

Barcelona City Council Group
2015 Consolidated annual accounts
(Together with audit report)



This version of our report on the consolidated 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 (The Instructions on the standard local accounting model). 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.

AUDIT REPORT OF CONSOLIDATED ANNUAL ACCOUNTS

To the Mayoress of the Barcelona City Council,

We have audited the accompanying consolidated annual accounts of the Barcelona City Council and its related entities, which compose the consolidated Group, consisting of the consolidated balance sheet at 31 December 2015, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement, the consolidated budget implementation statement and related consolidated notes for the year then ended.

This audit has been carried out in accordance with the provisions of Section 58.e of Law 1/2006, of 13 March 2006, regulating the special regime of the municipality of Barcelona, and the stipulations of the contract for the provision of audit services for the individual and consolidated annual accounts of the Barcelona City Council and its municipal economic Group.

The entity's directors are responsible for the preparation of these consolidated annual accounts in accordance with the financial reporting framework indicated in Note 4.1 of the accompanying consolidated notes and, specifically, with accounting principles and criteria as well as the internal controls which the directors consider appropriate to ensure that the consolidated annual accounts are free from material misstatements.

The consolidated annual accounts which this report refers to have been prepared by the entity's directors on 13 May 2016.

Purpose and scope of the work: Auditors' responsibility

Our responsibility is to express an opinion on whether the accompanying consolidated annual accounts give a true and fair view based on the work that we have carried out in accordance with the auditing standards of the public sector, which require that we plan and execute the audit to obtain reasonable but not absolute assurance that the consolidated annual accounts are free from material misstatements.

An audit requires the application of procedures to obtain appropriate evidence on the amounts and information stated in the consolidated annual accounts. The selected procedures depend on the auditor's judgement and include an assessment of the risks of material misstatement in the consolidated annual accounts. On carrying out these risk assessments, the auditor takes into account relevant internal controls for the reasonable preparation and presentation of the consolidated annual accounts by the entity's directors in order to design appropriate audit procedures on the basis of the circumstances but not to express an opinion on the effectiveness of the entity's internal controls. An audit also includes an assessment of the appropriateness of applicable accounting policies and the reasonableness of accounting estimations made by management as well as an evaluation of the presentation of the consolidated annual accounts taken as a whole.

We consider that the audit evidence obtained by us provides an adequate basis for our audit opinion.

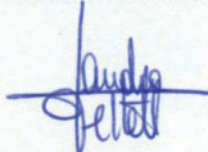
Audit opinion

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and consolidated financial situation of the Barcelona City Council and its related entities at 31 December 2015 and the consolidated results of its operations, consolidated cash flows and consolidated budget implementation statement for the year then ended in accordance with applicable financial reporting standards and, specifically, with the accounting principles and criteria contained in such standards.

Emphasis of Matter paragraph

Without qualifying our audit opinion, we draw your attention to Note 4.2 of the accompanying consolidated notes, which states that the 2015 annual accounts of the Barcelona City Council have been prepared in accordance with Order HAP/1781/2013, of 20 September 2013, which approves the Instructions on the standard local accounting model. In accordance with the second transitory provisions of this Order, these annual accounts should be considered initial annual accounts for the purpose of the application of the uniformity principle and comparability requirement. For this reason, comparative figures have not been included in the accompanying 2015 consolidated annual accounts. Note 25 of the accompanying notes "Aspects arising from the transition to the new accounting regulations" presents the consolidated balance sheet and consolidated income statement included in the approved 2014 consolidated annual accounts and an explanation of the main differences between the accounting criteria applied in the previous year and the current year as well as a calculation of the impact produced by this change in accounting criteria on the consolidated equity at 1 January 2015, the date of the transition in the individual and consolidated annual accounts of the Barcelona City Council and its related entities.

PricewaterhouseCoopers Auditores, S.L.



Sandra Deltell

13 May 2016

Gabinete Técnico
de Auditoría y Consultoría, S.A.

Jordi Vila López

Consolidated Balance Sheet as of 31 December 2015 (amounts in euros)

Assets	Notes in annual report	2015
A) Fixed assets		13,012,508,458.31
I. Intangible fixed assets	16	20,780,824.65
1. Consolidated goodwill	8	1,464,658.00
2. Other intangible fixed assets		19,316,166.65
II. Tangible fixed assets	14	11,224,800,574.15
1. Land and buildings		6,569,209,580.56
2. Infrastructures and historical heritage assets		4,039,455,535.19
3. Other tangible fixed assets		217,405,084.99
4. Fixed assets under construction and advance payments		398,730,373.41
III. Property investments	15	244,089,472.03
IV. Long-term financial investments in entities of the group, multigroup and associates	17	746,132,053.19
1. Holdings consolidated under the equity method	13	682,209,475.59
3. Other investments		63,922,577.60
V. Public land assets	14	564,346,507.98
1. Land and buildings		268,880,716.50
2. Under construction and advances		13,498,202.00
3. Other public land assets		281,967,589.48
VI. Long-term financial investments	17	180,911,742.46
VII. Assets for deferred tax		3,012,356.40
VIII. Long-term receivables and other accounts receivable		28,434,927.45
B) Current assets		1,289,018,683.95
II. Inventories	5.11	90,279,531.62
III. Receivables and other accounts receivable		430,026,898.66
V. Short-term financial investments	17	73,385,731.47
VI. Short-term accruals payable		5,756,560.02
VII. Cash and other equivalent liquid assets		689,569,962.18
Total assets (A+B)		14,301,527,142.26

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated balance sheet as of 31 December 2015

Consolidated Balance Sheet as of 31 December 2015 (amounts in euros)

Net equity and liabilities	Notes in annual report	2015
A) Net equity	19	11,581,066,020.12
I. Equity contributed		7,830,665,478.43
II. Equity created		2,998,181,778.79
2. Profit and loss brought forward		2,191,822,793.88
3. Financial year's results allocated to Parent Entity		371,607,694.04
4. Consolidated reserves		434,751,290.86
III. Adjustments for changes in value		23,536,663.00
IV. Other increases in equity pending recognition in the profit and loss account		659,549,251.90
V. External shareholders	10	1069,132,848.00
B) Fixed liabilities		1,678,137,603.91
I. Long-term provisions	20	2049,995,176.49
II. Long-term debts	18	1,115,537,146.85
1. Debentures and other marketable securities		60,000,000.00
2. Debts with credit institutions		783,892,187.62
3. Other debts		271,644,959.23
IV. Liabilities for deferred tax		7,301,233.58
VI. Short-term accruals payable	22	505,304,046.99
C) Current liabilities		1,042,323,518.23
I. Short-term provisions	20	2076,394,558.77
II. Short-term debts	18	359,228,458.96
1. Debentures and other marketable securities		877,868.85
2. Debts with credit institutions		168,665,330.87
3. Other debts		189,685,259.24
III. Short-term debts with entities of the group, multigroup and associates		11,700,706.25
1. Debts with joint ventures or entities consolidated under the equity method		1.909,758.00
2. Other debts		9,790,948.25
IV. Short-term creditors and other accounts payable		524,015,446.61
V. Accruals payable	22	70,984,347.64
Total net equity and liabilities (A+B+C)		14,301,527,142.26

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated balance sheet as of 31 December 2015

Consolidated Income and Expenditure Account as of 31 December 2015 (amounts in euros)

	Notes in annual report	2015
1. Tax and social-security contribution revenue		1,249,948,321.22
a) Tax revenue		1,249,948,321.22
2. Transfers and subsidies received		1,205,424,696.20
a) From the financial year		1,193,448,302.30
b) Allocation of non-financial fixed-asset subsidies		11,909,335.92
c) Allocation of subsidies for current and other assets		67,057.98
3. Net sales and service supplies		261,762,270.75
a) Net sales		25,539,665.30
b) Service supplies		236,222,605.45
4. Variation of inventories of finished products, products in the process of being manufactured and impairment losses		17,741.00
6. Other day-to-day management income		166,848,585.17
7. Provision surpluses		23,055,869.30
A) Total income from day-to-day management		2,907,057,483.64
8. Staff expenditure		-630,604,305.68
a) Wages, salaries and similar expenses		-484,470,371.86
b) Social security contributions		-146,133,933.82
9. Transfers and subsidies granted		-633,932,227.98
10. Supplies		-55,337,219.21
a) Consumption of goods and other items		-55,449,966.18
b) Impairment loss in goods, raw materials and other supplies		112,746.97
11. Other day-to-day management expenses		-884,663,244.01
12. Fixed-asset depreciation		-256,622,684.23
B) Total expenses from day-to-day management		-2,461,159,681.11
I. Day-to-day management income and expenditure (saving and dissaving) (A+B)		445,897,802.53
13. Impairment losses and results from disposals of non-financial fixed assets and assets under sale		406,878.39
a) Impairment losses		-9,073.07
b) Write-offs and disposals		-376,422.31
c) Allocation of non-financial fixed-asset subsidies		792,373.77
14. Other non-day-to-day items		564,066.28
II Results from non-financial transactions		446,868,747.20
17. Financial income		29,082,213.83
a) From holdings in equity instruments		588,859.00
b) From marketable securities and credit from fixed assets		28,493,354.83
18. Financial expenditure		-26,095,130.46
19. Financial expenses allocated to assets		687,766.05
21. Exchange differences		7,572.41
22. Impairment losses, write-offs and disposals of financial assets and liabilities		-70,992,860.82
III. Results from financial transactions		-67,310,438.99
23. Share in profits (losses) from entities consolidated under the equity method	13	-3,543,412.46
IV Pre-tax results		376,014,895.75
26. Capital gains tax		-365,399.71
IV Results from financial year arising from discontinued transactions net of taxes		0.00
V Financial year's consolidated results (savings and dissavings)		375,649,496.04
Results allocated to Parent Entity		371,607,694.04
Results allocated to external shareholders	10	4,041,802.00

Notes 1 to 25 of the accompanying annual report are an integral part of the Consolidated Income and Expenditure Account for the 2015 financial year

Consolidated Statement of Changes in Net Equity as of 31 December 2015 (amounts in euros)

1. 1. Total Consolidated Statement of Changes in Net Equity

	Notes in annual report	I. Heritage	II. Equity created	III. Adjustments for changes in value	IV. Subsidies received	V. External shareholders	TOTAL
Net equity adjusted at the end of the 2014 financial year	25	7,826,505,336.67	2,461,368,311.50	23,565,605.00	603,979,742.74	65,735,686.00	10,981,154,681.91
Adjustments for changes of accounting criteria and corrections of errors		0.00	1,544,190.74	0.00	0.00	0.00	1,544,190.74
Initial net equity adjusted for the 2014 financial year		7,826,505,336.67	2,462,912,502.24	23,565,605.00	603,979,742.74	65,735,686.00	10,982,698,872.65
Changes in net equity for the 2015 financial year		4,160,141.76	535,269,276.54	-28,942.00	55,569,509.16	3,397,162.00	598,367,147.46
1. Income and expenditure recognised for the financial year		0.00	371,607,694.04	-28,942.00	55,569,509.16	3,996,068.00	431,144,329.20
2. Asset and liability transactions with the entity or owner entities		0.00	0.00	0.00	0.00	-596,649.00	-596,649.00
3. Other changes in net equity		4,160,141.76	163,661,582.50	0.00	0.00	-2,257.00	167,819,467.26
Net equity at the end of the 2015 financial year	19	7,830,665,478.43	2,998,181,778.79	23,536,663.00	659,549,251.90	69,132,848.00	11,581,066,020.12

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated statement of changes in net equity for the 2015 financial year

2. Consolidated Statement of Recognised Income and Expenditure

	2015
I. Income and expenditure	371,607,694.04
II. Income and expenditure recognised directly in net equity	
2. Financial assets and liabilities	-28,942.00
4. Other increases in equity	71,474,913.08
Total	71,445,971.08
III. Transfers to the Income and Expenditure Account or to the initial carrying amount of hedged items	
4. Other increases in equity	-11,909,335.92
Total	-11,909,335.92
IV. TOTAL recognised income and expenditure(I+II+III)	431,144,329.20

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated statement of changes in net equity for the 2015 financial year

Consolidated Cash-Flow Statement as of 31 December 2015 (amounts in euros)

2015	
Consolidated cash-flow statement	
I. CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per BCC and IB)	531,982,712.30
I. CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per PBE and PLC)	80,591,430.85
Net cash flows per management activity	612,574,143.15
II. CASH FLOWS FROM INVESTMENT ACTIVITIES (*)	
C) Receipts:	101,142,004.02
1. Sale of property investments	61,430,642.75
2. Sale of financial assets	5,241,101.00
3. Other receipts from investment activities	34,470,260.27
D) Payments:	-567,042,138.83
4. Purchase of property investments	-527,317,331.23
5. Purchase of financial assets	-16,349,054.47
6. Other payments from investment activities	-23,375,753.13
Net cash flows from investment activities (+C-D)	-465,900,134.81
III. CASH FLOWS FROM FUNDING ACTIVITIES	
E) Receivables to the owner entity or entities	5,513,332.66
2. Other receivables to owner entity or entities	5,513,332.66
G) Receipts for issuing financial liabilities :	215,341,585.37
6. Loans received	180,062,294.76
7. Other debts	35,279,290.61
H) Payments for financial liability redemptions	-375,525,086.66
9. Loans received	-334,989,648.52
10. Other debts	-40,535,438.14
Net cash flows through funding activities (+E+G-H)	-154,670,168.63
IV. CASH FLOWS PENDING CLASSIFICATION	0.00
I) Receipts pending	5,475,606.51
J) Payments pending	-122,763.58
Net cash flows pending classification (+I-J)	5,352,842.93
V. EFFECT OF VARIATIONS IN EXCHANGE RATES	14.58
VI. NET INCREASE/REDUCTION IN CASH AND CASH-EQUIVALENT LIQUID ASSETS (I+II+III+IV+V)	-2,643,302.78
Cash and cash-equivalent liquid assets at the start of the financial year (**)	692,213,174.97
Cash and cash-equivalent liquid assets at the end of the financial year	689,569,872.19

(*) Cash flows from investment activities include payments made by Barcelona City Council for investments made directly or through subsidiary entities.

(**) This balance includes temporary financial investments amounting to 350 million euros.

The Entities' Consolidated Budget Settlement Statement with restrictive budget (amounts in euros)

Expenditure Budget Settlement. Financial classification

Budgetary implementation	Description	Initial credit	Net recognised debentures
Chapter 1	Staff expenses	462,158,095.11	464,659,346.62
Chapter 2	Expenditure on current goods and services	730,177,979.70	716,847,021.50
Chapter 3	Financial expenditure	34,747,172.20	23,740,345.59
Chapter 4	Current transfers	795,764,344.62	849,213,852.63
Chapter 5	Contingency funds	6,477,736.89	0.00
Chapter 6	Property investments	356,780,830.94	398,485,538.00
Chapter 7	Capital transfers	21,741,338.55	57,571,747.03
Chapter 8	Financial assets	21,421,554.14	16,323,489.08
Chapter 9	Financial liabilities	159,183,736.81	296,889,428.09
TOTAL		2,588,452,788.96	2,823,730,768.54

Income budget settlement

Budgetary implementation	Description	Initial forecasts	Net recognised collection rights
Chapter 1	Direct taxes	943,767,320.00	1,039,071,822.99
Chapter 2	Indirect taxes	55,749,790.00	58,511,913.19
Chapter 3	Charges and other revenue	292,699,651.34	336,610,739.71
Chapter 4	Current transfers	1,054,550,555.62	1,142,727,535.04
Chapter 5	Property income	44,302,992.00	53,514,103.05
Chapter 6	Property investments	500,080.00	5,843,558.09
Chapter 7	Capital transfers	30,332,390.00	32,463,470.84
Chapter 8	Financial assets	5,000,010.00	5,241,101.00
Chapter 9	Financial liabilities	161,550,000.00	161,517,158.33
TOTAL		2,588,452,788.96	2,835,501,402.24

Consolidated budgetary results

Items	Net recognised collection rights	Net recognised debentures	Budgetary income and expenditure
a) Current transactions	2,630,436,113.98	2,054,460,566.34	575,975,547.64
b) Capital transactions	38,307,027.93	456,057,285.03	-417,750,256.10
1. Total non-financial transactions (a+b)	2,668,743,142.91	2,510,517,851.37	993,725,803.74
c) Financial assets	5,241,101.00	16,323,489.08	-11,082,388.08
d) Financial liabilities	161,517,158.33	296,889,428.09	-135,372,269.76
2. Total financial transactions (c+d)	166,758,259.33	313,212,917.17	-146,454,657.84
I. Financial year's consolidated budget results			847,271,145.90

Consolidated Annual Report for the 2015 Financial Year

Note 1 – The Barcelona City Council Group – Entities of the Group

1.1. Parent Entity

For the purposes of carrying out its functions more effectively and efficiently in the service it offers the public, in accordance with functional specialisation and management streamlining criteria, the City Council has created a range of subsidiary entities with their own legal personality: independent bodies, municipally owned business entities and municipal trading companies.

