,221)
Fixed assets pending classification	1,146,744	306,664	(19,377)	(803,794)	630,237
Investments in infrastructure and assets for public use	7,169,286	15,135	-	304,587	7,489,008
Investments assigned for public use	(7,169,286)	(15,135)	-	(304,587)	(7,489,008)
Gross tangible and intangible fixed assets and infrastructure	8,448,881	342,187	(20,332)	(330,825)	8,439,911
Accumulated depreciation	(949,593)	(94,817)	6	977	(1,043,427)
Net tangible and intangible fixed assets and infrastructure	7,499,288	247,370	(20,326)	(329,848)	7,396,484

In accordance with applicable regulations, the City of Barcelona records the value of lands containing any type of building under the "Buildings" and "Public land assets" accounts. These accounts include 2,599,507 thousand euros as of December 31, 2013 and 2,561,205 thousand euros as of December 31, 2012, corresponding to the value of lands on which the buildings are constructed.

Additions during the fiscal year include the following concepts:

Investments carried out directly by the City of Barcelona	118,706
Funds delivery for investments:	
▫ To decentralized entities (autonomous local agencies, public business entities and municipal firms), pursuant to the terms of the Decree issued by the Mayor's Office on January 30, 2012	201,113
▫ Investments carried out by third parties	2,914
Investments financed by third parties	14,534
Assets received in free assignment	4,742
Assets received in exchange	178
	342,187

The net book value of retirements carried out during the fiscal year includes the following:

By sale	55
By exchange operations	181
By free assignments to third parties	601
On completion of investment activities (pending classification assets not inventoried)	19,489
	20,326

Write-offs for the completion of non-inventory investor actions are offset in the extraordinary income of the fixed asset for 11,704 thousand euro, and in other extraordinary income for 7.785 thousand euro.

The net book value of transfers during the fiscal year is as follows:

Assigned and ceded equity (note 9)	25,261
Property delivered for public use (note 9)	304,587
	329,848

The details of investments assigned for public use are as follows:

Thoroughfares	3,829,307
Parks and forests	1,696,379
Systems	644,963
Property for public use: HOLSA	628,125
Mixed	454,328
Municipal assets of an artistic nature	112,439
Urban furniture	73,224
Public facilities	40,708
Buildings	9,535
Total	7,489,008

Items totally written off and in use as of 31 December 2013 are the following:

Vehicles	16,216
Machinery, equipment, installations and tools	22,410
Data-processing equipment	121,832
Office furniture and equipment	35,988
Others	21,713
Total	218,159

The policy of the City of Barcelona is to contract those insurance policies that are considered necessary in order to cover any possible risks that could affect fixed assets.

Note 4 – Long-term financial investments

Movements registered in the long-term financial investments account over the fiscal year 2013 were as follows:

	As of December, 31 2012	Additions	Retirements	Transfers	As of December 31, 2013
Financial investments	191,304	3,745	(44,928)	-	150,121
Long-term credits AMB	21,149	-	-	(2,644)	18,505
Sale of long-term fixed assets and future PMS property exchanges	36,417	667	-	(7,004)	30,080
Long-term deposits and guarantees	262	25	-	-	287
Provision for depreciation of financial fixed assets	(46,893)	(6,034)	40,511	-	(12,416)
Total	202,239	(1,597)	(4,417)	(9,648)	186,577

The additions in financial investments correspond to the amount subscribed to and disbursed by the City of Barcelona in the increase in capital carried out by Fira 2000, SA, to the value of 3,000 thousand euros, taking the City of Barcelona's holding from 19.10% to 19.50%. Also to the acquisition of shares in Clavegueram de Barcelona, SA to the value of 685 thousand euros, shares previously held by Barcelona de Serveis Municipals, SA. And to the incorporation of a new entirely municipal company, Barcelona Cicle de l'Aigua, SA, for 60 thousand euros.

Retirements in financial investments correspond to the dissolution of Barcelona Holding Olímpic, SA, the distribution of premiums on issued shares for Barcelona de Serveis Municipals, SA, the net book value of the securities of Clavegueram de Barcelona, SA, and the return on equity of Barcelona Emprèn CR, SA.

Long-term credits with the Metropolitan Area of Barcelona (AMB) refer to amounts that AMB has to compensate, with maturities exceeding one year, to the City of Barcelona corresponding to negative settlements of the share in State taxes in the fiscal years 2008 and 2009.

In sales of long-term fixed assets, the transfers correspond entirely to short-term reclassifications, to non-budgetary receivables, of fees with due date 2014.