In addition, for the purposes of participating in decision-making in areas where it may be affected or collaborating with other authorities or private entities in areas of mutual interest or shared jurisdiction, the City Council has direct or indirect holdings, and in different proportions, in a series of undertakings and is represented in several consortiums, foundations and associations.

For the purposes of preparing the consolidated annual accounts, a group shall be understood to exist where the Parent Entity has one or more subsidiaries, the latter being entities which the former has control over, whether directly or indirectly. The principles applied in preparing the Group's consolidated annual accounts, as well as the consolidation perimeter, are detailed below.

1.2. Subsidiary entities

Subsidiaries are all the entities that the City Council Group exercises or can exercise direct or indirect control over, such control being understood as the power to govern the financial policies and activities of another entity for the purposes of obtaining financial returns or the potential of the service. In particular, what is referred to under Article 2 of Order HAP/1489/2013.

In evaluating whether the Group controls another entity, account is taken of the existence and effect of potential voting rights that may currently be exercisable or convertible. Subsidiaries are consolidated on the basis of the date when control is transferred to the Group and excluded from the consolidation on the date when such control stops.

Any acquisition of a subsidiary entity's control on the part of the Parent Entity (or another entity of the Group) constitutes a combination of transactions that is entered in the accounts using the acquisition method. The acquisition cost is the fair value of the assets delivered, of the equity instruments issued and of the liabilities incurred or assumed on the exchange date, and the fair value of any additional consideration that depends on future events (provided it is probable and can be reliably valued).

1.2.a) Entities to be integrated into the consolidation

The subsidiary entities consolidated using the global integration method are as follows:

Entity	Integration method	Legal nature	Owner entity
MA for Persons with Disabilities	Global	IB	Barcelona City Council
Barcelona Sports Institute	Global	IB	Barcelona City Council
MA for Information Technology	Global	IB	Barcelona City Council
MA for Urban Planning	Global	IB	Barcelona City Council
MA for Taxes	Global	IB	Barcelona City Council
MA for Markets	Global	IB	Barcelona City Council
MA for Education	Global	IB	Barcelona City Council
MA for Urban Landscape and Quality of Life	Global	IB	Barcelona City Council
MA for Social Services	Global	IB	Barcelona City Council
MA for Parks and Gardens	Global	PBE	Barcelona City Council
Barcelona Institute of Culture	Global	PBE	Barcelona City Council
Municipal Housing Trust	Global	PBE	Barcelona City Council
MA Mies van der Röhe Foundation	Global	PBE	Barcelona City Council
Barcelona d'Infraestructures Municipals, SA	Global	PLC	Barcelona City Council
Foment de Ciutat, SA	Global	PLC	Barcelona City Council
Informació i Comunicació de Barcelona, SA	Global	PLC	Barcelona City Council
Barcelona Activa, SA	Global	PLC	Barcelona City Council
Barcelona Gestió Urbanística, SA	Global	PLC	Barcelona City Council
Barcelona Cicle de l'Aigua, SA	Global	PLC	Barcelona City Council
Barcelona de Serveis Municipals, SA	Global	PLC	Barcelona City Council
Parc d'Atraccions Tibidabo, SA	Global	PLC	Barcelona de Serveis Municipals, SA
Tractament i Eliminació de Residus, SA	Global	PLC	Barcelona de Serveis Municipals, SA
Selectives Metropolitanes, SA	Global	PLC	Tractament i Eliminació de Residus, SA
Solucions Integrals per als Residus, SA	Global	PLC	Tractament i Eliminació de Residus, SA
Cementiris de Barcelona, SA	Global	PLC	Barcelona de Serveis Municipals, SA
Mercabarna, SA	Global	PLC	Barcelona de Serveis Municipals, SA
IB- Independent body PBE - Public business entity PLC - Public limited company			

All the subsidiary entities that are incorporated into the consolidation using the global integration method closed the 2015 financial year on 31 December 2015 just as the Parent Entity. Their corresponding annual accounts for the 2015 financial year have been audited with an unqualified opinion in all cases.

Entity	Shareholding (%)	Assigned Activity/Area
Independent bodies		
MA for Persons with Disabilities	100	Managing promotional activities and care for people with disabilities
Barcelona Sports Institute	100	Promoting sports activities
MA for Information Technology	100	Carrying out IT work
MA for Urban Planning	100	Managing urban planning activities
MA for Taxes	100	Managing, inspecting and collecting taxes, public-sector charges, fines and other revenue
MA for Markets	100	Administering and managing the municipal markets
MA for Education	100	Planning and managing the activities, structures and administration of schools
MA for Urban Landscape and Quality of Life	100	Protecting, maintaining and improving landscape values
MA for Social Services	100	Promoting, organising, managing and coordinating the provision of social services
Publicly Owned Business Entities		
MA for Parks and Gardens	100	Conserving and improving parks, gardens and woodland
Barcelona Institute of Culture	100	Developing services and areas of cultural action
Municipal Housing Trust	100	Promoting and building housing
MA Mies van der Róhe Foundation	100	Promoting and disseminating culture in the field of architecture
Trading Companies		
Barcelona d'Infraestructures Municipals, SA	100	Implementing urban-planning projects
Foment de Ciutat, SA	100	Activities and services, mainly in the Ciutat Vella district
Informació i Comunicació de Barcelona, SA	100	Providing and managing audiovisual media services, radio and television
Barcelona Activa, SA	100	Fostering, promoting and boosting employment and economic activity
Barcelona Gestió Urbanística, SA	100	Promoting urban-planning projects
Barcelona Cicle de l'Aigua, SA	100	Managing the water cycle, beaches, coasts and environment
Barcelona de Serveis Municipals, SA	100	Managing, maintaining, administering and operating public services
Parc d'Atraccions Tibidabo, SA (1)(3)	100	Running the amusement park
Tractament i Eliminació de Residus, SA (1)(3)	58.64	Managing, treating and removing solid household waste
Selectives Metropolitanes, SA (2)(3)	58.64	Services relating to urban-waste management
Solucions Integrals per als Residus, SA (2)(3)	58.64	Services relating to urban-waste management
Cementiris de Barcelona, SA (1)(3)	100	Managing, developing and operating cremation and cemetery services
Mercabarna, SA (1)(3)	50.69	Managing, developing and operating the Barcelona Food Unit
(1) Shareholding maintained through Barcelona de Serveis Municipals, SA. (2) Shareholding maintained through Tractament i Selecció de Residus, SA. (3) See Note 3 on entity subgroups.		

1.2.b) Entities to be excluded from the consolidation

There are no subsidiary entities excluded from the consolidation.

1.3. Relative importance of the group's entities

The representative magnitude of relative importance is considered for the entities with a restrictive expenditure budget, the total amount of the net recognised debentures and for the entities with an estimated expenditure budget, the total amount of the financial year's operational expenses.

Entity	Relative importance
MA for Persons with Disabilities	10,476,708
Barcelona Sports Institute	30,400,672
MA for Information Technology	63,490,073
MA for Urban Planning	753,106
MA for Taxes	24,133,396
MA for Markets	33,831,968
MA for Education	61,939,897
MA for Urban Landscape and Quality of Life	15,895,643
MA for Social Services	115,863,939
Municipal Institute of Parks and Gardens	7,670,019.68
Barcelona Institute of Culture	4,139,560.48
Municipal Housing Trust	862,399.25
Municipal Institute of the Mies van der Röhe Foundation	126,365.24
Barcelona d'Infraestructures Municipals, SA	510,177.22
Foment de Ciutat, SA	396,371.90
Informació i Comunicació de Barcelona, SA	208,230.24
Barcelona Activa, SA	3,774,120.88
Barcelona Gestió Urbanística, SA	1,277,813.75
Barcelona Cicle de l'Aigua, SA	1,071,947.08
Barcelona de Serveis Municipals, SA	107,189,733.94
Parc d'Atraccions Tibidabo, SA	14,547,530.58
Tractament i Eliminació de Residus, SA	53,084,086.88
Selectives Metropolitanes, SA	6,775,086.43
Solucions Integrals per als Residus, SA	9,121,851.05
Cementiris de Barcelona, SA	14,090,569.48
Mercabarna, SA	26,352,440.38

Note 2 – Entities of the multigroup and associates

2.1.a) Entities to be integrated into the consolidation

In accordance with the provisions set out in Order HAP/1489/2013, multigroup entities have been understood as entities managed by one or several of the group's entities with a holding in their share capital or equity, in conjunction with one or more entities that are not part of the group.

The multigroup entities integrated into the consolidation using the equity method are:

	Integration method	Legal nature	Owner entity	Shareholding (%)
Besòs Consortium (1)	EM	CO	Barcelona City Council	25.00
El Far, Centre dels Treballs del Mar Consortium (1)	EM	CO	Barcelona City Council	36.00
Institut d'Infància i Món Urbà Consortium (1)	EM	CO	Barcelona City Council	33.00
Mercat de les Flors/Centre de les Arts de Moviment Consortium (1)	EM	CO	Barcelona City Council	57.00
Museu de Ciències Naturals de Barcelona Consortium (1)	EM	CO	Barcelona City Council	50.00
Barcelona Urban Ecology Agency (1)	EM	CO	Barcelona City Council	33.00
Museu d'Art Contemporani de Barcelona (MACBA) Consortium (1)	EM	CO	Barcelona City Council	43.00
L'Auditori i l'Orquestra Consortium (2)	EM	CO	Barcelona City Council	57.00
Barcelona Libraries Consortium (1)	EM	CO	Barcelona City Council	56.00
Campus Interuniversitari Diagonal-Besòs Consortium (1)	EM	CO	Barcelona City Council	21.00
Localret Consortium (2)	EM	CO	Barcelona City Council	1.00
Barcelona Local Energy Agency (1)	EM	CO	Barcelona City Council	53.00
Fira Internacional de Barcelona (1)	EM	CO	Barcelona City Council	33.00
Barcelona Housing Consortium	EM	CO	Barcelona City Council	40.00
Gran Teatre del Liceu Consortium (2)	EM	CO	Barcelona City Council	28.00
Pla de Rehabilitació i Equipament de Teatres de Barcelona Consortium	EM	CO	Barcelona City Council	25.00
Institut Ramon Llull Consortium (1)	EM	CO	Barcelona City Council	19.00
Mar Parc de Salut de Barcelona Consortium (formerly IMAS) (2)	EM	CO	Barcelona City Council	40.00
Barcelona Mobile World Capital Consortium	EM	CO	Barcelona City Council	20.00
3rd Barcelona World Race Consortium	EM	CO	Barcelona City Council	25.00
Barcelona World Jumping Challenge Consortium	EM	CO	Barcelona City Council	20.00
Institute of Municipal Staff Health Care Provision (PAMEM) (2)	EM	CO	Barcelona City Council	60.00
Linguistic Normalisation Consortium (CNL)	EM	CO	Barcelona City Council	1.00
Barcelona High-Speed (AVE) Consortium	EM	CO	Barcelona City Council	33.33
Barcelona Education Consortium	EM	CO	Barcelona City Council	40.00
Barcelona Social Services Consortium	EM	CO	Barcelona City Council	40.00
Barcelona Public Health Agency (1)	EM	CO	Barcelona City Council	57.00
Barcelona Health Consortium	EM	CO	Barcelona City Council	40.00
Les Drassanes Reials i Museu Marítim de Barcelona Consortium (1)	EM	CO	Barcelona City Council	27.00
Palau de la Música Catalana Consortium	EM	CO	Barcelona City Council	17.00
Museu Nacional d'Art de Catalunya (MNAC) Consortium (2)	EM	CO	Barcelona City Council	16.00
Barcelona Centre of Contemporary Culture, Casa Caritat (CCCB)	EM	CO	Barcelona City Council	27.00
Catalan Health Consortium (Catalan Health and Social Consortium)	EM	CO	Barcelona City Council	1.00
Turisme de Barcelona Consortium (2)	EM	CO	Barcelona City Council	33.33
Zona Franca de Barcelona Consortium (1)	EM	CO	Barcelona City Council	40.00
Metropolitan Transport Authority (1)	EM	CO	Barcelona City Council	22.00
Barri de la Mina Consortium (2)	EM	CO	Barcelona City Council	11.00
La Defensa de la Conca del Riu Besòs Consortium	EM	CO	Barcelona City Council	9.00
Universitat Internacional Menéndez Pelayo de Bcn - Centre Ernest Lluch Con.	EM	CO	Barcelona City Council	25.00
Parc Natural de la Serra de Collserola Consortium (1)	EM	CO	Barcelona City Council	3.00
Parc de Recerca Biomèdica de Barcelona Consortium (1)	EM	CO	Barcelona City Council	30.00
Institut d'Estudis Regionals i Metropolitans de Barcelona Consortium (1)	EM	CO	Barcelona City Council	23.00
Casa Asia (2)	EM	CO	Barcelona City Council	25.00
European Institute of the Mediterranean (1)	EM	CO	Barcelona City Council	31.00
Patronat Catalunya-Món (formerly P.Català pro Europa) (2)	EM	CO	Barcelona City Council	3.00

EM – Equity method under Art 12 of Order HAP/1489/2013

CO – Consortium

(1) Annual accounts for 2014 audited with an unqualified opinion.

(2) Annual accounts for 2014 audited with exceptions.

The associate entities integrated into the consolidation using the equity method are:

Entity	Integration method	Legal nature	Owner entity	Shareholding (%)
Mediacomplex, SA (1)	EM	PLC	Barcelona d'Infraestructures Municipals, SA	33.30
Barcelona Sagrera Alta Velocitat, SA (1)	EM	PLC	Barcelona City Council	25.00
Barcelona Emprèn CR, SA (1)	EM	PLC	Barcelona City Council	26.04
Fira 2000, SA (1)	EM	PLC	Barcelona City Council	23.09
Catalana d'Iniciatives SA, in liquidation	EM	PLC	Barcelona de Serveis Municipals, SA	24.25
Barcelona d'Aparcaments Municipals, SA (1)	EM	PLC	Barcelona de Serveis Municipals, SA	40.00
Barcelona Regional, SA (1)	EM	PLC	Barcelona City Council and MCBNA	20.63

(1) Unqualified opinion of the annual accounts for 2015.
EM - Equity method
PLC - Public limited company

All the entities that are incorporated into the consolidation using the equity method closed the 2015 financial year on 31 December 2015 just as the Parent Entity.

2.1.b) Entities to be excluded from the consolidation

The following multigroup entities have been excluded from the Group's consolidation, under Article 8, Section (b) of Order HAP/1489/2013, of 18 July, approving the consolidated annual account rules in the area of the public sector:

Entity	Organisational classification - Assigned area	Legal nature
Barcelona Cultura Foundation	Area of Citizenship, Participation and Transparency	F
Barcelona Foundation for Oceanic Sailing	Area of Citizenship, Participation and Transparency	F
Carles Pi i Sunyer Foundation for Autonomous Region and Local Government Studies	Area of Work, Economy and Strategic Planning	F
Julio Muñoz Ramonet Private Foundation	Area of Citizenship, Participation and Transparency	F
Barcelona Mobile World Capital Foundation	Area of Work, Economy and Strategic Planning	F
Gran Teatre del Liceu Foundation	Area of Citizenship, Participation and Transparency	F
Antoni Tàpies Private Foundation	Area of Citizenship, Participation and Transparency	F
Joan Miró Foundation - Contemporary Art Studies Centre	Area of Citizenship, Participation and Transparency	F
Teatre Lliure - Teatre públic de Barcelona Foundation	Area of Citizenship, Participation and Transparency	F
Museu Marítim i Drassanes Reials de Barcelona Private Foundation	Area of Citizenship, Participation and Transparency	F
Artur Martorell Private Foundation	Area of Social Rights	F
Orfeó Català - Palau de la Música Catalana Private Foundation	Area of Work, Economy and Strategic Planning	F
L'Auditori i l'Orquestra Private Foundation	Area of Citizenship, Participation and Transparency	F
Joan Brossa Private Foundation	Area of Citizenship, Participation and Transparency	F
Museu Picasso de Barcelona Foundation	Area of Citizenship, Participation and Transparency	F
Biblioteca Pública Arús Foundation	Area of Citizenship, Participation and Transparency	F
Hospital de la Santa Creu i Sant Pau Private Foundation	Area of Social Rights	F
Hospital de la Santa Creu i Sant Pau Health Management Private Foundation	Area of Social Rights	F
Institut Guttmann Private Foundation	Area of Social Rights	F
Centre de Medicina Regenerativa de Barcelona Private Foundation	Area of Social Rights	F

(keep going)

Entity	Organisational classification - Assigned area	Legal nature
Instituto de Salut Global Barcelona (IS Global) Private Foundation	Area of Social Rights	F
Dieta Mediterrània Foundation	Area of Citizenship, Participation and Transparency	F
Ulls del Món Private Foundation	Area of Social Rights	F
BCN Formació Professional Private Foundation	Area of Work, Economy and Strategic Planning	F
Escola de Puntaïres de Barcelona	Area of Social Rights	F
Escoles Domènech Private Foundation	Area of Social Rights	F
Casa Amèrica a Catalunya Private Foundation	Area of Work, Economy and Strategic Planning	F
Institut Barcelona d'Estudis Internacionals (IBEI) Private Foundation	Area of Work, Economy and Strategic Planning	F
Consejo España - China, Foundation	Area of Work, Economy and Strategic Planning	F
Consejo España-India Foundation	Area of Work, Economy and Strategic Planning	F
Consejo España-Japón Foundation	Area of Work, Economy and Strategic Planning	F
Vol Private Foundation	Area of Social Rights	F
Casa de Misericòrdia de Barcelona Foundation	Area of Social Rights	F
Barcelona Institute of Technology for the Habitat (BIT HABITAT) Foundation	Area of Work, Economy and Strategic Planning	F
Urbs i Territori Ildelfons Cerdà Private Foundation	Area of Ecology, Urban Planning and Mobility	F
Eurecat Foundation	Area of Work, Economy and Strategic Planning	F
I2CAT, Internet i Innovació digital a Catalunya Private Foundation	Area of Work, Economy and Strategic Planning	F
BCD per a la Promoció del Disseny Industrial Foundation	Area of Ecology, Urban Planning and Mobility	F
Promoció de Barcelona Foundation	Area of Work, Economy and Strategic Planning	F
Barcelona Graduate School of Economics Private Foundation	Area of Work, Economy and Strategic Planning	F
Institut d'Economia de Barcelona Private Foundation	Area of Work, Economy and Strategic Planning	F
Fòrum Ambiental Foundation	Area of Ecology, Urban Planning and Mobility	F
Bioregió de Catalunya (Biocat) Private Foundation	Area of Work, Economy and Strategic Planning	F
Mobilitat Sostenible i Segura Private Foundation	Area of Ecology, Urban Planning and Mobility	F
Centre d'Informació i Documentació Internacionals a Barcelona Private Foundation	Area of Work, Economy and Strategic Planning	F
Factor Humà Foundation (formerly Motivació dels Recursos Humans Foundation)	Manager's Office for Human Resources and Organisation	F
Fòrum Universal de les Cultures Private Foundation	Area of Work, Economy and Strategic Planning	F
Pagesia de Catalunya Private Foundation	Area of Work, Economy and Strategic Planning	F
Barcelona Olympic Foundation	Area of Citizenship, Participation and Transparency	F
Centro de Estudios Internacionales Private Foundation	Area of Work, Economy and Strategic Planning	F
Festa Major de Gràcia Private Foundation	Area of Work, Economy and Strategic Planning	F
Barcelona Zoo Foundation	Area of Work, Economy and Strategic Planning	F
Parc Científic de Barcelona Private Foundation	Area of Social Rights	F
International Association of Educating Cities	Area of Citizenship, Participation and Transparency	A
Red de Juderías de España, Caminos de Sefarad Association	Area of Citizenship, Participation and Transparency	A
Barcelona Metropolitan Strategic Plan	Area of Work, Economy and Strategic Planning	A
Catalan Federation of Local Authorities	Area of Work, Economy and Strategic Planning	A
Catalan Association of Local Authorities and Counties (ACMC)	Area of Citizenship, Participation and Transparency	A
Communauté des Villes Ariane (CVA)	Area of Work, Economy and Strategic Planning	A
América-Europa de Regiones y Ciudades (AERYC) Association	Area of Citizenship, Participation and Transparency	A
United Cities and Local Governments (UCLG)	Area of Citizenship, Participation and Transparency	A
World Association of the Major Metropolises Metropolis	Area of Citizenship, Participation and Transparency	A
Professional Training Network	Area of Citizenship, Participation and Transparency	A
Industrial Agreement for the Barcelona Metropolitan Region	Area of Work, Economy and Strategic Planning	A
Barcelona European Finance Centre	Area of Work, Economy and Strategic Planning	A

(keep going)

Entity	Organisational classification - Assigned area	Legal nature
Barcelona - Catalonia Logistics Centre	Area of Work, Economy and Strategic Planning	A
Catalan Development Cooperation Fund (FCCD)	Area of Work, Economy and Strategic Planning	A
Barcelona Cluster Nàutic Association	Area of Ecology, Urban Planning and Mobility	A
Centro Iberoamericano de Desarrollo Estratégico Urbano - CIDEU	Area of Citizenship, Participation and Transparency	A
Airport Regions Conference (ARC) Association	Area of Work, Economy and Strategic Planning	A
Red de Ciudades AVE	Area of Work, Economy and Strategic Planning	A
Spanish Smart Cities Association	Area of Work, Economy and Strategic Planning	A
City Protocol Society Association	Area of Ecology, Urban Planning and Mobility	A
Délice Network of Good Food Cities	Area of Work, Economy and Strategic Planning	A
Observatori de les Dones en els Mitjans de Comunicació Association	Area of Social Rights	A
Red de Ciudades por la Bicicleta	Area of Social Rights	A
Marcas Renombradas Españolas Association	Area of Citizenship, Participation and Transparency	A
Barcelona Observatory for Architectural Restoration (OBRA)	Area of Ecology, Urban Planning and Mobility	A
Medcities Association	Area of Work, Economy and Strategic Planning	A
Xarxa de ciutats i pobles cap a la sostenibilitat, Association	Area of Ecology, Urban Planning and Mobility	A

F: Foundation
A: Association

Note 3 – Information on entity subgroups

The Barcelona de Serveis Municipals Group has the following subsidiary entities:

Entity	Shareholding	Owner entity
Parc d'Atraccions Tibidabo, SA	100	Barcelona de Serveis Municipals, SA
Tractament i Eliminació de Residus, SA	58.64	Barcelona de Serveis Municipals, SA
Selectives Metropolitanes, SA	58.64	Tractament i Eliminació de Residus, SA
Solucions Integrals per als Residus, SA	58.64	Tractament i Eliminació de Residus, SA
Cementiris de Barcelona, SA	100	Barcelona de Serveis Municipals, SA
Mercabarna, SA	50.69	Barcelona de Serveis Municipals, SA

Note 4 – Bases of the presentation of the consolidated annual accounts

4.1. A true and accurate picture

These consolidated annual accounts have been prepared on the basis of the individual audited annual accounts of each of the consolidated entities. For the purposes of showing a true and accurate picture of the consolidated equity, of the consolidated financial situation, consolidated income and expenditure account, of the changes in consolidated net equity, consolidated cash flows and results of the consolidated budgetary implementation corresponding to the financial year ending on 31 December 2015 which are expressed in euros.

The annual accounts of the City Council and local independent bodies were drafted in accordance with the accounting principles for public authorities established under Order HAP/1781/2013, of 20 September, approving the Guidelines of the Local Standard Accounting Model (henceforth the IMNCL), and under Act 1/2006, governing Barcelona's special system, and the annual accounts of the public business entities and subsidiary trading companies were prepared in accordance with the consolidated text of the Limited Companies Act and the guidelines of the General Public Accounting Plan approved by Royal Decree 1514/2007 and the successive amendments to it introduced in their turn.

The consolidated annual accounts were prepared in accordance with Order HAP/1489/2013, of 18 July, approving the rules for drafting consolidated annual accounts in the area of the public sector, with Order HAP/1781/2013 of 20 September having come into effect on 1 January 2015.

The budget settlements corresponding to the City Council and local independent bodies were approved by the Mayoral Decrees of 24 and 29 February 2016 respectively. Under the legal terms established, the General Accounts of the City Council and its local independent bodies will be presented for approval at the Full Municipal Council Meeting, as will the annual accounts of the public business entities and municipal trading companies.

The following current legislation has also been taken into account:

- Act 7/1985, of 2 April, regulating local government.
- Royal Decree Act 781/1986, of 18 April, approving the consolidated text of current provisions on local government.
- Legislative Decree 2/2003, of 28 April, approving the consolidated text of the Municipal and Local Government Act of Catalonia.
- Royal Legislative Decree 2/2004, of 5 March, approving the consolidated text of the regulatory Act on Local Tax Offices (Act 39/1988, of 28 December).
- Royal Decree 500/1990, of 20 April, developing Chapter I of Title VI of Act 39/1998, of 28 December, regulating local tax offices in budgets.
- Order of 27 April 2007, on the implementation of Decree 94/1995 of 21 February, as amended by ministerial decrees ECF/2901/2008, ECF/1769/2009, ECF/3210/2010, ECO/1406/2011, ECO/2829/2012 and ECO/2876/2014 on the financial supervision of local entities.
- Act 15/2010, of 5 July, on the amendment of Act 3/2004, of 29 December, establishing measures against arrears in commercial transactions.
- Framework Act 2/2012, of 27 April, on budget stability and financial sustainability, with amendments introduced by Framework Act 9/2013, of 20 December, on controlling commercial debt in the public sector.
- Framework Act 9/2013, of 20 December, on controlling commercial debt in the public sector.
- Act 27/2013, of 27 December, on the rationalisation and sustainability of local authorities.
- Act 22/1998, of 30 December, on the Barcelona Municipal Charter.

The accounting principles and criteria applied are heavily influenced by consideration of the importance they and their effects may have in relative terms. As a result, they do not need to be strictly applied, provided that the relative quantitative or qualitative importance of the variation recorded is hardly significant and does not therefore affect the true and accurate picture of the net equity situation and the income and expenditure. Entries and amounts whose relative importance is scarcely significant may appear grouped together with others of a similar nature or function.

There are no exceptional reasons, for the purposes of achieving the above goals, for current accounting provisions legally in force not to have been applied.

For accounting consolidation purposes the subsidiary entities of the City Council (Parent Entity) are described as its local independent bodies, public business entities, subsidiary trading companies, associate entities and multigroup entities as detailed in Note 2.1.a)

4.2. Comparison of the information

Under the Second Transitional Provision of Order HAP/1781/2013, of 20 September, approving the IMNCL, the annual accounts of the Parent Entity and the subsidiary entities which the above-mentioned Order applies to corresponding to the 2015 financial year have to be prepared without reflecting the Balance Sheet, the Income and Expenditure Account or the other statements that include comparative information on the figures for the present or previous financial years, as a result of which these consolidated annual accounts do not include comparative information either.

To that end, Note 25 of this annual report describes the aspects arising from the transition to the accounting regulations that are to apply with effect from 1 January 2015.

4.3. Reasons for and effects on the consolidated annual accounts of changes in accounting criteria and error corrections

There were no significant changes in the consolidated annual accounts arising from changes in accounting criteria or corrections of accounting errors, apart from the ones made for the purposes of adapting to the legislation in force.

4.4. Information on changes in accounting estimates where these might be significant

The consolidated annual accounts' preparation requires the Group to make certain accounting estimates and consider certain information. These are continually evaluated and based on historical experience and other factors, including expectations of future events, which were considered reasonable under the circumstances.

Although the estimates considered here were based on the best information available on the closing date of these annual accounts, any change in future to these estimates would apply prospectively, as of the aforementioned time, by recognising the effect of change on the estimate made in the Income and Expenditure Account for the financial year in question.

The main estimates and data considered in the preparation of the consolidated annual accounts are as follows:

- Useful lives of tangible fixed-asset elements, public land assets, property investments and intangible fixed assets (See Notes 5.3 , 5.4, 5.5 and 5.6).
- Estimated potential impairment of goodwill (See Note 5.1).
- Fair value of financial instruments (See Note 5.9).
- Definition and valuation of financial hedge instruments (See Note 10).
- Estimated provisions for risks and expenses (See Note 16).

4.5. Transactions between entities of the consolidation perimeter and consolidation principles

- a) All the entities close their accounting year at the end of the calendar year.
- b) Consolidation principles.

The assets, liabilities, income, expenditure, cash flows and other entries in the annual accounts of the Group's entities are incorporated into the consolidated annual accounts using the global integration method. This method requires the following:

1. Standardised timing. The consolidated annual accounts have to be established on the same date and for the same period as the annual accounts of the entity whose consolidation is required. Where an entity of the Group closes its financial year on a different date from that of the consolidated annual accounts, its inclusion in those accounts has to be done through interim statements referring to the same date and period that the consolidated accounts refer to.
2. Standardised valuation. The assets and liabilities, income and expenditure and other entries in the annual accounts of the Group's entities were valued according to uniform methods. The assets or liabilities or income or expenditure entries that were valued under non-uniform criteria with respect to the ones applied in consolidation were valued again with the necessary adjustments made, solely for consolidation purposes.
3. Aggregation. The various entries of the individual annual accounts standardised beforehand are aggregated according to their nature.
4. Net equity investment elimination. The representative accounting values for the equity instruments of the subsidiary entity possessed directly or indirectly by the Parent Entity are balanced with the proportional part of the net equity entries of that subsidiary Entity allocated to these holdings, generally, on the basis of the resulting values for applying the above-mentioned acquisition method. In consolidations subsequent to the financial year in which the control was acquired, the surplus or shortfall of the net equity generated by the subsidiary Entity from the acquisition data that is allocated to the Parent Entity is presented in the consolidated balance sheet inside the entries for reserves or adjustment for changes in value, according to their nature. The part that is allocated to external shareholders is included in the "External Shareholders" entry.
5. External shareholders' holdings. External shareholders are valued according to their effective holdings in the subsidiary entity's net equity once the previous adjustments have been incorporated. The consolidation goodwill is not allocated to external shareholders. The surplus among the losses allocated to external shareholders of a subsidiary entity and the part of the net equity that proportionately corresponds to it, is allocated to them even if this implies a debit balance in that entry.
6. Intra-group entry eliminations. Credit and debt, income and expenditure and cash flows between the Group's entities are eliminated as a whole. All the results produced by internal transactions are likewise eliminated and deferred until they are realised before third parties not belonging to the Group.

The associate entities and multi-group entities are included in the annual accounts by applying the equity method.

As for multigroup entities, the following are included in the equity method value:

- The value of the contributions made as assets assigned from the City Council for a value corresponding to that of the assets at the time of assignment.
- The value of the contributions made as assets assigned from City Council for a value corresponding to that of the assets handed over at the time of assignment.
- The amount of the direct capital contributions as well as subsequent increases for the assumption of new powers from the linked entities.

The difference between the net accounting value of the holding in the individual account and the amount mentioned in the above paragraph represents goodwill that appears in the “Equity-method holdings” entry. In the exceptional event that the difference between the amount in which the investment is entered in the individual annual accounts and the proportional part of the fair value of the net assets of the entity is negative, this difference would be recorded in the Income and Expenditure Account, following a new evaluation of the allocation of the fair values to the associate entity’s assets and liabilities.

In general, except where a negative difference arises in the acquisition of significant influence, the investment is initially valued at cost.

The results generated by the entity under the equity method are recognised from the data in which significant influence is acquired.

The accounting value of the holdings is amended (increased or decreased) in corresponding proportion, according to the variations experienced in the net equity of the subsidiary entity, from the initial valuation, once the proportion of unrealised results generated in transactions between that entity and the Group’s entities has been eliminated.

The greater value allocated to the holding as a result of the application of the acquisition method is reduced in subsequent years, charged to the consolidated results or the corresponding net equity entry and to the extent that the corresponding equity elements depreciate, lead to write-offs or are alienated to third parties. It is similarly charged to consolidated results where losses are caused by the impairments in value of equity elements of the subsidiary entity, limited to the appreciation assigned to them on the date of the first equity method application.

Variations in value of the holdings corresponding to results of the financial year of the subsidiary entity are part of the consolidated results, appearing in the “Share in profits (losses) of equity-method entities” entry. However, where the associate entity incurs losses, the reduction in the investment will be limited to the actual accounting value of the share. Where the share has been reduced to zero, the additional losses and corresponding liability are recognised to the extent that legal, contractual, implied or tacit obligations have been incurred or whether the Group has made payments on behalf of the subsidiary entity.

The variations in the value of the share corresponding to other variations in the net equity are shown in the corresponding net equity captions, according to their nature.

The valuing and timing standardisations apply to associate investments in the same way as for subsidiary entities.

Note 5 - Recognition and valuation rules

The accounting criteria shown below apply to the following entries:

1. Goodwill and negative consolidation difference

Goodwill represents the surplus, on the acquisition date, of the acquisition cost of the holding of the entities of the group and multigroup, over the fair value of the identifiable net assets acquired in the transaction.