The additions to provisions for the amortization of financial assets correspond to adjustments in value due to the negative results originated in Fira 2000, SA, Nauta TechInvest SCR, Informació i Comunicació de Barcelona, SA, Port Fòrum Sant Adrià, SL and Barcelona Emprèn, CR, SA.

The financial investments of the City of Barcelona as of 31 December 2013 are summarized in the following table:

Long-term financial investments

(Data as of December 31, 2013)					
Name	Interest held %	Equity as of 31 December/ Net Equity 2013 prior to results (1)	Fiscal year results 2013 (1)	Recoverable value 12.31.13 (1)	Net book value of the investment 12.31.13 (*)
Autonomous agencies					
Municipal Agency of Disabled Persons	100	949	56	1,005	-
Municipal Agency of Urban Landscape and Quality of Life	100	6,307	478	6,786	-
Municipal Agency for Education	100	1,147	(775)	373	-
Municipal Agency for IT Services	100	297	30	327	-
Municipal Agency for Town Planning	100	1,164	168	1,331	-
Municipal Agency for Taxes	100	2,384	201	2,585	-
Municipal Agency for Markets	100	3,587	695	4,282	-
Municipal Agency for Barcelona Sports	100	2,931	762	3,693	-
Municipal Agency for Social Services	100	(200)	867	667	-
Public business entities					
Municipal Agency for Housing	100	157,254	815	158,069	-
Municipal Agency for Culture	100	4,885	67	4,952	-
Municipal Agency for Parks and Gardens	100	5,333	517	5,850	-
Municipal Agency Mies Van der Rohe Foundation	100	9,755	36	9,791	-
Total		195,793	3,918	199,711	-
Municipal firms					
Barcelona de Serveis Municipals, SA Group	100	274,436	5,960	280,397	69,124
Barcelona Infraestructures Municipals, SA Group	100	18,537	13	18,550	12,949
Informació i Comunicació de Barcelona, SA	100	2,498	(1,635)	864	864
Barcelona Activa, SA, SPM	100	13,589	30	13,619	2,013
SM Barcelona Gestió Urbanística, SA	100	766	45	811	61
Barcelona Cicle de l'Aigua, SA	100	60	-	60	60
Total		309,886	4,414	314,300	85,071
Interest of less than 50%					
Barcelona Sagrera Alta Velocitat, SA	25.00	150	-	150	150
Barcelona Emprèn CR, SA	24.06	2,190	(104)	2,086	2,086
Barcelona Regional, SA	17.65	326	1	327	270
Fira 2000, SA	19.50	49,716	(4,602)	45,114	45,114
Port Fòrum Sant Adrià, SL	5.00	12	1	13	13
Clavegueram de Barcelona, SA	17.55	983	159	1,142	685
Nauta Tech Invest, SCR	4.78	2,809	(117)	2,692	2,693
Acquisition of shares (increase in capital underway Nauta Tech Invest, S.C.R.)					1,625
Total		56,186	(4,662)	51,524	52,635
Financial investments		561,865	3,670	565,535	137,705
Long-term surface rights					728
Long-term guarantees and deposits					287
Long-term disposal of fixed assets					99
Future assets swaps and exchanges					29,253
Long-term credits AMB					18,505
Total Long-term financial investments					186,577

(*) Appears in the individual financial statement of the City of Barcelona as of 31 December 2013.

(1) Adjusted according to the shareholding percentage, for autonomous agencies the value of their own equity is considered, and for public business entities and dependent firms the net equity is corrected for adjustments due to the change in fair value and for external partners in Consolidated Groups.

On January 1, 2010, in accordance with its statutory provisions, Barcelona Holding Olímpic, SA entered a winding-up period prior to its final closure. The extraordinary meeting of shareholders held on 16 February 2010 set the winding-down process of the company in motion and constituted its liquidating committee. The general meeting of shareholders held on 15 March 2013 unanimously agreed the liquidation of the company, the final liquidation balance sheet and the capital distribution, which was set at 7,470 thousand euros, of which 3,811 thousands correspond to the Central Government and 3,659 thousands to the City of Barcelona. On 31st July 2013 the liquidation deeds of the company were formalised, and on 17th October 2013, the adjudication of the balance resulting from the liquidation was accepted.

The breakdown for the following two groups, Barcelona de Serveis Municipals, SA and Barcelona d'Infraestructures Municipals, SA, are as follows:

Data as of December 31, 2013				
Name	Interest held %	Net equity as of 31 December 2013 prior to results (1)	Results of the fiscal year 2013 (1)	Net equity as of 31.12.13 (1)
Barcelona de Serveis Municipals Group				
Barcelona de Serveis Municipals, SA	100	206,983	2,933	209,916
Parc d'Atraccions Tibidabo, SA	100	35,977	1,313	37,289
Cementiris de Barcelona, SA	100	5,939	3,208	9,148
Tractament i Selecció de Residus, SA	58.64	31,996	1,535	33,532
Selectives Metropolitanes, SA (2)	58.64	779	401	1,179
Solucions Integrals per als Residus, SA (2)	58.64	2,145	62	2,207
Mercados de Abastecimientos de Barcelona, SA	50.69	39,255	616	39,872
Barcelona d'Infraestructures Municipals Group				
Barcelona d'Infraestructures Municipals, SA	100	16,878	1,943	18,821
Foment de Ciutat Vella, SA	85.00	5,130	5	5,135

(1) Adjusted according to the shareholding percentage, considering net equity corrected for adjustments due to the change in fair value.

(2) Interest held through Tractament i Selecció de Residus, S.A.

The Municipal Council, met in plenary session on 18th October 2013, agreed to entrust the corporate governance bodies of Foment de Ciutat Vella, SA, with amending of Article 4 of the Articles of Association of Foment de Ciutat Vella, SA, which was drafted under the following terms: "The duration of the Company is established for an unlimited time. The General Shareholders' Meeting may, in compliance with the requirements stipulated by law and these articles of association, agree at any time to its dissolution and liquidation, as well as its merger with others or its spin-off into one or more companies, with an identical, comparable or similar purpose. The General Shareholders' Meeting of 21st October 2013 agreed to the amendment of the articles of association according to the mission assigned to the corporate governance bodies of Foment de Ciutat Vella, SA, by agreement of the plenary of the Municipal Council of 18th October 2013.

In accordance with the statutory provisions of Foment de Ciutat Vella, SA, the last of four reductions of capital by amortizing 25% of the Class B shares held by private shareholders was carried out in the fiscal year 2013, entailing an increase in the percentage holding of Barcelona d'Infraestructures Municipals, SA in the company's share capital. Therefore, at year-end the only shareholders of the firm were the City of Barcelona, through Barcelona d'Infraestructures Municipals, SA, with 85% and the Diputació de Barcelona, with 15%.

The balance sheet and the statement of revenues and expenses for the fiscal year 2013 refer to the City of Barcelona individually. The changes resulting from the application of consolidation criteria to the City of Barcelona's individual annual statements are as follows (in thousands of euros):

	City of Barcelona	Consolidated
Fixed assets	7,593,534	8,207,898
Current assets	952,322	1,217,252
Total assets	8,545,856	9,425,150
Equity before results	5,421,471	5,738,408
Result of the fiscal year	399,724	401,438
Other long-term liabilities	2,034,633	2,444,741
Current liabilities	690,028	840,563
Total liabilities	8,545,856	9,425,150
Ordinary revenues	2,454,888	2,690,652
Ordinary expenses	(2,052,456)	(2,287,303)
Extraordinary results	(2,708)	(1,911)
Results of fiscal year	399,724	401,438

The administrators intend to draw up separate consolidated annual statements and accounts.

The following shows the total amounts corresponding to the City of Barcelona's transactions and balances with its municipal agencies and firms, and with other firms in which it holds an interest:

	Current and capital transfers	Other expenses	Revenues	Accounts receivable	Accounts payable
Municipal agencies	400,066	1,125	2,822	2,871	107,912
Municipal firms	137,018	87	71,297	423	69,015
Firms in which the City holds an interest	8,135	-	21	-	1,055
Total	545,219	1,212	74,140	3,294	177,982

Note 5 – Long-term off-budget receivables

This includes the long-term maturity amounts to be collected, deriving from the deferment and the division of tax receivables owing to the City of Barcelona.

Note 6 – Deferred expenses

The balance of this account corresponds entirely to expenses corresponding to note and bond issues and loan arrangements, which have registered the following movements:

	Loan arrangement expenses
Balance as of December 31, 2012	709
Expenses for arranging new operations	-
Allocation to results as financial expenses	(72)
Balance as of December 31, 2013	637

The allocation to results as financial expenses is made annually and is calculated in a linear manner until the maturity of the formalized operations.

Note 7 – Short-term receivables

7.1. On-budget receivables

On-budget receivables as of December 31, 2013 are classified according to their nature, as shown below:

Concept	Receivables
Direct taxes	237,428
Indirect taxes	25,957
Charges and other revenues	406,194
Current transfers	130,864
Capital gains	22,501
Disposal of real investments	1,443
Capital transfers	56,302
Total receivable	880,689

The amounts and movements registered in the account for the provision for bad debts were as follows:

Balance as of December 31, 2012	451,116
Amount charged to statement of revenues and expenses	93,129
Application of bad debts written off or collections (note 18.6)	(36,607)
Balance as of December 31, 2013	507,638

The applications have been credited to the "Extraordinary results" caption.