Goodwill does not depreciate but rather is subject to annual impairment-loss tests, by valuing, subsequent to its initial recognition, its cost less the losses from accumulated impairment.

Valuation corrections for goodwill are recognised as an expense in the income and expenditure statement and are not subject to reversal in subsequent years.

Goodwill is assigned to the cash-generating units (CGU) for the purposes of confirming impairment losses. It is assigned in CGUs that are expected to benefit from the combination of transactions in which that goodwill arises.

2. Transactions between entities included in the consolidation perimeter

Transactions between the group's entities are generally entered in the accounts initially at fair value. Where appropriate, if the price agreed to differs from its fair value, the difference is recorded in accordance with the transaction's economic reality. Subsequent valuations are made under the provisions set out in the corresponding rules. The elimination criteria of the intragroup's entries are the ones explained in the previous note.

3. Tangible fixed assets

Capitalisation Criteria

These are tangible assets, movable and immovable property which:

- a) the Entity possesses for its own use in the production or supply of goods and services or for its own administrative purposes.
- b) These are expected to have a useful life of over a year.

Initial valuation

Investments in tangible fixed assets are valued at cost. This is the "acquisition price", which includes the non-recoverable indirect taxes associated with the purchase, the acquisition costs directly relating to the purchase and, where necessary, the costs for putting the acquisition into service.

Assets that appear as a result of a physical inventory are entered under their fair value where it was not possible to obtain evidence of their original cost.

Received assets allocated for a period equal to or in excess of their economic life are entered under their net accounting value on their formal allocation.

Additions from before 1 January 1992 are valued according to an expert estimate of their real market value carried out by an independent valuation company. For historical and artistic properties, the valuation includes their replacement value.

Capitalisation of financial expenditure

Financial expenditure is not incorporated in the tangible fixed assets' costs.

Subsequent valuation

Tangible fixed-asset elements are generally valued at cost, plus subsequent payments, less accumulated depreciation and valuation adjustments for impairment.

Assets subject to depreciation are reviewed where some event or change in circumstances may involve their accounting value becoming non-recoverable. Valuation adjustments for impairment are made when the asset's recoverable amount (fair value) is below its net depreciation value and which generally occurs because of: physical deterioration, rapid obsolescence or reduction in the initially expected performance. Assets that have suffered an impairment loss are regularly reviewed for possible reversals of impairment losses.

Extension, modernisation or improvement costs are capitalised as an increase in asset value where they increase its capacity or productivity or extend its useful life.

Costs for major repairs, inspections or major repairs are capitalised and depreciated over their useful lives.

The Group does not usually use its own staff to carry out work that is subject to capitalisation.

Where the ownership or use of a property requires the site's dismantling and restoration, these costs are capitalised and depreciated over the period that the property's financial returns or service potential is expected to be obtained.

Depreciation

The elements that make up the tangible fixed assets, with the exception of the land, are subject to systematic depreciation using the straight-line method according to the estimated useful life of each. By default, each element's depreciable basis matches its book value, given that the residual values are deemed to be null. The depreciation process starts when the asset is put into operation, with the estimated useful years of life being as follows:

	Years of useful life
Buildings	33 – 65
General use equity – buildings, facilities and woodland areas	50
General use equity – systems and roads	40
General use equity – mixed	35
General use equity – parks and gardens	20
Technical installations and machinery	8-16
Transport equipment	5 - 10
Furniture	6 - 13
Data-processing equipment	4 - 6
Livestock	7
Bibliographic archives and the like	8-10

The economic depreciation process began in the 1992 financial year. The estimated years of useful life corresponding to the "Buildings" captions were set out under the criteria established by the above-mentioned independent valuation.

As for the historical and artistic properties, depreciation was calculated on the basis of the cost of a replacement of the fixed asset that would reproduce its capacity and utility; its depreciation base therefore excluded the book-value part that corresponded to the historical and artistic component of the building, which rose to 221,573 thousand euros during the 2015 financial year, all on the basis of the above-mentioned independent valuation. This treatment was justified by the fact that the above-mentioned historical and artistic component was subject to maintenance to ensure the long-term duration of its value.

4. Public Land Assets

Public Land Assets (PLA) refers to the group of assets that were allocated, under Legislative Decree 1/2005, of 26 July, approving the consolidated text of the Act on Urban Planning in Catalonia, and under the Barcelona Municipal Charter, for social-interest purposes established by law.

The municipally owned properties which fell under this caption were as follows:

- Properties allocated for social housing, managed by the City Council itself or by municipal operators.
- Properties over which surface rights were awarded in favour of third parties, for building social housing, residences for elderly people, care centres and other social investments.
- Properties over which investment projects were being carried out, which, once completed, would enable their allocation to social housing and other social-interest initiatives.

The valuation and depreciation criteria for the various types of assets are the ones described in Note 5.3.

5. Property investments

These are properties (land or buildings) that are held for profit or capital gain or both, through their rents or alienation, without any of these being a purpose of the Entity. And, in any event, all those that may not be considered fixed assets. The tangible fixed-asset valuation criteria described in Note 5.3. apply to these investments.

6. Intangible fixed assets

Capitalisation Criteria

These are intangible assets and rights capable of financial valuation as non-monetary assets without physical substance which are identifiable by satisfying the characteristics of continuity over time and use in the production of goods and services or constituting a source of the entity's resources. In other words:

- a) They are separable and capable of disposal, assignment, renting, exchange and delivery for their exploitation.
- b) They arise from contractual and other legal rights, regardless of whether such rights are assignable or separable from other rights and obligations.

Initial valuation

Investments in intangible fixed assets are valued at cost. This is the “acquisition price”, which includes the non-recoverable indirect taxes associated with the purchase, the acquisition costs directly relating to the purchase and, where necessary, putting the acquisition into service, or the “production costs” in these resulting from actual work.

Subsequent valuation

They are generally valued at cost, plus subsequent payments, less accumulated depreciation and valuation adjustments for impairment.

Valuation adjustments for impairment are made when the asset’s recoverable amount is below its net depreciation value and that generally occurs because of rapid obsolescence or reduction in the initially expected performance.

Extension, modernisation or improvement costs are capitalised as an increase in asset value where they increase its capacity or productivity or extend its useful life.

Depreciation

The elements that make up intangible fixed assets will be subject to systematic depreciation using the straight-line method according to the estimated useful life of each. By default, each element’s depreciable basis matches its book value, given that the residual values are deemed to be null. The depreciation process starts when the asset is put into service, with the estimated useful years of life being as follows:

	Years of useful life
Industrial property	4
Other intangible fixed assets	4

7. Leases

The Group does not have any assets at its disposal acquired through financial leasing.

8. Asset exchanges

The Group does not usually carry out asset-exchange transactions during the normal course of its activities. In any case, where these take place, their book value and inclusion in the accounts are to meet the provisions set down in Section 4(d) of the IMNCL’s rules for recording and valuing tangible fixed assets.

9. Financial assets and liabilities

Financial assets and liabilities come from financial instruments, which are contracts that establish a right for one of the parties (financial asset) and an obligation (financial liability) or a component of the net equity (equity instrument) for the other party.

They are basically classified, valued and entered into the accounts according to the purpose they are maintained or have been issued for.

a) Financial assets

Financial assets consist of money in cash, capital or net equity instruments of another entity and the rights to receive cash or other financial assets from a third party or to exchange financial assets or liabilities with a third party in conditions that are potentially favourable for the entity.

Financial assets are classed, for valuation purposes, under:

Credit and receivables

They include:

- Credit for transactions arising from usual activities.
- Other financial assets that generate cash flows of a specified amount and regarding which all expenditure is expected to be recovered, except for reasons attributable to credit impairment.
- Debt-instrument acquisition transactions under subsequent agreements to sell at a fixed or initial price plus the supplier's normal profitability.

As a general rule, short-term credit and receivables are valued, on both initial and subsequent entering into the accounts, according to their nominal value, except where these incorporate a contractual interest. The same valuation is made with long-term credit and receivables where the effect of updating the flows is not significant. Otherwise, they are valued according to their fair value and subsequently at depreciated cost, by entering into the accounts the accrued interest according to its effective interest rate as the financial year's income.

In any case, guarantees and deposits that are made are always valued according to delivered value.

Financial assets available for selling

This includes financial assets that do not meet the requirements for inclusion in any of the previous categories. They are valued at all times at their fair value and any changes that occur in them are entered in the accounts as net equity up to their disposal or impairment.

Recognition

Financial assets are entered in the accounts on the date established in the contract or agreement on which basis the entity acquires the right.

As a general rule, the costs of the transactions are allocated to the financial year's Income and Expenditure Account, except where their scale makes it advisable to incorporate them into the financial asset's value. They are classed as fixed or current respectively, depending on whether they mature in over or under one year.

Impairment

In the case of credit and other receivables, at least at the close of the financial year, the appropriate revisions are carried out to detect the need for making valuation adjustments for impairment, in the event there is objective evidence that the amounts entered in the accounts will not be received in their entirety and it is advisable to revert them where they are no longer appropriate. Both the value adjustments and the reversals are recognised in the Income and Expenditure Account.

The impairment of tax receivables is calculated by applying collectibility ratios, calculated according to real historical series, on the settlement made individually for each of the tax figures and in each specific financial year.

As a general rule, neither receivables for subsidies awarded by public bodies nor receivables guaranteed in the corresponding percentages are subject to impairment.

Both the above-mentioned valuation adjustments for impairment and their reversal are entered in the accounts as an expense or an income, respectively, in the financial year's results.

Write-offs of financial assets

A financial asset is wholly or partly written off in the accounts where it has expired or the rights over the cash flows it generates and the risks and advantages inherent in its ownership have been substantially assigned.

b) Financial liabilities

All financial liabilities are classed under the category of financial liabilities at depreciated cost. They include:

- Debt and accounts payable for transactions arising from usual activities.
- Debt with credit institutions.
- Debt represented in negotiated securities issued.
- Other debt and accounts payable.

As a general rule, short-term debt and accounts payable without contractual interest are valued, on both initial and subsequent entering into the accounts, according to their nominal value. The same valuation is made with long-term debt and account payables and long-term loans received with subsidised interest where the overall effect of not updating the flows is not significant. Where it is significant, they are initially valued at the current value of the cash flows payable, at a rate equivalent to that which applies for deferred payments and, subsequently, at depreciated cost, and the accrued interest is entered in the books according to its effective rate as income for the financial year.

In any case, the guarantees and deposits that are received are always valued according to received value.

Recognition

The financial liabilities are entered in the accounts on the date established in the contract or agreement on which basis the entity incurs the obligation. In liquid-asset transactions entered into with credit policies, the debentures are incurred with the receipt of the successive liquid fund assets. They are classed as fixed or current respectively, depending on whether they mature in over or under one year.

Financial liability write-offs

As a general rule, a financial liability is wholly or partly written off when the obligation incurred has been satisfied or cancelled. Where there is a difference between the accounting value and the consideration delivered, this is recorded in the Income and Expense Account for the financial year it takes place in.

c) Financial guarantee contracts

These are contracts that put the Entity under an obligation to make or receive specific payments to reimburse a third party for any loss incurred where a ("guaranteed") debtor fails to meet its payment obligations generally arising from debt instruments such as a loan guarantee.

10. Accounting hedges

These are valued under the same criteria as hedged items, i.e. at depreciated cost.

11. Inventories

The inventories are valued at cost or their net realisable value, whichever is the less. When the net realisable value of the inventories is below cost, the appropriate

valuation corrections will be made, by recognising an expense in the income and expenditure account. Should the circumstances giving rise to the valuation correction come to an end, the amount of the correction is subject to reversal and entered as income in the income and expenditure account.

The cost is determined by its weighted average value.

The provisions entered for impairment of the units corresponding to parking places and commercial premises, for the amount resulting from the difference between the cost value of the buildings and their realisation value, where the latter is lower, calculated taking account of the location and commercial strategy aspects.

12. Assets constructed or acquired for other entities

The Group has no assets constructed or acquired for other entities.

13. Transactions in foreign currency

Transactions in a currency other than the euro are entered in the accounts as soon as they are recognised in euros, by applying the rate of exchange in the existing cash to the corresponding amount on the date of the transaction.

14. Income tax for the consolidation perimeter's entities

Barcelona City and its independent bodies are exempt from corporate tax and their capital gains are not subject to deduction, under Act 27/2014, of 27 November, on Corporate Tax.

The public business entities and trading companies that make up the Group pay their income tax individually. The expenditure (income) for income tax is the amount which accrues for this concept in the financial year and contains the expenditure (income) for both current tax and deferred tax.

The expenditure (income) for both current and deferred taxes is recorded in the Income and Expenditure Account. Despite that, the tax effect relating to items that are directly recorded in the net equity is recognised.

Current tax assets and liabilities are valued by the quantities that are expected to be paid or recovered from the tax authorities, under the legislation that is current or approved and pending publication on the date of the close of the financial year.

Deferred taxes are calculated under the liability method, on the temporary differences that appear between the tax bases of the assets and liabilities and their book value. Notwithstanding that, where the deferred taxes arise from the initial recognition of an asset or a liability in a different transaction from a combination of operations that do not affect either the account results or the tax base at the time of the transaction, they are not recognised. The deferred tax is determined by applying the regulation and the tax rates approved or on the point of being approved on the balance sheet date; and which is expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability settled.

Deferred tax assets are recognised to the extent that future tax gains probably have to be disposed of to be able to compensate the temporary differences.

15. Income and expenditure

Income and expenditure are entered in the accounts according to the accrual principle and, where appropriate, the correlation principle between both.

As regards the budget, income and expenditure are incorporated into the budget settlement when the administrative procedure acknowledging the respective rights and obligations takes place.

a) Income

Income and consideration

As a general rule, income is entered in the accounts according to the fair value of the consideration and represents the receivables for goods delivered and services provided during the ordinary course of the Entity's activities, less repayments, write-offs, discounts and VAT, where appropriate.

The Entity enters income in the accounts where its amount can be reliably valued, it is likely that the Entity will receive the future financial gain and that the specific conditions for each of the activities, as detailed below, will be met.

Income by sale is recorded when: the Entity has transferred to the purchaser the risks and advantages derived from ownership of the goods, irrespective of the ownership; it does not reserve for itself any involvement in the current management of the goods sold nor retain effective control over them; and the expenditure associated with the transaction can be reliably measured.

Income for the provision of services is recorded when the results of the transaction can be reliably estimated, by considering the degree of progress or performance of the provision on the date of the annual accounts or under the straight-line method where the service is provided during a specific period.

Where the results cannot be reliably estimated, the income is entered in the accounts according to the total expenditure recognised that is deemed recoverable.

Income without consideration

In the case of taxes, income is entered in the accounts, as is the asset, when the taxable transaction takes place and the asset's recognition criteria are satisfied.

As for fines and penalties, these are entered in the accounts when the right to receive them arises.

b) Expenditure

Staff and other ordinary management expenses are entered in the Income and Expense Account when the obligation falls due, irrespective of when the current monetary expense that comes from it is incurred.

16. Provisions and contingencies

A provision is entered in the accounts where the entity has a present (legal, contractual or implied) obligation resulting from a past event which will probably involve the delivery of resources that can be reliably estimated.

Provisions are valued according to the current value of the payments expected to be necessary for settling the obligation, updated to a rate of discount equivalent to the type of public debt for an analogous maturity. Adjustments to provisions for the purposes of their updating are entered in the accounts as a financial expense

as they are reported. Where the maturity is under or equal to one year and the financial effect is not significant they are not discounted.

Provisions are subject to review and adjusted, where necessary, at the close of the financial year, to reflect the best existing estimate at the time. Where they are no longer relevant or probable, they are then reverted under a balancing entry in the financial year's corresponding income account.

For the purposes of quantifying the provisions, reference is made to internal and external expert reports and to the entity's experience in similar matters, which enable a basis to be established for the estimates of each of the possible outcomes, as well as their financial effects.

As regards consortiums, the existing risk is recorded, according to the City Council's share, in the organisations that have a negative net equity.

17. Transfers and subsidies

Transfers and subsidies received

Refundable subsidies are entered in the accounts as liabilities until they meet the conditions for consideration as non-refundable, whereas non-refundable subsidies are recorded as income allocated to net equity and are entered in the accounts as income on a systematic and rational basis that correlates to subsidy-derived expenditure.

For these purposes, a subsidy is deemed non-refundable where there is a customised agreement for granting it and where all the conditions established for granting it have been met and there are no reasonable doubts that it will be received.

Monetary subsidiaries are valued according to the fair value of the referred amount granted when entered in the accounts.