The provision for bad debts is determined by applying the collectability ratio estimated by the City of Barcelona based on its past experience to the tax receivables on each of the tax figures in an individual way and in each concrete fiscal year. In addition, provisions have been made for non-tax receivables whose recovery is regarded as doubtful.

7.2. Other off-budget receivables

The balance of these accounts as of December 31, 2013 is as follows:

Deferred payments and instalments	19,141
Recognised income receivables	10,840
Amounts receivable short-term for asset transactions	9,470
Output VAT receivables	7,227
Other non-budgetary receivables	12,111
Other short-term off-budget receivables	58,789

Note 8 – Short-term financial investment and cash

The balance of this section consists of a total of 88 bank accounts that have submitted the following global movement:

Balance as of 12.31.12	Collections	Payments	Balance as of 12.31.13
381,397	2,738,761	2,601,019	519,139

Note 9 – Equity

The amounts and movements registered in the equity accounts are as follows:

	Equity	Property assigned to municipal agencies and third parties (see note 2.1)	Property delivered for public use (see note 2.3)	Property assigned by mpal.agencies and third parties (see note 2.1)	Results of previous fiscal years	Result of the current fiscal year	Total
Initial balance	7,740,096	(590,359)	(7,169,286)	35,728	5,416,115	294,442	5,726,736
2013 results	-	-	-	-	-	399,724	399,724
Allocation of 2012 results	-	-	-	-	294,442	(294,442)	-
Change in property assigned to and by third parties (note 3)	-	(25,862)	-	-	-	-	(25,862)
Transfer of capital transfers and other capital income (note 2.6 and 10)	40,319	-	-	-	-	-	40,319
Property delivered for public use (note 3)	-	-	(304,587)	-	-	-	(304,587)
Additions delivered for public use (note 3)	-	-	(15,135)	-	-	-	(15,135)
Final Balance	7,780,415	(616,221)	(7,489,008)	35,728	5,710,557	399,724	5,821,195

Note 10 – Capital transfers and other capital income

The movements in this account are as follows:

Balance as of 31.12.12	Transfers and other income received	Transfers to equity (note 9)	Transfers to results (note 18.6)	Balance as of 31.12.13
594,366	21,161	(40,319)	(19,162)	556,046

The balance at year end includes 47,488 thousand euros corresponding to revenue from urban development operations and 508,558 thousand euros corresponding to income from capital grants, all pending deferral as described in note 2.6.

The main subsidizers of the outstanding balance of these grants are as follows:

Central Government	204,929
Autonomous Community	156,248
EU Institutions	58,750
Local Entities	81,203
Others	7,428
Total	508,558

Income from capital subsidies is recognised, mainly, when the requirements are met for their payment by the entity granting them, i.e. when they have been duly justified by the City Council.

Note 11 – Other deferred income

Movements registered under this account during 2013 are as follows:

Balance as of 31 December 2012	101,405
Additions in the fiscal year	3,633
Transfers to accrued revenues (note 17)	(3,389)
Transfers to results	(71)
Balance as of 31 December 2013	101,578

The balance as of December 31, 2013 corresponds to revenues received in advance for the usage of assets under municipal ownership. The revenues received in advance are transferred annually to the statement of revenues and expenses in accordance with the straight-line method over the period corresponding to the assignment, which is set to a maximum of year 2083.

Note 12 - Provisions for contingencies and expenses

The movement in this account is as follows:

Balance as of 31 December 2012	76,188
Charge to extraordinary expenses (note 18.6)	59,260
Cancellation of the provision registered in extraordinary results (note 18.6)	(28,414)
Balance as of 31 December 2013	107,034

The purpose of this provision is to cover the economic costs of the contingent or probable obligations.

This account includes, among others, the amount of 16,392 thousand euros, corresponding to the 2012 December bonus that should have been paid to the entity staff before that year-end, but was removed by Article 2.1 of Royal Decree Law 20/2012, of July 13, on measures to ensure fiscal stability and promotion of competitiveness. Article 2.4 of this provision states that "the amounts resulting

from the abolition of the bonus and of additional special allowances or additional equivalent bonus in accordance with the provisions of this article will be used in future years to make contributions to pension plans or group insurance contracts that include coverage for the retirement contingency, subject to the provisions of the Organic Law 2/2012, of Budget Stability and Financial Sustainability in the terms and to the extent determined in the relevant budget laws". Therefore, since it is certain and due, this amount was charged under the "Personnel Expenses" caption in the profit and loss debit account with a credit to "Long-term provisions" in the liability balance sheet during 2012 fiscal year.

Similarly, 59,260 thousand euros have been included that is associated with the maximum financial estimation that could result from the enforcement of a ruling obliging the City Council to apply an increase in civil servant payroll for the years 2007 and 2008, with the corresponding consolidation of increases up to the present year.

Note 13 – Debentures and loans

The outstanding amount as of December 31, 2013, corresponding to long-term loans and debentures subscribed by the City of Barcelona, can be broken down as follows:

Loans and debentures			
Description	Outstanding Amount as of 12.31.2013	Long-term	Short-term
Banking system	901,376	831,680	69,696
Private placements	200,000	140,000	60,000
Total debt	1,101,376	971,680	129,696

The part of the long-term debt which matures in less than a year is classified under the account "Short-term payables for loans and debentures".

The movements of subscribed long-term loans and debentures in the 2013 fiscal year are as follows:

Balance as of 31 December 2012	1,165,101
New operations	40,000
Contractual amortizations	(103,725)
Balance as of 31 December 2013	1,101,376

As of December 31, 2013, there were unexecuted stand-by lines for a total of 17,000 thousand euros.

The debt profile by maturities as of December 31, 2013 is as follows:

Year of maturity	Amount
2014	129,696
2015	157,634
2016	171,384
2017	166,350
2018	93,833
2019	83,333
2020	76,333
2021	68,208
2022	57,271
2023	7,334
2024 and onwards	90,000
Total	1,101,376

The average interest rate during the 2013 fiscal year was 2.76%, and the average life stood at 4.6 years.

All financial debts are in euro. For interest rate risk management, Barcelona City Council has taken out eight interest-rate swap operations for a total face value of 486,000 thousand euros, each assigned to an underlying operation in accordance with the implementation basis for budgets. As of 31 December 2013, 53.2% of the City of Barcelona's financial debt had a fixed interest rate, and 46.8% had a floating interest rate.

Note 14 – Other long-term payables

The account for other long-term payables includes the following concepts:

Suppliers of fixed assets with maturity exceeding one year	4,608
Central Government – definitive final settlement of the share of State taxes for 2008	52,353
Central Government – definitive final settlement of the share of State taxes for 2009	212,999
Balance as of 31 December, 2013	269,960

The total amount of the final settlement of the share in State taxes corresponding to the fiscal year 2008 stood at 93,487 thousand euros, while the amount corresponding to fiscal year 2009 stood at 304,284 thousand euros. In accordance with Law 2/2012, of June 29, of the General State Budget for 2012, the current period to offset these negative settlements is 120 monthly payments. The negative settlement for 2008 is due for maturity in the period 2011-2021 and the negative settlement for 2009 matures in the period 2012-2021. The amount due for maturity in 2014 is recorded under the "Other off-budget short term creditor" account (note 16).

Note 15 – Public administrations

The breakdown of these accounts is as follows:

	Receivable	Payable
Value added tax	197	-
Personal income tax	-	7,499
Social security	1,146	20,919
Balance as of 31 December, 2013	1,343	28,418

Note 16 - Other off-budget payables

The balance for this account as of December 31, 2013 is as follows:

Central Government – short-term maturity of final settlement of the share of State taxes for 2008 and 2009 (note 14)	37,907
Deposits and guarantees received	24,456
Payable to administrations for IAE and IBI surcharges	21,272
Bonus payments to personnel	18,547
Suppliers of short-term fixed assets	8,334
Other payables	8,018
Other accrued expenses	2,921
Other short-term off-budget payables	121,455

Movements regarding fixed asset short-term suppliers during the fiscal year 2013 are as follows:

Balance as of 31 December, 2012	9,826
Long-term transfers	4,758
Payments in the fiscal year	(6,250)
Balance as of 31 December, 2013	8,334

Note 17 – Accrued expenses

This concept reflects liabilities of the City of Barcelona at December 31, 2013, in accordance with its accreditation period and independent of the payment or obligation date. It is made up by the following:

Accrued interest receivable	5,715
Transfer to short-term other deferred incomes (note 11)	3,389
Total	9,104

Note 18 - Statement of results for the 2013 fiscal year

18.1. Personnel expenses

This entry includes the wages and salaries of the City of Barcelona personnel, social security and other welfare expenses.

The average payroll of the City of Barcelona during the 2013 fiscal year comprised 6,464 workers (32.7% women and 67.3% men).