Non-refundable grants relating to the purchase of tangible fixed assets are allocated as income for the financial year in proportion to the depreciation of the corresponding assets or, where appropriate, where there is a sale, valuation adjustment for impairment or a shortfall in the balance sheet.

On the other hand, non-refundable subsidies relating to specific expenditure are entered in the profit and loss account in the same financial year that the payment for the corresponding expenditure falls due.

Transfers and subsidies granted

Granted transfers and subsidies are entered in the accounts as expenditure as soon as it is recorded that the conditions established for their receipt have been met. Where one of the conditions established for their receipt is yet to be met at the close of the financial year, but there is no reasonable doubt as to its future compliance, a provision for the corresponding amounts is given, for the purposes of reflecting expenditure.

18. Joint activities

The Group has not carried out any joint activity during the financial year.

19. Assets under sale

The Group has no assets under sale.

20. Interrupted transactions

The Group has no interrupted transactions.

Note 6 – Adjustments and eliminations

Adjustments and eliminations recognised between the various entities of the Group are detailed below according to entity group:

Entity group	Caption	Amount
Barcelona City Council	Receivables and other accounts receivable	2,289,300.87
	Fixed assets under construction and advances (IM)	434,474.81
	Holdings consolidated under the equity method	72,487,399.24
	Long-term financial investments in entities of the group, multigroup and associates Other investments	242,939,568.87
	Short-term creditors and other accounts payable	221,439,668.33
	Short-term debts with entities of the group, multigroup and associates	67,322,830.49
	Consolidation reserve	319,925,918.32
	Equity contributed	266,270,464.01
	Reservations	202,259,973.80
	Profit and loss brought forward	19,022,101.69
	Other day-to-day management expenses	2,954,382.48
	Current transfers	586,595,187.18
	Capital transfers	22,584,999.06
	Other day-to-day management income	6,141,217.06
	Tax and social-security contribution revenue	5,634,666.02
	Current transfers	383,000.00
	Capital transfers	18,086.25
	Net sales and service supplies	279,989.79
	Share in profits (losses) from entities consolidated under the equity method	2,825,548.46
	Debts with the credit institutions of the group, multigroup, etc. Other debts	12,070,460.47
Publicly Owned Business Entities	Receivables and other accounts receivable	109,653,378.56
	Short-term accruals payable	3,500,000.00
	Other increases in equity pending recognition in the profit and loss account	10,000,000.00
	Short-term creditors and other accounts payable	1,645,446.26
	Other day-to-day management expenses	5,264,896.06
	Current transfers	14,783.76
	Other day-to-day management income	503,268.31
	Current transfers	154,034,082.63
	Capital transfers	5,683,639.25
	Net sales	1,529,442.00
	Net sales and service supplies	5,392,960.32
Independent bodies	Receivables and other accounts receivable	74,006,296.11
	Short-term financial investments in entities of the group, multigroup and associates	36,027,970.40
	Short-term accruals payable	6,001,542.03
	Short-term creditors and other accounts payable	1,339,398.53
	Other day-to-day management expenses	2,863,340.92
	Current transfers	4,412,034.84
	Current transfers	273,774,230.10
	Capital transfers	3,647,507.00
	Net sales and service supplies	916,558.03
Municipal Trading Companies	Receivables and other accounts receivable	84,760,078.83
	Short-term accruals payable	22,429,848.80
	Other increases in equity pending recognition in the profit and loss account	1,309,168.47
	Short-term creditors and other accounts payable	3,240,403.50
	Other day-to-day management expenses	7,652,250.11
	Other day-to-day management income	640,735.25
	Current transfers	122,738,709.27
	Capital transfers	299,684.34
	Net sales and service supplies	7,596,831.49

Entity group	Caption	Total debt	Total credit
Publicly Owned Business Entities		168,472,126.02	168,472,126.02
	Other day-to-day management income		1,311,783.65
	Accumulated depreciation and provisions	2,065,331.24	
	I.M. Infrastructures and historical heritage assets		5,125,713.35
	I.M. Land		43,156,828.11
	Allocation of non-financial fixed-asset subsidies	293,050.99	
	Current transfer income	1,008,216.85	
	Financial income	1,311,783.65	
	Liabilities for deferred tax	5,326.63	
	Equity contributed		42,990,840.51
	Consolidation reserve	5,125,713.35	75,886,960.40
	Capital subsidies	116,469,840.23	
	Accruals payable	42,192,863.08	
Independent bodies		7,695,425.14	7,695,425.14
	Other day-to-day management income		80,362.04
	Receivables and other accounts receivable	49,024.59	
	Allocation of non-financial fixed-asset subsidies	72,216.84	
	Current transfer income	49,024.59	
	Financial income	80,362.04	
	Consolidation reserve		7,615,063.10
	Capital subsidies	245,122.20	
	Transfers and subsidies received	7,199,674.88	
Municipal Trading Companies		45,824,851.87	45,824,851.87
	Assets for deferred tax	120,807.75	
	Other long-term liabilities	268,388.15	
	Accumulated depreciation and provisions	2,644,452.60	
	I.M. Buildings		6,010,121.04
	Allocation of non-financial fixed-asset subsidies	3,581,905.33	
	Current transfer income	6,109,951.32	
	Consolidation reserve	3,365,668.44	39,814,730.83
	Capital subsidies	29,733,678.28	
Total adjustments		221,992,403.03	221,992,403.03

Note 7 - Combinations of business restructuring operations and transactions

No business restructuring operations or transactions took place during the 2015 financial year.

Note 8 – Consolidated goodwill

Variations in consolidated goodwill, which come from the Barcelona de Serveis Municipals, SA group and relate to its PATSA subsidiary, are as follows:

1 January 2015	1,464,658.00
31 December 2015	
Cost	1,464,658.00
Net accounting value	1,464,658.00

The goodwill is allocated to the cash-generating units (CGUs) of the Group in accordance with the business segment.

A CGU-level summary of the allocation of the goodwill is presented below:

	2015
Parc d'Atraccions Tibidabo, SA	1,464,658.00
Total	1,464,658.00

In accordance with the points stated in Note 5.1. of the valuation rules and on the basis of the Administrators' analysis and future business plans it was not deemed necessary to depreciate the explicit goodwill of the subsidiary entity Parc d'Atraccions Tibidabo, SA.

Note 9 – Negative consolidation difference

There is no negative consolidation difference.

Note 10 – External shareholders

This chapter's balance corresponds to the equity and financial year's results part of the subsidiary entities included in the consolidation corresponding to shareholders or members external to the consolidated Group. More specifically, it comes from the Barcelona de Serveis Municipals, SA group, and breaks down as follows:

Organisation	Share Capital	Share Premium and Reserves	Financial year's profit and loss	Grants, donations and legacies	TOTAL
Group Tractament i Selecció de Residus	5,973,014	19,358,247	940,598	-	26,271,859
Mercabarna, SA	6,995,989	32,305,904	3,101,204	457,892	42,860,989
	12,969,003	51,664,151	4,041,802	457,892	69,132,848

Note 11 - Changes in the percentage of holdings in the group's entities

There were no changes in percentage holdings of the group's entities during the 2015 financial year.

Note 12 - Entries corresponding to multigroup entities

All the multigroup entities in section 2(1)(a) have been consolidated under the equity method, see Note 13.

Note 13 - Holdings in entities consolidated under the equity method

1 January 2015	593,592,757.69
Losses in the profit and loss account	-3,543,412.46
Increase in financial holdings	92,163,130.35
31 December 2015	682,209,475.58

The financial year's variations in holdings consolidated under the equity method include:

- Losses in the profit and loss account corresponding to the proportional part of the financial year's results for the various entities integrated under the equity method.
- Increase in financial holdings through integration into the consolidation of the multi-group's entities.

The value of the assets, liabilities, ordinary income, financial year's results and results under the equity method, according to the individual annual accounts of the 2014 financial year of the entities consolidated under the equity method is as follows:

Entity	Assets	Liabilities	Ordinary Income	Financial year's results	Results under the equity method
Besòs Consortium	21,555,819.87	3,893,645.76	2,851,337.88	-238,185.85	-59,546.46
El Far, Centre dels Treballs del Mar Consortium	1,602,865.72	159,267.70	1,001,981.52	-121,574.96	-43,766.99
Institut d'Infància i Món Urbà Consortium	117,427.08	59,232.94	397,500.95	65,649.58	21,664.36
Mercat de les Flors / Centre de les Arts de Moviment Consortium	10,873,186.67	2,052,759.41	5,496,613.36	-20,488.12	-8,809.89
Museu de Ciències Naturals de Barcelona Consortium	2,296,348.95	2,017,993.30	8,567,442.22	-400,539.87	-224,302.33
Barcelona Urban Ecology Agency	1,686,514.63	586,799.11	1,275,885.99	60,031.63	12,606.64
Museu d'Art Contemporani de Barcelona (MACBA) Consortium	45,168,797.73	3,982,490.48	12,403,577.85	38,011.08	380.11
L'Auditori i l'Orquestra Consortium	52,088,583.41	2,878,674.15	16,923,722.16	90,009.21	47,704.88
Barcelona Libraries Consortium	5,372,500.60	2,715,173.18	18,374,185.57	414.95	165.98
Campus Interuniversitari Diagonal-Besòs Consortium	64,808,144.66	225,320.68	181,501.00	357.50	100.10
Localret Consortium	2,273,065.39	369,758.52	1,508,997.13	0.00	0.00
Barcelona Local Energy Agency	1,072,201.22	300,165.02	1,051,517.26	-124,806.64	-23,713.26
Barcelona Housing Consortium	18,467,258.00	18,459,126.69	9,943,166.45	603,239.56	343,846.55
Gran Teatre del Liceu Consortium	105,089.80	13,603.60	5,051.60	-706,762.16	-190,825.78
Pla de Rehabilitació i Equipament de Teatres de Barcelona Consortium	3,483,128.95	1,631,427.01	444,614.82	1,382.77	13.83
Institut Ramon Llull Consortium	6,097,880.25	2,925,558.02	7,768,548.70	23,395.00	9,358.00
Mar Parc de Salut de Barcelona Consortium (formerly IMAS)	341,973,033.41	224,143,750.65	288,707,032.33	4,014,723.39	883,239.15
Barcelona Public Health Agency	8,556,325.41	4,055,715.87	27,199,392.10	1,123,488.42	101,113.96
Les Drassanes Reials i Museu Marítim de Barcelona Consortium	93,867,890.75	985,990.46	6,744,482.85	28,541.87	7,135.47
Palau de la Música Catalana Consortium	1,417,438.89	182,726.26	0.00	142,688.25	32,818.30
Museu Nacional d'Art de Catalunya (MNAC) Consortium	181,024,802.00	7,556,211.00	23,263,141.00	-39,698.07	-12,306.40
Barcelona Centre of Contemporary Culture, Casa Caritat (CCCB)	33,047,049.65	1,610,295.95	8,772,377.90	-4,656.73	-139.70
Catalan Hospital Consortium (Catalan Health and Social Consortium)	1,773,407.12	1,544,907.66	1,528,065.96	-67,557.17	-38,507.59
Zona Franca de Barcelona Consortium	669,200.00	202,189.00	57,228.00	14,810.54	7,405.27
Metropolitan Transport Authority	90,442,750.87	80,784,066.73	1,114,603,546.63	-172,378.44	-56,884.89
La Defensa de la Conca del Riu Besòs Consortium	59,722,510.37	17,796,559.83	19,662,822.78	3,350,148.41	1,909,584.59
Universitat Internacional Menéndez Pelayo de Bcn - Centre Ernest Lluch Con.	853,834.11	30,282.23	361,060.08	-1,170,368.14	-315,999.40
Parc Natural de la Serra de Collserola Consortium	18,832,312.90	1,128,891.83	5,158,293.96	54,056.92	9,189.68
Parc de Recerca Biomèdica de Barcelona Consortium	130,833,082.47	58,906,155.64	13,943,432.59	-703,705.00	-112,592.80
Institut d'Estudis Regionals i Metropolitans de Barcelona Consortium	1,281,244.04	984,684.73	2,029,284.51	61,504.94	1,845.15
European Institute of the Mediterranean	4,349,585.22	3,114,589.87	2,192,214.33	1,348,521.46	404,556.44
Patronat Catalunya-Món (formerly P.Català pro Europa)	920,757.57	336,613.02	2,586,414.23	-387,883.94	-155,153.58
Barcelona Sagrera Alta Velocitat, SA	255,244,718.90	254,644,718.90	2,740,341.69	0.00	0.00
Barcelona Emprèn CR, SA	5,595,829.48	28,915.32	3,395.00	-1,285,592.43	-309,313.54
Fira 2000, SA	753,121,339.98	593,207,652.80	17,904,802.04	-21,946,592.98	-5,067,468.32
Barcelona Regional, SA	3,118,315.00	1,252,367.00	5,885,320.00	5,109.00	1,054.02
Barcelona d'Aparcaments Municipals, SA	415,647,000.00	129,850,000.00	10,167,000.00	-1,794,660.00	-717,864.00
					-3,543,412.46

Note 14 - Tangible fixed assets and Public Land Assets

Tangible fixed assets

Item	Balance as of 01.01.2015	(+) Income	(-) Expenditure	(+/-) Transfers	(-) Provision for depreciation	Balance as of 12.31.15
1. Land	2,782,629,573.17	16,599,652.09	-108,143.88	8,766,807.52	-144,905.19	2,807,742,983.71
• Cost	2,783,520,382.23	16,599,652.09	-108,143.88	8,766,807.52	0.00	2,808,778,697.96
• Accumulated depreciation	-788,602.47	0.00	0.00	0.00	-144,905.19	-933,507.66
• Valuation adjustments	-102,206.59	0.00	0.00	0.00	0.00	-102,206.59
2. Buildings	3,646,788,528.70	16,128,241.77	-3,231,747.43	182,673,564.15	-80,891,990.34	3,761,466,596.85
• Cost	4,542,717,435.28	16,128,241.77	-4,082,889.95	182,533,139.91	0.00	4,737,295,927.01
• Accumulated depreciation	-895,928,906.58	0.00	851,142.52	140,424.24	-80,891,990.34	-975,829,330.16
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
3. Infrastructures	3,741,371,335.66	664,909.55	0.00	403,757,901.77	-113,918,654.73	4,031,875,492.25
• Cost	4,385,721,007.56	664,909.55	0.00	403,757,901.77	0.00	4,790,143,818.88
• Accumulated depreciation	-644,349,671.90	0.00	0.00	0.00	-113,918,654.73	-758,268,326.63
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
4. Historical heritage assets	6,867,323.94	712,719.00	0.00	0.00	0.00	7,580,042.94
• Cost	6,989,652.28	712,719.00	0.00	0.00	0.00	7,702,371.28
• Accumulated depreciation	-122,328.34	0.00	0.00	0.00	0.00	-122,328.34
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
5. Other tangible fixed assets	213,801,280.94	9,330,933.16	-352,304.60	41,287,003.08	-46,661,827.59	217,405,084.99
• Cost	794,023,182.65	9,330,933.16	-5,495,104.78	41,307,189.78	0.00	839,166,200.81
• Accumulated depreciation	-580,193,191.04	0.00	5,142,800.18	-20,186.70	-46,661,827.59	-621,732,405.15
• Valuation adjustments	-28,710.67	0.00	0.00	0.00	0.00	-28,710.67
6. Fixed assets under construction and in accounts	654,804,649.99	404,807,854.95	-20,473,490.36	-640,408,641.17	0.00	398,730,373.41
• Cost	654,804,649.99	404,807,854.95	-20,473,490.36	-640,408,641.17	0.00	398,730,373.41
TOTAL	11,046,262,692.40	448,244,310.52	-24,165,686.27	-3,923,364.65	-241,617,377.85	11,224,800,574.15

The most important investments in the financial year correspond to:

	Amount
• City Council direct investments	82,660,067.84
• Delivery of funds to third parties, for investment	296,461,304.71
• Delivery of funds to decentralised organisations, for investment	2,252,000.00
• For free assignments of assets	9,088,530.24
• Investments funded by third parties	2,529,250.18
• Other investments made by subsidiary entities	55,253,157.55
TOTAL	448,244,310.52

The main elements of the “Other investments made by subsidiary entities” caption correspond to:

- The investment made for connecting the head office of Barcelona Activa to the Districlima network, the adaptation of the external surfacing of the Technology Park, the purchase of furniture and latest adaptation of the Business Support Office and minor maintenance work on the various facilities where Barcelona Activa provides its services.
- The building of flats by the Municipal Housing Trust.
- Barcelona de Serveis Municipals, SA's acquisition of the Mercat del Guinardó car park, the acquisition of 37 tow vehicles, work adapting the new offices of the central services, the emergency lighting system for the Olympic Stadium and adaptation of the Palau Sant Jordi's VIP spaces.
- Tractament i Selecció de Residus, SA's completion of optimisation work on the processing lines for selecting packages and treating municipal waste from Gavà-Viladecans and remodelling work on the concrete structure of the Sant Adrià del Besos energy recovery plant.
- Mercabarna, SA's investments, mainly, in the Pavilions, in the Central Fish Market and in the Central Fruit and Vegetable market, among other things.
- Remodelling and improving cemeteries and related services run by Cementiris de Barcelona, SA.