18.2. Welfare benefits

Welfare benefits basically include the amounts paid by the City of Barcelona in 2013 as grants to class D and E employees, as well as to the cleaning staff, parking attendants, night watchmen and the Municipal Police Force gold medal, amounting to 783 thousand euros.

18.3. Works, supplies and subcontracted services

This entry corresponds to the purchase of goods and services needed for municipal activities to run smoothly, as well as for the conservation and maintenance of investments. It includes the service contracts subscribed by the City of Barcelona with different private firms to enhance the functioning of the city, for example, those for refuse collection and street cleaning.

18.4. Expenses for current transfers

For those activities carried out by autonomous local agencies, public business entities and municipal firms corresponding to the provision of public services that fall within the scope of City of Barcelona operations, through direct management as delegated by the City in accordance with the terms of legislation (the Law governing the basis of law for local legislation and the Regulation of works, activities and local entities' services), the City of Barcelona transfers the budgetary financing. This is reflected in the "Current transfers" account on the attached statement of revenues and expenses.

This budgeted current transfer is established bearing in mind the assumptions of a balanced budget set out in the Amended Law Regulating Local Taxation.

The main payees are as follows:

Autonomous local agencies (City of Barcelona)	238,212
Municipal public business entities (City of Barcelona)	155,028
Municipal Firms (City of Barcelona)	129,444
Metropolitan Area of Barcelona	151,504
Consortia	94,034
Public entities	7,200
Not-for-profit organizations	56,461
Metropolitan Transport Authority	80,174
Autonomous Community	4,000
Others	11,039
Total	927,096

18.5. Expenses for capital transfers

This entry includes transfers made by the City of Barcelona from its budget to finance investment processes.

The main payees are as follows:

Autonomous local agencies (City of Barcelona)	1,218
Municipal public business entities (City of Barcelona)	5,608
Municipal Firms (City of Barcelona)	7,574
Consortia	5,219
Others	4,588
Total	24,207

18.6. Extraordinary results

Extraordinary results can be broken down as follows:

	Expenses	Revenues
From fixed assets	11,727	24,370
Modification of receivables, payables and provisions	35,215	67,674
Court ruling on increase in pay roll (note 12)	59,260	-
Capital transfers and other capital incomes allocated to results (note 10)	-	19,162
Other extraordinary results	9,163	1,451
Net extraordinary results	115,365	112,657

Income from changes in rights, obligations and allowances includes 36,607 thousand euro from the application of the allowance for coverage of difficult to implement rights (note 7.1) and 28,414 thousand euro from the application of the allowance for liabilities and charges (note 12).

18.7. Sales of goods and services

This entry mainly includes public prices charged for the provision of services (mainly the collection of commercial and industrial waste and the selective collection of recyclable waste), as well as revenues deriving from the provision of a service under the private law regime.

18.8. Other ordinary operating revenues

Other ordinary operating revenues basically comprises of interest, revenue from the private use or special operations of municipal assets in the public domain (such as car parks, newsstands, outdoor tables for bars and restaurants, etc.), fines and other penalties for offences.

18.9. Revenues from taxes

This group includes the following local taxes: property tax (IBI), levied on property; tax on economic activities (IAE), levied on certain business activities, in accordance with the type of activity, the space occupied and the location; tax on motor vehicles, which is levied on the ownership thereof, irrespective of the vehicle's class or category; taxes on construction, installations and works (ICIO), levied according to the cost of the project for which the license has been requested; tax on the increase in urban land value (IIVT), a direct tax levied on the increase registered in the value of these lands and which occurs upon their transfer.

In this account are also included amounts resulting from the assignment of Central Government taxes, as a consequence of the entry into effect of the public sector financing model, approved by Law 51/2002, of December 27, of the reform of Law 39/1988, of December 28, Regulating Local Taxation.

18.10. Other tax revenues

Basically, the "Other tax revenues" account groups together charges for the sale of services and use of the public domain.

18.11. Revenues from current grants and transfers

This account includes the amounts received from the Central Government Supplementary Finance Fund, as well as earmarked grants from the European Community, Central Government, the autonomous communities and local entities.

Note 19 – Other information and subsequent events

As of December 31, 2013 there is no guarantee provided by the City of Barcelona to cover credit operations.

Securities received on deposit amount to 339,734 thousand euros as of December 31, 2013 and are as follows:

	Balance as of 12.31.12	Received	Canceled	Balance as of 12.31.13
Guarantees received	82,206	20,607	6,172	96,641
Deposited securities	253,400	17,217	32,121	238,496
Securities in custody	4,688	887	1,295	4,280
Deferrals and adjournments.	317	-	-	317
Total	340,611	38,711	39,588	339,734

The fees to be received by the temporary consortium made up of PricewaterhouseCoopers Auditors, S.L. and Gabinete Técnico de Auditoría y Consultoría, S.A. for auditing services and expenses incurred for rendering these services in the fiscal year 2013 amount to 464.7 thousand euros, including VAT. Pursuant to the terms of the adjudication of the audit tender, these fees, invoiced to the City of Barcelona, include those of the municipal financial group, and the appropriate part thereof in the ambit of the tender will be duly charged to each of the entities.

Pursuant to the provisions of Law 15/2010, of July 5, setting out measures to deal with late payment in commercial transactions and with respect to the total liabilities paid for operating expenditure corresponding to caption 2 in the municipal budget, and capital expenses included in caption 6 of the municipal accounts, as of December 31, 2013 and 2012.

	Current Fiscal Year (2013)		Last Fiscal Year (2012)	
	Amount (in euros)	%	Amount (in euros)	%
Payments within the legally established time limit	385,163,437	70.35	429,004,396	83.48
Difference	162,280,624	29.65	84,914,649	16.52
Total payments within fiscal year	547,444,061	100	513,919,045	100
Weighted average days past due date	10.40		10	
Adjournments that at date overshoot the maximum legal due date	7,444,153		1,450,634	

Under the aforementioned Act 15/2010, the maximum term for payment until 31st December 2012 was 40 days; since 1 January 2013 this term has been reduced to 30 days.

Note 20 - Statement of source and application of funds for the fiscal years 2013 and 2012

Application of funds	2013 Fiscal year	2012 Fiscal year	Source of funds	2013 Fiscal year	2012 Fiscal year
Tangible fixed asset acquisitions (1)	308,366	375,661	Funds generated from operations	496,463	397,023
Financial fixed asset acquisitions	3,085	5,875	Sale of tangible and financial fixed assets (1)	197	6,947
Long-term off-budget payables	803	6,078	Transfers of fixed assets to off-budget receivables	9,648	11,924
Amortization and transfers to short-term of long-term loans and debentures	129,696	103,725	Net change in long-term guarantees and deposits	(88)	146
Cancellation and short-term transfers of capital transfers and other capital income	336	-	Long-term loans and debentures	40,000	165,000
Revenues transfers to short-term liabilities	3,389	3,293	Provisional settlement of share in Central Government taxes		3,479
Transfer to short-term of suppliers of fixed assets	4,758	9,826	Deferred income	23,930	28,400
Short-term transfer and cancellation settlement of share in Central Government taxes	37,907	-			
Total applied funds	488,340	504,458	Total funds obtained	570,150	612,919
Sources of funds in excess of applications of funds (increase in working capital)	81,810	108,461	Application of funds in excess of sources of funds (decrease in working capital)	-	-
Total	570,150	612,919	Total	570,150	612,919

Change in working capital	2013		2012	
	Increase	Decrease	Increase	Decrease
Accounts receivable	1,704	-	12,566	-
Short-term financial investments	34,800	-	-	205,701
Cash	102,942	-	317,084	-
Adjustments for prepayments	-	-	-	10,000
Accounts payable	-	57,636	-	5,488
Total	139,446	57,636	329,650	221,189
Increase in working capital	-	81,810	-	108,461
Decrease in working capital	-	-	-	-

Funds obtained from operations are as follows:

	2013	2012
Net results for the fiscal year	399,724	294,442
Provision for depreciation (note 3)	94,817	90,267
Variation provision for depreciation of financial assets (note 4)	6,034	4,922
Deferred expenses (note 6)	72	101
Allocation of long-term provisions (note 12)	59,260	16,392
Net result of fixed assets (note 18.6)	(12,643)	25,981
Other extraordinary results (note 3)	7,785	-
Financial revenue (receipt of dividends in kind)	(10,939)	-
Deferred income transferred to results (notes 10 and 11)	(19,233)	(9,815)
Cancellation of long-term provisions (note 12)	(28,414)	(25,267)
Funds generated through operations	496,463	397,023

(1) Basically, this includes sales and investment of assets with budget effects, originated in the same fiscal year.