At the close of the financial year, the acquisition cost of goods that were totally depreciated and which remained in use came to 462,987,450.50 euros.

It is the Group's policy to take out insurance policies deemed necessary for covering any risk that may affect the fixed assets.

Public Land Assets

Financial year's variations

Item	Balance as of 01.01.2015	(+) Income	(-) Expenditure	(+/-) Transfers	(-) Provision for depreciation	Balance as of 12.31.15
1. Land	175,134,076.01	9,051,675.11	-108,396.81	-2,285,404.76	0.00	181,791,949.55
• Cost	175,134,076.01	9,051,675.11	-108,396.81	-2,285,404.76	0.00	181,791,949.55
• Accumulated depreciation	0.00	0.00	0.00	0.00	0.00	0.00
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2. Buildings	74,858,901.15	9,390,304.10	0.00	4,232,680.81	-1,393,119.11	87,088,766.95
• Cost	83,157,383.20	9,390,304.10	0.00	4,232,680.81	0.00	96,780,368.11
• Accumulated depreciation	-8,298,482.05	0.00	0.00	0.00	-1,393,119.11	-9,691,601.16
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
3. Under construction and advances	13,498,202.00	0.00	0.00	0.00	0.00	13,498,202.00
• Cost	13,498,202.00	0.00	0.00	0.00	0.00	13,498,202.00
• Accumulated depreciation	0.00	0.00	0.00	0.00	0.00	0.00
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
4. Other public land assets	276,178,711.55	0.00	0.00	5,788,877.93	0.00	281,967,589.48
• Cost	276,178,711.55	0.00	0.00	5,788,877.93	0.00	281,967,589.48
• Accumulated depreciation	0.00	0.00	0.00	0.00	0.00	0.00
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	539,669,890.71	18,441,979.21	-108,396.81	7,736,153.98	-1,393,119.11	564,346,507.98

The most important investments in the financial year correspond to:

	Amount
• City Council direct investments	16,723,449.63
• For free assignments of assets	955,409.58
• Investments delivered by the Municipal Housing Trust, 100x1000 plan	763,120.00
TOTAL	18,441,979.21

Note 15 - Property investments

	01.01.2015	(-) Provision for depreciation	12.31.2015
1. Land	41,962,113.90	0.00	41,962,113.90
• Cost	41,962,113.90	0.00	41,962,113.90
• Accumulated depreciation	0.00	0.00	0.00
• Valuation adjustments	0.00	0.00	0.00
2. Buildings	207,135,631.59	-5,008,273.46	202,127,358.13
• Cost	241,757,026.74	0.00	241,757,026.74
• Accumulated depreciation	-34,531,435.61	-5,006,031.37	-39,537,466.98
• Valuation adjustments	-89,959.54	-2,242.09	-92,201.63
TOTAL	249,097,745.49	-5,008,273.46	244,089,472.03

This includes buildings that bring in significant rent such as the Convention Centre, the Auditorium of the Forum Building and the Forum Port, as well the building intended for the Ecopark – land site.

Note 16 - Intangible fixed assets

The variations recorded in the intangible fixed assets' various accounts were as follows:

Item	Balance as of 01.01.2015	(+) Income	(-) Expenditure	(+/-) Transfers	(-) Provision for depreciation	Balance as of 12.31.2015
1.Consolidated goodwill	1,464,658.00	0.00	0.00	0.00	0.00	1,464,658.00
• Cost	1,464,658.00	0.00	0.00	0.00	0.00	1,464,658.00
• Accumulated depreciation	0.00	0.00	0.00	0.00	0.00	0.00
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2.1. Investments in R&D	0.00	0.00	0.00	0.00	0.00	0.00
• Cost	1,095,473.85	0.00	0.00	0.00	0.00	1,095,473.85
• Accumulated depreciation	-1,095,473.85	0.00	0.00	0.00	0.00	-1,095,473.85
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2.2. Industrial and intellectual property	73,059.52	-1,986.00	-73.04	7,234.66	-18,555.55	59,679.59
• Cost	775,840.84	-1,986.00	-3,319.72	7,062.69	0.00	777,597.81
• Accumulated depreciation	-702,781.32	0.00	3,246.68	171.97	-18,555.55	-717,918.22
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2.3. IT applications	5,469,784.86	1,263,402.85	-22,476.96	333,608.42	-2,270,528.26	4,773,790.91
• Cost	25,130,414.34	1,263,402.85	-22,476.96	313,686.71	0.00	26,685,026.94
• Accumulated depreciation	-19,660,629.48	0.00	0.00	19,921.71	-2,270,528.26	-21,911,236.03
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2.5. Other intangible fixed assets	20,819,390.15	-36,487.00	0.00	14,623.00	-6,314,830.00	14,482,696.15
• Cost	46,759,722.01	-36,487.00	0.00	14,623.00	0.00	46,737,858.01
• Accumulated depreciation	-25,940,331.86	0.00	0.00	0.00	-6,314,830.00	-32,255,161.86
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	27,826,892.53	1,224,929.85	-22,550.00	355,466.08	-8,603,913.81	20,780,824.65

The breakdown of the "other intangible fixed assets" caption is as follows:

	Amount
Internet development	1,620,800.60
Re-engineering in municipal services	41,925,824.71
Other	3,191,232.70
Accumulated depreciation	-32,255,161.86
TOTAL	14,482,696.15

At the close of the financial year, the acquisition cost of intangible fixed assets that were totally depreciated and which remained in use came to 42,405,099.51 euros.

Note 17 – Financial assets

The financial assets appear in the following table:

Classes	Long-term financial assets			Short-term financial assets			Total
	Capital investments	Debt securities	Other investments	Capital investments	Debt securities	Other investments	
Categories							
Credit and receivables	0.00	8,468,101.00	133,034,144.03	0.00	516,700.00	72,869,031.47	214,887,976.50
Financial assets available for selling	39,409,497.43	0.00	0.00	0.00	0.00	0.00	39,409,497.43
Total	39,409,497.43	8,468,101.00	133,034,144.03	0.00	516,700.00	72,869,031.47	254,297,473.93

The credit balances for transactions arising from usual activities and financial investments in the undertakings of the group, multigroup and associates are not included in the table above.

Variations Adjusting Accounts		Initial balance	Reduced value owing to the financial year's credit impairment	Reversal of the financial year's credit impairment	Final balance
Financial asset classes	Long-term financial assets	2,066,048.66	309,342.86	-334,281.86	2,041,109.66
	Capital investments	1,934,929.82	309,342.86	-334,281.86	1,909,990.82
	Other investments	131,118.84	0.00	0.00	131,118.84

Financial assets available for sale

The financial assets available for sale include unlisted securities corresponding to the following companies:

	31 December 2015	
	% Shareholding	Accounting Value
Ecoenergíes Barcelona Sud, Zona Franca and Gran Via de l'Hospitalet, SA	17.55%	2,475,000.00
Serveis Funeraris de Barcelona, SA	15.00%	26,941,286.00
GL Events CCIB, SL	12.00%	240,600.00
Port Forum Sant Adrià, SL	5.00%	12,822.99
Nauta Tech Invest III, SCR	4.78%	3,856,807.44
Gestora de Runes de la Construcció, SA	8.21%	135,185.00
Ecoparc de Barcelona, SA	3.05%	382,720.00
Ecoparc del Besòs, SA	2.93%	385,500.00
Ecoparc del Mediterrani, SA	11.73%	960,000.00
Districlima, SA	11.73%	4,019,576.00
		39,409,497.43

Note 18 – Financial liabilities

Classes		Long term			Short term			Total
		Debentures and other marketable securities	Debts with credit institutions	Other debts	Debentures and other marketable securities	Debts with credit institutions	Other debts	
Categories		2015	2015	2015	2015	2015	2015	2015
	Debt at depreciated cost	60,000,000.00	783,892,187.62	271,644,959.23	877,868.85	168,665,330.87	201,385,965.49	1,486,466,312.06
Total		60,000,000.00	783,892,187.62	271,644,959.23	877,868.85	168,665,330.87	201,385,965.49	1,486,466,312.06

Debts with credit institutions

Debts with credit institutions mainly correspond to the City Council and the Municipal Housing Trust.

a) Breakdown of debt maintained by the City Council at the close of the financial year and valued at depreciation cost.

Debt identification	Debt 1 January		Creations	
	Depreciated cost (1)	Explicit interest (2)	Cash (3)	Expenditure (4)
Loan €60 M (mt. 29/07/16)	40,067,473.63	97,850.25	0.00	0.00
Loan €90 M (mt. 15/09/23)	76,000,000.00	131,844.44	0.00	0.00
Loan €80 M (mt. 28/11/17)	80,000,000.00	254,000.00	0.00	0.00
Loan €50 M Section €30 M (mt. 15/12/21)	30,000,000.00	33,373.33	0.00	0.00
Loan €50 M Section €20 M (mt. 15/12/22)	20,000,000.00	11,004.44	0.00	0.00
Loan €25 M (mt. 03/03/20)	25,000,000.00	4,582.64	0.00	0.00
Loan €90 M (mt. 22/03/16)	90,000,000.00	1,076,107.50	0.00	0.00
Loan €75 M (mt. 13/04/20)	56,250,000.00	116,125.00	0.00	0.00
Loan €240 M (mt. 19/03/22)	192,000,000.00	142,441.00	0.00	0.00
Loan €40 M (mt. 28/10/20)	22,500,000.00	64,390.63	0.00	0.00
Loan €15 M (mt. 07/05/22)	14,062,500.00	81,632.81	0.00	0.00
Loan €15 M (mt. 15/05/18) (A)	13,800,000.00	68,967.80	0.00	0.00
Loan €15 M (mt. 15/05/18) (B)	15,000,000.00	65,290.83	0.00	0.00
Loan €15 M (mt. 07/05/17)	15,000,000.00	14,691.67	0.00	0.00
Loan €25 M (mt. 08/05/17)	25,000,000.00	2,138.19	0.00	0.00
Loan €10 M (mt. 11/05/18)	7,000,000.00	35,015.75	0.00	0.00
Loan €20 M (mt. 29/05/18)	20,000,000.00	70,216.67	0.00	0.00
Loan €50 M (mt. 20/12/32)	50,000,000.00	45,970.83	0.00	0.00
Loan €10 M (mt. 18/07/19)	10,000,000.00	164,866.11	0.00	0.00
Loan €30 M (mt.16/07/2019)	30,000,000.00	249,095.00	0.00	0.00
Loan €160 M (mt.21/12/2030)	0.00	0.00	160,000,000.00	0.00
Schuldschein €80 M (mt. 28/01/15)	80,000,000.00	1,856,088.89	0.00	0.00
Schuldschein €60 M (mt. 21/09/29)	60,000,000.00	880,438.36	0.00	0.00
TOTAL	971,679,973.63	5,466,132.14	160,000,000.00	0.00

(This table is continued on next page)

Accrued interest according to AER		Cancelled interest (7)	Reductions		Debt as of 31 December	
Explicit (5)	Rest (6)		Accounts value (10)	Results (11)	Depreciated cost (12)=(1)+(3)-(4)+(6)-(10)	Explicit interest (13)=(2)+(5)-(7)
128,291.86	0.00	195,274.07	20,033,736.81	0.00	20,033,736.82	30,868.04
2,783,270.00	0.00	2,797,294.99	9,000,000.00	0.00	67,000,000.00	117,819.45
2,063,522.22	0.00	2,060,222.22	0.00	0.00	80,000,000.00	257,300.00
750,900.00	0.00	750,900.00	0.00	0.00	30,000,000.00	33,373.33
247,600.00	0.00	247,600.00	0.00	0.00	20,000,000.00	11,004.44
1,012,054.89	0.00	1,011,352.78	0.00	0.00	25,000,000.00	5,284.75
1,116,692.50	0.00	1,384,110.00	0.00	0.00	90,000,000.00	808,690.00
432,035.94	0.00	464,723.44	9,375,000.00	0.00	46,875,000.00	83,437.50
3,747,419.22	0.00	3,765,509.45	24,000,000.00	0.00	168,000,000.00	124,350.77
311,791.11	0.00	327,465.57	3,750,000.00	0.00	18,750,000.00	48,716.17
185,941.41	0.00	267,574.22	14,062,500.00	0.00	0.00	0.00
195,608.10	0.00	264,575.90	13,800,000.00	0.00	0.00	0.00
183,404.17	0.00	248,695.00	15,000,000.00	0.00	0.00	0.00
197,066.95	0.00	211,758.62	15,000,000.00	0.00	0.00	0.00
381,209.72	0.00	383,347.91	25,000,000.00	0.00	0.00	0.00
89,255.83	0.00	124,271.58	7,000,000.00	0.00	0.00	0.00
314,911.11	0.00	385,127.78	20,000,000.00	0.00	0.00	0.00
1,504,500.00	0.00	1,504,500.00	0.00	0.00	50,000,000.00	45,970.83
171,130.53	0.00	335,996.63	10,000,000.00	0.00	0.00	0.01
338,700.00	0.00	587,795.00	30,000,000.00	0.00	0.00	0.00
65,244.44	0.00	0.00	0.00	0.00	160,000,000.00	65,244.44
319,200.00	0.00	2,175,288.89	80,000,000.00	0.00	0.00	0.00
3,147,594.88	0.00	3,150,164.38	0.00	0.00	60,000,000.00	877,868.86
19,687,344.88	0.00	22,643,548.43	296,021,236.81	0.00	835,658,736.82	2,509,928.59

Barcelona City Council has current accounting hedges worth a total of 332,000 thousand euros as of 31 December 2015. All the accounting hedges correspond to financial interest-rate swaps under contract to offset variations in the cash flows of the hedged items, given the interest-rate risks they are effectively exposed to. The nature of the hedged items corresponds to loans with credit institutions or private placements.

Given that the requirements established by ICAL were met, the interest-rate hedge instruments that Barcelona City Council kept current as of 31 December 2015 are valued under the same criterion as the hedged item and that is value at depreciated cost.

b) Details of the debts maintained by the Municipal Housing Trust

Debt and accounts payable	Debts with credit institutions		Total
	Long term	Short term	
Loans from credit entities	147,033,958.80	5,761,409.20	152,795,368.00
Loans from the Institut Català del Sòl	13,494,934.82	2,643,591.17	16,138,525.99
Total	160,528,893.62	8,405,000.37	168,933,893.99

The breakdown of the other long-term debts is as follows:

Share in the Spain's Central Government Taxes	234,134,093.64
Central Authority of the Spanish State – Final settlement of the share in Spain's Central Government taxes for 2008	46,193,717.26
Central Authority of the Spanish State – Final settlement of the share in Spain's Central Government taxes for 2009	187,940,376.38
Long-term guarantees received	34,441,920.97
Others	3,068,944.62
TOTAL	271,644,959.23

The total amount for the final negative settlement of the share in Spain's Central Government taxes corresponding to the 2008 financial year came to 93,487 thousand euros, whereas the figure for the 2009 financial year was also negative by 304,284 thousand euros. In accordance with the provisions set down in Act 2/2012, of 29 June, on the General Budgets of the State for the financial year 2012, the term up to December 2014 for offsetting these negative settlements was 120 monthly instalments. The sole additional provision in Royal Decree Act 12/2014, of 12 September, established amendments to the procedure for paying receivables to the Public Treasury arising from final settlements of shares in Spain's Central Government taxes for the financial years 2008 and 2009, as regulated by Act 2/2012, of 28 June, on the State's budgets for the year 2012, and allowed, as of January 2015 and subject to authorisation, extensions to the terms for paying the above-mentioned receivables during 120 additional monthly instalments. The negative settlement for 2008 matures during the 2011-2031 period while the negative settlement for 2009 matures during the 2012-2031 period. The amount maturing in the 2012 financial year is entered in the accounts under the "Other short-term debts" caption.

According to the communiqué of 17 July 2015 from the Secretariat-General for Autonomous Region and Local Coordination at the Secretariat of State for Public

Authorities, the settlement of the share in Spain's Central Government taxes for the financial year 2013, is to be returned for the amount of €52,722,901.72 (€51,328,991.13 from the Supplementary Finance Fund and €1,393,910.59 corresponding to the assignment of taxes). The Tenth Additional Provision of Royal Decree Act 17/2014, of 26 December, on financial sustainability measures for autonomous regions and local and other economic entities, defines a special system for reimbursing these settlements to be paid to the Central Government, divided into 120 monthly instalments from 1 January 2016, a system which Barcelona City Council has joined.

Nevertheless, Point 6 of that provision stipulates that, where the final settlements of the share in Spain's Central Government Taxes for financial years subsequent to 2013 are to be paid to the Local Entities that this special repayment system applies to, the settlements to be paid will offset the amount that remains to be paid by these Local Entities when calculating these final settlements. Given the forecasts received from the Ministry of the Treasury and Public Authorities predicting the settlement of the Supplementary Finance Fund of 2014 in the black, the offset of the entire settlement in 2016 yet to be paid and corresponding to the settlement for 2013 would apply. Hence its classification as short-term settlement to be paid.

The breakdown of these other short-term debts is as follows:

Description	Amount
Central Authority of the Spanish State – Final settlement of the share in Spain's Central Government taxes for 2008	3,079,581.14
Central Authority of the Spanish State – Final settlement of the share in Spain's Central Government taxes for 2009	12,529,359.00
Central Authority of the Spanish State – Final settlement of the Share in Spain's Central Government taxes for 2013	52,722,901.72
Bonds and deposits received	22,017,034.53
Other liabilities - Current Budget (chapters 3,6,8 and 9)	69,363,911.89
Other liabilities - Closed Budget (chapters 3,6,8 and 9)	1,394,478.64
Urban development fees	31,223,796.03
Short-term accounts payable	9,054,902.54
TOTAL	201,385,965.49

Note 19 – Net equity

Net Equity	Initial balance	Increases	Transfer	Reductions	Final balance
I. Equity contributed	7,826,505,336.67	4,160,141.76	0.00	0.00	7,830,665,478.43
II. Equity created	2,462,912,502.24	535,269,276.55	0.00	0.00	2,998,181,778.79
1. Reserves	271,089,708.36	163,661,582.51	0.00	0.00	434,751,290.87
Parent Entity's reserves	0.00	0.00	0.00	0.00	0.00
Reserves in consolidated entities	271,205,708.36	91,155,091.64	0.00	0.00	362,360,800.00
Reserves in entities under the equity method	-116,000.00	72,506,490.87	0.00	0.00	72,390,490.87
2. Profit and loss brought forward	1,823,676,835.06	0.00	368,145,958.82	0.00	2,191,822,793.88
3. Financial year's results allocated to Parent Entity	368,145,958.82	371,607,694.04	-368,145,958.82	0.00	371,607,694.04
III. Adjustments for changes in value	23,565,605.00	0.00	0.00	-28,942.00	23,536,663.00
IV. Other increases in equity pending recognition in the profit and loss account	603,979,742.74	67,478,845.08	0.00	-11,909,335.92	659,549,251.90
V. External shareholders	65,735,686.00	3,996,068.00	0.00	-598,906.00	69,132,848.00
TOTAL	10,982,698,872.65	610,904,331.39	0.00	-12,537,183.92	11,581,066,020.12

Note 20 – Provisions and contingencies

Caption	Balance as of 01.01.15		(+) Inc
	Long term	Short term	Long term
Different contingencies	28,798,344.72	0.00	3,574,359.80
Provision for consortiums	35,806,702.72	0.00	0.00
Provision for Ruling 632/2013 TSJC	52,962,939.78	0.00	0.00
Provision for taxes	3,764,993.46	0.00	228,833.00
Extra salary payment 2012 RDL 208/2012	28,510,161.81	203,589.64	0.00
Other provisions	1,366,605.08	2,877,965.88	422,736.48
TOTAL	151,209,747.57	3,081,555.52	4,225,929.28

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The settlement of the provision is aimed at covering the financial costs of contingent or probable obligations.

a) Provision for consortiums

The existing risk is recorded in the provision for consortiums, according to the City Council's share, in the organisations that have a negative net equity.

b) Extra salary payment 2012 RDL 20/2012

This caption includes a provision for the amount of 15,298,788.94 euros for the December extra pay cheque in the 2012 financial year which was pending payment as of 31 December 2015. This was not paid in December 2012, as it was cancelled under Article 12(1) of Royal Decree 20/2012, of 13 July, on Measures for Ensuring Budgetary Stability and Promoting Competitiveness.

Article 2(4) of this provision stipulates that sums arising from the cancellation of the extra pay cheque and specific additional pay or equivalent additional pay in accordance with the provisions of this article shall be allocated in future financial years to contributions towards pension plans or collective insurance policies that include cover for retirement, subject to the provisions established in Framework Act 2/2012, on Budgetary Stability and Financial Sustainability and under the terms and conditions and within the scope set out under the corresponding budgetary legislation.

Given that this was a clear payable liability, the amount (28.767 euros) was charged to the "Staff Expenses" caption of the debit side of the 2012 financial year's Profit and Loss Account, crediting the "Long-term provisions" caption of the liability side of the balance sheet.

Act 36/2014, of 26 December, on General Budgets of the State for 2015, under the Twelfth Additional Provision, Section 1(1), establishes that every Public Authority, within its jurisdiction, may approve the crediting of amounts as recovery of extra pay cheques and specific additional pay or equivalent additional pay.

The Group's entities paid 50.27% of the accrued pay in 2015, following the Mayoral Decree of 11 November 2015. The amount corresponding to the remaining 49.73% is yet to be credited in 2016, under the conditions established by the

Increases		(+/-) Transfers		(-) Decreases		Balance as of 12.31.15	
Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
0.00	0.00	0.00	-22,834,884.01	0.00	9,537,820.51	0.00	
0.00	0.00	0.00	0.00	0.00	35,806,702.72	0.00	
8,150,000.00	-52,962,939.78	52,962,939.78	0.00	0.00	0.00	61,112,939.78	
0.00	0.00	0.00	-870,836.77	0.00	3,122,989.69	0.00	
0.00	-20,929,228.14	20,929,228.14	-7,504,743.21	-8,660,219.30	76,190.46	12,472,598.48	
0.00	0.00	0.00	-337,868.45	-68,945.37	1,451,473.11	2,809,020.51	
8,150,000.00	-73,892,167.92	73,892,167.92	-31,548,332.44	-8,729,164.67	49,995,176.49	76,394,558.77	

Twelfth Additional Provision of Act 48/2015, of 29 October, on the General State Budgets for 2016, and the Mayoral Decree of 15 December 2015.

c) Ruling 632/2013

The sum of 61,112,939.78 euros is included which relates to the financial estimate deriving from the enforcement of a ruling obliging the City Council and a part of its municipal economic group to raise the overall payroll of its civil servants corresponding to the 2007 and 2008 financial years, with the corresponding consolidation of increases up to the present year.

Note 21 – Consolidated budget information

21.1) Debentures pending closed budget payment with restrictive budget

Aggregated data

Financial structure	Description	Debentures pending payment as of 1 january	Amendments to initial balance or cancellations	Total obligations	Limitations	Payments made	Debentures pending payment as of 31 december
Chapter 1	Staff expenses	2,945,087.32	0.00	2,944,300.32	0.00	854,920.73	2,090,166.59
Chapter 2	Expenses on current goods and services	122,038,516.72	-2,086.66	121,030,395.02	0.00	121,994,384.26	41,863.12
Chapter 3	Financial expenditure	44,359.10	0.00	44,359.10	0.00	43,702.91	656.19
Chapter 4	Current transfers	153,148,400.05	-292,551.13	150,415,404.30	0.00	150,054,430.50	2,782,141.54
Chapter 5	Contingency funds	0.00	0.00	0.00	0.00	0.00	0.00
Chapter 6	Property investments	195,320,269.30	0.00	193,920,429.53	0.00	191,816,669.45	3,503,599.85
Chapter 7	Capital transfers	131,826,948.43	0.00	131,826,948.43	0.00	28,361,494.36	103,465,454.07
Chapter 8	Financial assets	1,000,000.00	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Chapter 9	Financial liabilities	146,919.61	0.00	146,919.61	0.00	133,739.27	13,180.34
TOTAL		606,470,500.53	-294,637.79	601,328,756.31	0.00	493,259,341.48	112,897,061.70

21.2. Committed expenditure charged to budgets of subsequent financial years of entities with restricted budgets

Aggregated data

Expenditure commitments acquired and charged to the financial year						
Financial structure	Description	2016 financial year	2017 financial year	2018 financial year	2019 financial year	Subsequent Years
Chapter 1	Staff expenses	183,598.28	0.00	0.00	0.00	0.00
Chapter 2	Expenditure on current goods and services	485,196,279.13	334,162,791.44	289,634,862.08	228,932,552.75	47,177,607.94
Chapter 4	Current transfers	186,264,907.93	148,331,856.28	5,031,335.68	4,019,923.09	0.00
Chapter 6	Property investments	19,301,231.08	22,840,593.87	2,390,370.76	0.00	0.00
Chapter 7	Capital transfers	347,682.00	300,000.00	0.00	0.00	0.00
Chapter 8	Financial assets	19,326,131.14	22,955,077.11	26,187,630.11	26,669,951.11	28,881,144.22
TOTAL		710,619,829.56	528,590,318.70	323,244,198.63	259,622,426.95	76,058,752.16

21.3. Entitlements pending collection from closed budgets

Aggregated data

Financial structure	Description	Entitlements pending collection as of 1 january	Change to initial balance	Revoked collection rights	Cancelled collection rights	Collection	Entitlements pending as of 31 december
Chapter 1	Direct taxes	253,730,083.72	24,771.150.84	54,548,753.34	112,810.92	33,537,191.50	190,302,478.80
Chapter 2	Indirect taxes	27,191,616.95	710,826.93	2,454,496.00	32.48	4,748,331.28	20,699,584.12
Chapter 3	Charges and other revenue	387,323,504.21	3,048,638.47	20,521,990.48	90,429.64	34,825,477.15	334,932,733.53
Chapter 4	Current transfers	124,981,959.91	0.00	0.01	0.00	117,456,076.77	7,525,792.13
Chapter 5	Property income	26,524,730.55	302,945.12	1,222,233.44	0.00	18,912,780.95	6,692,661.28
Chapter 6	Sale of property investments	35,193,894.06	0.00	0.00	0.00	35,157,823.34	36,070.72
Chapter 7	Capital transfers	60,935,536.07	0.00	38,848.10	0.00	19,229,126.64	41,667,561.33
TOTAL		915,881,325.47	28,833,561.36	78,786,321.37	203,273.04	263,866,807.63	601,856,881.91

21.4. Settlement of operational budgets and capital of entities with estimated budget

Aggregated data on operating budgets of entities with estimated budget:

	Budget	Amount realised	Absolute variance
1. Net amount of business turnover.	298,740,622.99	290,366,562.66	8,374,060.33
2. Variation of inventories of finished products or products in the process of being manufactured	-	45,401.01	- 45,401.01
3. Work carried out by the company for its asset	-	-	-
4. Supplies.	- 86,810,612.12	- 72,364,731.24	- 14,445,880.88
a) Consumption of goods.	- 891,400.15	- 912,270.75	20,870.60
b) Consumption of raw materials and other consumer materials.	- 35,388,839.53	- 6,006,064.40	- 29,382,775.13
c) Work carried out by other companies.	- 50,530,372.44	- 65,560,993.23	15,030,620.79
d) Impairment loss in goods, raw materials and other supplies.	-	114,597.14	- 114,597.14
5. Other operational income.	264,078,944.03	264,158,499.72	- 79,555.69
a) Accessory income and other current management revenue.	26,813,770.68	30,302,876.43	- 3,489,105.75
b) Operational subsidies incorporated into the financial year's results.	237,265,173.35	233,855,623.29	3,409,550.06
6. Staff expenditure.	- 178,174,088.23	- 173,710,179.41	- 4,463,908.82
a) Wages, salaries and similar expenses.	- 135,834,507.02	- 131,767,972.16	- 4,066,534.86
b) Social security contributions.	- 42,292,598.21	- 41,861,209.75	- 431,388.46
c) Provisions.	- 46,983.00	- 80,997.50	34,014.50
7. Other operational expenses.	- 240,877,794.17	- 242,670,145.04	1,792,350.87
a) External services.	- 156,594,187.35	- 157,092,526.79	498,339.44
b) Taxes.	- 7,487,512.83	- 10,686,578.27	3,199,065.44
c) Losses, impairment and variation of provisions for commercial transactions.	- 570,000.00	- 1,240,430.98	670,430.98
d) Other current management expenses.	- 76,226,093.99	- 73,650,609.00	- 2,575,484.99
8. Fixed-asset depreciation.	- 33,399,597.80	- 31,958,682.05	- 1,440,915.75
a) Intangible fixed-asset depreciation	- 1,823,341.65	- 2,050,183.27	226,841.62
b) Tangible fixed-asset depreciation	- 31,576,256.15	- 24,168,770.19	- 7,407,485.96
c) Property-investment depreciation	-	- 5,739,728.59	5,739,728.59
9. Allocation of non-financial fixed-asset and other subsidies.	5,545,223.99	5,806,773.56	- 261,549.57
10. Provision surpluses.	-	226,522.68	- 226,522.68
11. Impairment and results from disposals of fixed assets.	- 165,800.00	- 721,013.28	555,213.28
a) Impairment and loss.	- 229,000.00	- 473,273.51	244,273.51
Of intangible fixed assets	-	-	-
Of tangible fixed assets	- 229,000.00	- 473,273.51	244,273.51
Of financial investments	-	-	-
b) Results from disposals and other transactions.	63,200.00	- 247,739.77	310,939.77
Of intangible fixed assets	-	- 73.04	73.04
Of tangible fixed assets	63,200.00	- 247,666.73	310,866.73
Of financial investments	-	-	-
c) Impairment and results from disposals of holding companies' fixed assets	-	-	-
12. Negative business-combination difference	-	-	-
12a. Subsidies granted and transfers made by the entity	-	-	-
– to the local administrative public sector	-	-	-
– to the local corporate or foundation public sector	-	-	-
– to other entities	-	-	-
13. Other results	- 391,385.95	- 451,041.43	59,655.48
Exceptional expenditure	- 515,711.39	- 542,384.30	26,672.91
Exceptional income	124,325.44	91,342.87	32,982.57
A1) OPERATIONAL RESULTS (1+2+3+4+5+6+7+8+9+10+11+12+12a+13)	28,545,512.74	38,727,967.18	- 10,182,454.44
14. Financial income.	3,436,152.79	4,095,390.05	- 659,237.26
a) From holdings in equity instruments.	279,128.00	588,858.74	- 309,730.74
b) From marketable securities and other financial instruments.	3,157,024.79	2,818,765.26	338,259.53
c) Allocation of financial subsidies, donations and legacies	-	687,766.05	- 687,766.05

(keep going)

	Budget	Amount realised	Absolute variance
15. Financial expenditure	- 8,397,323.12	- 5,625,312.10	- 2,772,011.02
a) For debts with companies of the group and associates.	-	-	-
b) For debts with third parties.	- 8,332,323.12	- 5,531,570.28	- 2,800,752.84
c) For updating provisions.	- 65,000.00	- 93,741.82	28,741.82
16. Variation in fair value in financial instruments.	-	-	-
17. Differences in exchange.	- 1,000.00	2,639.61	- 3,639.61
18. Impairment and results from disposals of financial instruments.	- 2,700,000.00	217,067.81	- 2,917,067.81
19. Other financial income and expenditure	-	-	-
A.2) FINANCIAL RESULTS (14+15+16+17+18+19).	- 7,662,170.33	- 1,310,214.63	- 6,351,955.70
A.3) PRE-TAX RESULTS (A.1+A.2)	20,883,342.41	37,417,752.55	- 16,534,410.14
20. Income tax.	- 1,175,056.88	- 361,057.59	- 813,999.29
A.4) RESULTS OF THE FINANCIAL YEAR ARISING FROM ONGOING TRANSACTIONS (A.3+20)	19,708,285.53	37,056,694.96	- 17,348,409.43
B) INTERRUPTED TRANSACTIONS	-	-	-
21. Results of the financial year arising from interrupted transactions net of taxes	-	-	-
A.5) RESULTS OF THE FINANCIAL YEAR (A.4+21)	19,708,285.53	37,056,694.96	- 17,348,409.43

Aggregated data on the settlement of the cash-flow accounts of entities with estimated budget:

	Budget	Amount realised	Absolute variance
I.CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per PBE and PLC)			
Financial year's pre-tax results	13,758,858.07	34,483,963.73	- 20,725,105.66
Adjustments to the results	19,482,615.91	17,381,006.37	2,101,609.54
Fixed-asset depreciation	22,863,801.27	31,977,170.36	- 9,113,369.09
Valuation corrections for impairment	13,505.60	-	13,505.60
Variations in provision	- 551,823.61	- 3,457,427.30	2,905,603.69
Allocation of subsidies	- 4,650,979.98	- 7,524,773.00	2,873,793.02
Results for write-offs and disposal of fixed assets	229,000.00	720,232.86	- 491,232.86
Results for write-offs and disposal of financial instruments	- 584.81	- 217,067.00	216,482.19
Financial income	- 3,146,018.79	- 3,407,847.62	261,828.83
Financial expenditure	8,329,173.54	4,937,546.08	3,391,627.46
Exchange differences	1,000.00	- 2,638.09	3,638.09
Valuation corrections for impairment	-	694,475.07	- 694,475.07
Other income and expenses	- 3,604,457.32	- 7,056,528.99	3,452,071.67
Share in profits (losses) of entities under the equity method	-	717,864.00	- 717,864.00
Changes in the current capital	17,547,453.99	28,251,243.07	- 10,703,789.08
Inventories	14,217,440.64	386,865.09	13,830,575.55
Receivables and other accounts receivable	67,007,175.95	2,671,558.34	64,335,617.61
Other current assets	1,860,137.54	- 950,435.70	2,810,573.24
Short-term creditors and other accounts payable	- 42,943,074.32	- 13,724,067.37	- 29,219,006.95
(keep going)			

	Budget	Amount realised	Absolute variance
Other fixed assets and liabilities	- 27,314,526.86	11,507,280.22	- 38,821,807.08
Other current liabilities	4,720,301.04	28,360,042.49	- 23,639,741.45
Other cash flows from operational activities	-3,985,235.63	475,217.68	- 4,460,453.31
Interest payments	- 6,092,885.91	- 4,937,268.91	- 1,155,617.00
Interest collections	110,584.81	2,818,988.62	- 2,708,403.81
Income tax payment (collection)	2,803,570.49	2,101,448.23	702,122.26
Dividend collections	- 870,686.99	588,859.00	- 1,459,545.99
Other payments	64,181.97	- 96,809.26	160,991.23
Cash flows from operational activities	46,803,692.35	80,591,430.85	-33,787,738.51
II. CASH FLOWS FROM INVESTMENT ACTIVITIES			
C) Receipts:	24,877,214.61	9,285,336.11	15,591,878.50
1. Sale of property investments	8,463,261.08	5,473,141.08	2,990,120.00
2. Sale of financial assets	16,413,953.53	-	16,413,953.53
3. Other receipts from investment activities	-	3,812,195.03	- 3,812,195.03
D) Payments:	- 92,814,277.52	- 60,801,988.28	- 32,012,289.24
4. Purchase of property investments	- 83,655,620.83	- 37,392,530.78	- 46,263,090.05
5. Purchase of financial assets	- 9,158,656.69	- 33,704.37	- 9,124,952.32
6. Other payments from investment activities	-	- 23,375,753.13	23,375,753.13
Net cash flows through investment activities	-67,937,062.91	-51,516,652.17	-16,420,410.74
III. CASH FLOWS FROM FUNDING ACTIVITIES			
E) Receivables to the owner entity or entities	15,853,337.01	5,513,332.66	10,340,004.35
1. Sale of external members' shareholdings	-	-	-
2. Other receivables to owner entity or entities	15,853,337.01	5,513,332.66	10,340,004.35
F) Payments to the entity or owning entities	-	-	-
3. Acquisition of external members' shareholdings	-	-	-
4. Other payments to owner entity or entities	-	-	-
G) Receipts for issuing financial liabilities :	- 3,821,067.98	48,314,820.71	- 52,135,888.69
5. Debentures and other marketable securities	800,000.00	-	800,000.00
6. Loans received	506.99	20,062,294.76	- 20,061,787.77
7. Other debts	- 4,621,574.97	28,252,525.95	- 32,874,100.92
H) Payments for financial liability redemptions	- 4,994,811.29	- 71,987,222.94	66,992,411.65
8. Debentures and other marketable securities	- 2,814,464.14	-	- 2,814,464.14
9. Loans received	-	- 38,968,411.71	38,968,411.71
10. Other debts	- 2,180,347.15	- 33,018,811.23	30,838,464.08
Net cash flows through management activities	7,037,457.74	-18,159,069.57	25,196,527.31
IV. CASH FLOWS PENDING CLASSIFICATION			
I) Receipts yet to be made	-	-	-
J) Payments yet to be made	-	-	-
Net cash flows pending classification	0.00	0.00	0.00
V. EFFECT OF VARIATIONS IN EXCHANGE RATES	-	14.58	- 14.58
VI. NET INCREASE/REDUCTION IN CASH AND CASH-EQUIVALENT LIQUID ASSETS	-14.095.912,83	10.915.709,11	-25.011.621,93
Cash and cash-equivalent liquid assets at the start of the financial year	35,379,822.92	39,241,640.00	- 3,861,817.08
Cash and cash-equivalent liquid assets at the end of the financial year	19,246,120.49	50,157,363.68	- 30,911,243.19

Note 22 - Other information affecting the consolidated annual accounts

a) Accrued liabilities expenditure

The long-term variations in the accrued liabilities expenditure caption for the 2015 financial year were as follows:

Balance as of 1 January 2015	511,407,281.72
Financial year's added entries	16,116,360.28
Updating	236,228.49
Short-term transfers to accrued expenditure	-19,364,513.46
Allocation to results	-3,123,808.30
Other reductions	32,498.26
TOTAL	505,304,046.99

By nature, 498,981 thousand euros correspond to income received in advance for the right to use municipally owned assets and 6,323 thousand euros to income for the provision of different services.

Income received in advance is transferred every year to the consolidated Profit and Loss Account using the straight-line method for the duration of the period of the corresponding concession or awarding, which will end, at the latest, by 2092.

The most significant amount corresponds to income for distribution derived from non-financial contributions for the incorporation of the mixed-economy company Barcelona d'Aparcaments Municipals, SA and the subsequent awarding of the ownership of 60% of the shares in that entity to the company Saba Aparcamientos, SA.

The short-term amount transferred is the one planned for application in the Consolidated Profit and Loss Accounts for the 2016 financial year and appears under the "Accrued Expenses" heading of the liabilities side of the Consolidated Balance Sheet for the financial year closed on 31 December 2015.

Short-term accrued expenditure for the 2015 financial year presents the following variations:

Balance as of 1 January 2015	57,671,189.52
Financial year's added entries	62,493,173.82
Updating	9,468.83
Long-term transfers to accrued expenditure	19,364,513.46
Allocation to results	-63,806,798.15
Reductions in awards and other items	-3,995,763.33
Other reductions	-751,436.51
TOTAL	70,984,347.64

b) Auditors' fees

The fees to be received by the Temporary Joint Venture made up by PricewaterhouseCoopers Auditores S.L. and Gabinete Técnico de Auditoría y

Consultoría, SA, corresponding to the audit services and expenditure incurred in the provision of these services during the 2015 financial year amounted to 462,000 euros, VAT included. Invoiced to Barcelona City Council, these fees included those for the municipal economic group, under the audit contract's invitation-to-tender file, with repercussions on the relevant part of each of the entities falling within the scope of the invitation to tender.

c) Taxes and social-security contributions subject to inspection

All taxes and social security contributions that the Institute is subject to are eligible for auditing for all the financial years during which the limitation period deadline established under the legislation in force did not lapse. No additional liabilities were expected to be considered for the Institute as a result of possible inspections.

d) Guarantees

As of 31 December 2015, the guarantees awarded by the group for covering credit transactions amounted to 2,461,695.76 euros.

Note 23 - Financial and equity indicators

- Immediate liquidity:

$$\frac{\text{Liquid funds}}{\text{Current liabilities}} = 0.66$$

- Short-term liquidity:

$$\frac{\text{Liquid funds} + \text{Entitlements pending collection}}{\text{Current liabilities}} = 1.05$$

- General liquidity:

$$\frac{\text{Current assets}}{\text{Current liabilities}} = 1.24$$

- Indebtedness per resident:

$$\frac{\text{Liabilities}}{\text{Number of residents}} = 1,695.46 \text{ euros}$$

- Indebtedness:

$$\frac{\text{Liabilities}}{\text{Liabilities} + \text{Net equity}} = 0.19$$

- Indebtedness ratio:

$$\frac{\text{Current liabilities}}{\text{Fixed liabilities}} = 0.62$$

- Cash flow:

$$\frac{\text{Liabilities}}{\text{New management flows}} = 4.44$$

- Income structure

Income from day-to-day management (IFDM)			
InC. TAX/IFDM	TRANSFR/IGOR	S & PS/IFDM	Remaining IFDM/IFDM
43.00%	41.47%	9.00%	6.53%

- Expenditure structure

Day-to-day management expenses (EFDM)			
STF. EXP./ EFDM	TRANSFG/EFDM	SUPP/EFDM	Rest of EFDM/EFDM
25.62%	25.76%	2.25%	4.12%

- Covering current expenditure: highlights the existing relationship between day-to-day management expenditure and income.

$$\frac{\text{Day-to-day management expenses}}{\text{Day-to-day management income}} = 84.66\%$$

Note 24 - Events subsequent to the close

No significant events occurred between the closing date and the drafting of the consolidated annual accounts which would require reporting or lead to the inclusion of adjustments to the figures contained in the annual accounts, except with regard to the payment, on 28 April, of part of the amounts derived from the enforcement of the ruling obliging the City Council to raise the overall payroll of its civil servants corresponding to the financial years 2007 and 2008, with the corresponding consolidation of increases up to the present financial year.

Note 25 - Aspects arising from the transition to the new accounting regulations

Under the Second Transitional Provision of Order HAP/1781/2013, of 20 September, approving the IMNCL, the annual accounts of the Parent Entity and the subsidiary entities which the above-mentioned Order applies to, corresponding to the 2015 financial year, have to be prepared without reflecting the Balance Sheet, the Income and Expenditure Account or the other statements that include comparative information on the figures for the 2014 financial year or previous financial years, as a result of which these consolidated annual accounts do not include comparative information either.

This additional note is included in the annual report, with the information given below, for the purposes of clarifying the transition process of the 2014 financial year's accounting to that of the 2015 financial year.

a) Consolidated balance sheet and profit and loss account included in the consolidated annual accounts for the 2014 financial year

Consolidated Balance Sheet

ASSETS		2014
Long-term assets		8,491,934,333.49
Intangible fixed assets		26,331,469.19
Intangible fixed assets		73,731,049.72
Allowances and depreciation		-47,399,580.53
Tangible fixed assets and infrastructures		8,098,066,426.21
Tangible fixed assets		9,073,957,051.22
Public land assets		547,968,372.76
Tangible fixed assets assigned to municipal bodies and third parties		-656,861,469.49
Fixed assets under construction and pending classification		654,804,650.59
Investments in infrastructures and assets allocated for general use		7,781,414,680.09
Investments assigned for general use		-7,781,414,680.09
Accumulated depreciation and provisions		-1,521,802,178.87
Financial fixed assets		340,124,623.14
Shareholdings in associate companies		171,445,068.61
Other financial fixed assets		168,679,554.52
Long-term traffic-transaction receivables		25,383,074.43
Deferred expenditure		2,028,740.52
Floating assets		1,268,568,025.54
Inventories		98,771,208.05
Allowances		-3,209,764.62
		95,561,443.43
Receivables		948,586,847.77
Allowances		-529,483,073.64
		419,103,774.13
Public administration		15,359,353.31
Temporary financial investments		391,865,533.53
Liquidity		342,213,707.55
Accrued expenditure		4,464,213.59
TOTAL ASSETS		9,760,502,359.03

LIABILITIES	2014
Equity	6,228,447,719.56
Heritage	5,523,476,366.37
Heritage	13,936,785,807.10
Property assigned to municipal bodies and third parties	-656,861,469.49
Property delivered for general use	-7,781,414,680.09
Property assigned by third parties	24,966,708.85
Losses and gains allocated to the City Council	368,145,958.82
Consolidated losses and gains	370,070,822.82
Losses and gains allocated to external shareholders	-1,924,864.00
Consolidated reserves	271,089,708.36
External shareholders	65,735,686.00
Deferred income	1,138,760,463.20
Capital transfers and other capital income	631,356,650.14
Other deferred income	507,403,813.06
Long-term liabilities	1,456,103,696.21
Provisions for contingencies and expenses	121,503,677.42
Long-term loans and debentures	978,855,455.23
Long-term deposits and guarantees	28,929,812.55
Other long-term liabilities	326,814,751.01
Floating liabilities	937,190,480.08
Short-term payables for loans and debentures	165,607,839.26
Commercial liabilities	417,601,910.66
Public administration	62,591,618.43
Other off-budget debts	205,844,641.51
Accrued expenditure	85,544,470.22
TOTAL LIABILITIES	9,760,502,359.05

Consolidated Profit and Loss Account

2014		2014	
Staff expenditure	632,420,749.45	Taxes	1,025,675,586.26
Work, supplies and external services	912,609,750.34	Other tax revenues	140,334,624.45
Financial expenditure	37,011,083.90	Service sales	282,264,721.27
Current transfers	511,725,972.84	Other day-to-day income	148,535,328.58
Provision for allowance for bad debt under the equity method	97,913,237.18	Current transfers	1,120,989,487.93
		Financial income	7,885,974.34
		Other income	22,592,560.37
Share in results under the equity method.	5,691,593.85	Share in results under the equity method.	700.31
TOTAL OPERATIONAL EXPENDITURE	2,19,372,387.56	TOTAL OPERATIONAL INCOME	2,748,278,983.51
Pre-transfer of capital operational results	550,906,595.95		
Transfer of capital	39,547,310.96		
Post-transfer of capital operational results	511,359,284.99		
Provisions for depreciation and fixed-asset allowances	136,668,706.75		
Extraordinary expenses	180,365,109.40	Extra income	173,780,913.96
Consolidated pre-tax results	368,106,382.80		
Income tax	-1,964,440.02		
Consolidated results	370,070,822.82		
Results allocated to external shareholders	1,924,864.00		
Results allocated to the City Council	368,145,958.82		
TOTAL	2,922,059,897.47	TOTAL	2,922,059,897.47

Where the balances of the accounts as of 31 December 2014 were adjusted, these were implied in the opening entry of the various entities, in not having given rise, under the provisions in page 7 of the notes on the opening of accounts for the 2015 financial year, published by Spain's General State Comptroller (IGAE) in July 2014, to a specific accounting entry in the 2015 financial year.

The adjustments made can be classed under the following types:

- Added entries: assets and liabilities whose recognition is required under the PGCPAL.
- Write-offs: elements that do not satisfy the definitions of assets and liabilities according to the conceptual framework of public accounting or registration and valuation rules.
- *Reclassifications*: this refers to the most recurrent adjustment, as it covers all the elements that comply with the definitions for assets, liabilities or net equity under the conceptual framework of public accounting but which, under the accounting framework of the PGCPAL, in force since 2015, have to feature in other accounts than those appearing up to 31 December 2014. In general, as mentioned above, the correspondence was from "old account and balance" to "new account and balance".
- *Changes in value*: only had to be applied to the financial instruments that as of 1 January 2015 had to be valued according to fair value; in the City Council's case, no adjustment of this kind was made.

b) The effect of the adjustments on the position of the net equity of the Group as of 1 January 2015 is as follows:

Captions/Description of accounts	Balances as of 12/31/2014	Adjustments	Balances as of 01/01/2015
Heritage	7,826,505,336.67	0.00	7,826,505,336.67
Property assigned to municipal bodies and third parties	-656,861,469.49	656,861,469.49	0.00
Property assigned by third parties	24,966,708.85	-24,966,708.85	0.00
Property delivered for general use	-7,781,414,680.09	7,781,414,680.09	0.00
Profit and loss brought forward	6,110,280,470.43	-4,288,147,826.11	1,822,132,644.32
Financial year's profit and loss	368,145,958.82	0	368,145,958.82
Consolidation reserve	271,089,708.36	0	271,089,708.36
Equity	6,162,712,033.56	4,125,161,614.62	10,287,873,648.18
Concessions and other income	507,403,813.06	-507,403,813.06	0.00
Capital subsidies	583,793,885.12	20,185,857.62	603,979,742.74
Revenue derived from urban planning	47,562,765.02	-47,562,765.02	0.00
Deferred income	1,138,760,463.20	-534,780,720.46	603,979,742.74
Adjustments for changes in value	-	23,565,605.00	23,565,605.00
External shareholders	65,735,686.00	0	65,735,686.00
Net Equity	7,367,208,182.76	3,613,946,499.16	10,981,154,681.92

The Municipal Manager of Barcelona City Council, on 13 May 2016, acting in compliance with the requirements established by Article 64 of Act 1/2006 regulating the special system for Barcelona, hereby draws up the consolidated annual accounts in this document, pages 1 to 65, corresponding to the financial year ending on 31 December 2015.

The Municipal Manager