Note 21 – Budgetary information

21.1. Summary of status of revenue account budget – current fiscal year

Caption	Initial budget	Final budget	Net receivables	Receipts
1 Direct taxes	828,920	828,921	921,061	864,268
2 Indirect taxes	51,599	51,599	55,994	51,198
3 Charges and other revenues	270,478	270,572	323,571	234,652
4 Current transfers	885,560	1,031,417	1,085,427	1,030,734
5 Capital gains	38,713	39,453	44,454	35,483
6 Disposal of real property	6,000	6,000	7,468	6,061
7 Capital transfers	-	11,675	20,940	7,417
8 Financial assets	-	4,210	126	126
9 Financial liabilities	1,232	104,957	41,122	41,122
Total	2,082,502	2,348,804	2,500,163	2,271,061

21.2. Summary of status of revenue account budget – closed fiscal years

Caption	Initial balance	Corrections, reversals and cancellations	Net receivables	Receipts
1 Direct taxes	222,213	18,340	203,873	23,238
2 Indirect taxes	23,031	1,179	21,852	690
3 Charges and other revenues	374,562	20,146	354,416	37,141
4 Current transfers	121,737	3,238	118,499	42,328
5 Capital gains	14,780	275	14,505	976
6 Disposal of real property	47	-	47	11
7 Capital transfers	77,179	517	76,662	33,883
8 Financial assets	-	-	-	-
9 Financial liabilities	-	-	-	-
Total	833,549	43,695	789,854	138,267

21.3. Summary of status of expenses account budget – current fiscal year

Caption	Initial budget	Final budget	Net payables	Paid
1 Personnel expenses	346,745	346,626	346,617	339,439
2 Current goods and services expenses	545,563	548,823	533,906	419,747
3 Financial expenses	46,109	45,959	33,348	33,348
4 Current transfers	873,578	934,704	924,549	801,487
6 Investment	133,317	327,495	311,711	180,210
7 Capital transfers	18,315	26,236	22,381	11,119
8 Financial assets	7,740	7,825	7,825	7,825
9 Financial liabilities	91,232	104,957	104,935	104,816
Total	2,062,599	2,342,625	2,285,272	1,897,991

21.4. Summary of status of expenses account budget – closed fiscal years

Caption	Initial balance	Corrections	Payables	Paid
1 Personnel expenses	317	-	317	317
2 Current goods and services expenses	113,843	1	113,842	113,815
3 Financial expenses	44	-	44	43
4 Current transfers	120,074	1,001	119,073	114,948
6 Investment	130,997	-	130,997	129,485
7 Capital transfers	21,818	-	21,818	17,835
8 Financial assets	1,875	-	1,875	250
9 Financial liabilities	160	-	160	130
Total	389,128	1,002	388,126	376,823

21.5. Summary of status of commitments of expenditure from future budgets

Caption	2014 Fiscal year	2015 Fiscal year	2016 Fiscal year	Successive fiscal years
1 Personnel expenses	212	212	159	-
2 Current goods and services expenses	436,438	308,312	271,384	218,102
3 Financial expenses	-	-	-	-
4 Current transfers	57,701	39,474	32,290	22,923
6 Investment	17,596	16,892	-	-
7 Capital transfers	11,335	9,000	-	-
8 Financial assets	7,822	7,822	7,822	-
9 Financial liabilities	-	-	-	-
Total	531,104	381,712	311,655	241,025

Expenditure commitments corresponding to future budgets refer to long-term contracts currently in provision phase.

21.6. Budget result

<u>Non-financial operations</u>	
Revenues (caption 1 to 7)	2,458,915
Expenses (caption 1 to 7)	2,172,512
Surplus before financial operations	286,403
<u>Financial assets</u>	
Revenues (caption 8)	126
Expenses (caption 8)	7,825
Change in financial assets (caption 8)	(7,699)
<u>Financial liabilities</u>	
Revenues (caption 9)	41,122
Expenses (caption 9)	104,935
Change in financial liabilities (caption 9)	(63,813)
BUDGET RESULT	214,891
<u>Adjustments</u>	
Positive financial deviations	(14,240)
Negative financial deviations	6,261
Payables financed with budget reserves	-
Adjusted budget result	206,912

21.7. Budget reserves

1.- (+) CASH FUNDS	519,139
2.- (+) RECEIVABLES PENDING	892,123
(+) from current budget	229,102
(+) from previous budgets	651,587
(+) from off-budget operations	14,074
(-) collections pending definitive application	2,640
3.- (-) PAYABLES PENDING	480,747
(+) from current budget	387,281
(+) from previous budgets	11,303
(+) from off-budget operations	82,163
(-) pending payments definitive application	-
I.- Total budget reserves (1+2-3)	930,515
II.- Bad debts outstanding	507,638
III.- Affected financing excess	11,838
IV.- Budget reserves for general expenses (I-II-III)	411,039

The Municipal Manager of Barcelona City Council, on 30th April 2014, and in compliance with the requirements established by Article 64 of Act 1/2006 which regulates the special regime of Barcelona, proceeds to prepare the annual accounts in this document, pages 1 to 33, corresponding to the financial year ending on 31st December 2013.