



AUDIT REPORT FOR THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE 2020⁽¹⁾
FINANCIAL YEAR, ISSUED FOR BARCELONA CITY COUNCIL'S GENERAL
INTERVENTION OF BARCELONA CITY



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To the Municipal Council of Barcelona City Council

I. Opinion

Barcelona City Council's Comptroller General, on exercising the powers granted to it under Articles 213 and 220 of Royal Legislative Decree 2/2004, of 5 March, approving the Consolidated Text of the Regulatory Act on Local Tax Offices and under Articles 3 and 29(3)(A) of Royal Decree 424/2017, of 28 April, governing the legal system for internal control in Local Public Sector entities, has audited the consolidated annual accounts of Barcelona City Council and its subsidiaries (henceforth, Group), which include the consolidated balance sheet as at 31 December 2020, the consolidated income and expenses statement, the consolidated budget settlement statement, the consolidated changes in net equity statement, the consolidated cash-flow statement and the consolidated report for the financial year ending on this date.

In our opinion, on the basis of our audit and on the reports of other auditors (who are identified in Note 1.2 of the report), the accompanying consolidated annual accounts express a true and fair view, in every significant aspect, of the Group's equity and financial situation as at 31 December 2020, as well as its profits and cash flows and budget settlement statement, all consolidated, for the financial year finishing on this date, in accordance with the regulatory financial information framework in force (which is identified in Note 4.1 of the report) and, in particular, with its accounting and budgetary principles and criteria.

II. Basis of the opinion

We have carried out our audit in accordance with the regulations currently in force governing accounts auditing activities for the Public Sector in Spain. Our responsibilities under these rules are described later on in the section Responsibilities of the auditor in relation to the audit of the annual accounts from our report.

We are independent of the Entity in accordance with ethical standards, including those of independence applicable to our audit of the Public Sector's annual accounts,

as required by the regulations governing the activity of auditing the accounts of the Public Sector in Spain. We consider that the audit evidence we have obtained provides a sufficient and appropriate basis for our opinion.

III. Key audit matters

The key audit matters are the ones which, in our professional opinion, were of greater significance in our audit of the annual accounts for the current period. These issues were dealt with in the context of our audit of the annual accounts as a whole, and in the formation of our opinion on these, and we do not express a separate opinion on these issues.

Recognition of tax revenues

Description

The Group's main source of income comes from tax revenues. These revenues are managed, collected and inspected through the independent municipal body, the Barcelona Municipal Tax Office, through specific IT systems, as well as various settlement and collection media. Given the large volume of operations recorded during the period of analysis, their atomisation, as well as the diversity of channels, IT systems involved and case studies in their register, may result in an incorrect valuation of the figure for the Group, owing to errors in the integrity of the underlying data. For the above reasons, we have considered this area as a key issue for the audit.

Our response

Among other things, our audit procedures consisted of:

- Understanding the internal process followed in identifying, recording and controlling the main tax revenues;
- Testing the general control environment of the IT in the systems used for recording the revenues, along with tests on the controls that verify the integrity and accuracy of the revenues that are recorded through these systems;



- Carrying out tests on the design, implementation and operational effectiveness of key controls (applied automatically and manually) which support the systems, including the reconciliation of the monthly batches that arise from the tax-management and collection systems with entries into the revenue-operations logbook for Barcelona City Council's accounting records;
- Applying predictive analytical procedures (taking into account factors such as changes in the tax by-laws for the main taxes, number of settlements and payments made); and
- Carrying out substantive tests on a sample of settlements and payments of the main taxes to verify whether the proceeds are calculated in accordance with the applicable tax by-laws and whether the income has been recognised in accordance with the accounting policies that apply in each case.

Estimation of the value of the assets comprising the municipal equity

Description

At 31 December 2020, the Group had tangible fixed assets and property investments for a book value of 12,181 and 235 million euros, respectively, which correspond mainly to land, constructions, infrastructures and ongoing investments owned by the Group. A breakdown of the assets stated can be found in notes 14 and 15 of the accompanying consolidated report. The significance of the amounts involved led us to consider the valuation of the tangible fixed assets as a key aspect of our audit.

Our response

Among other things, our audit procedures consisted of:

- Understanding the procedures established for registering and classifying the assets and rights that are included in Barcelona City Council's inventory, as well as the criteria and guidelines established in that entity's processes for investing in new buildings and/or infrastructures, for acquiring, leasing, property exchanges, assigned uses and other equity transactions;
- Identifying the procedures and controls implemented by Barcelona City Council regarding the above-mentioned processes;



- Carrying out tests on the operational effectiveness of the critical controls implemented through computer tools and manual controls in Barcelona City Council's accounting close;
- Obtaining the list of ongoing projects during the financial year, and for a sample we have compared with the supporting documents that had been reviewed and approved in accordance with the authorisation levels established;
- Carrying out detailed tests on a sample of entries to verify whether their accounting record meets the recognition criteria established in the recognition and valuation rules for tangible fixed assets; and
- Ensuring that the breakdowns included in the accompanying report meet the requirements established in the applicable regulatory financial information framework.

IV. Other matters involving private auditors

The auditing firm ERNST & YOUNG, S.L. by virtue of the service contract awarded by the Government Commission of Barcelona City Council, dated 26 November 2020, carried out the audit work referred to in the first section. In this work, the 'Technical Standard for relations with auditors in the public sector' approved on 30 December 2020 by the General Audit of the State Administration has been applied by the General Audit of Barcelona City Council.

Barcelona City Council's Comptroller General drafted this report on the basis of the work carried out by the auditing company ERNST & YOUNG, S.L.

V. Responsibility of the City Council's Municipal Manager's Office in relation to the consolidated annual accounts

Barcelona City Council's Municipal Manager's Office is responsible for drawing up the accompanying consolidated annual accounts, ensuring that they express a true and fair view of the equity, the financial situation and the consolidated income and expense account and the implementation of the consolidated budget of the Group, in accordance with the regulatory financial-information framework that applies to the Group in Spain, and of the internal control that it considers necessary for enabling the preparation of the consolidated annual accounts free of material misstatement, due to fraud or error.

In the preparation of the consolidated annual accounts, the Municipal Manager's Office of Barcelona City Council is responsible for the valuation of the Group's capacity for continuing in accordance with the going-concern principle, revealing, where appropriate, the matters related to the going concern and using the going-concern accountancy principle, unless they have the intention or legal obligation to liquidate the Group or to cease its operations, or because there is no realistic alternative.

VI. Responsibility of the auditor in relation to the annual accounts

Our work did not include the audit of the annual accounts of the nine trading companies owned by the City Council and identified in Note 1.2 of the report, which represent as a whole 9.6% (355 million euros) of the total expenses and 4.8% (771 million euros) of the total assets of the Group. The aforementioned annual accounts have been audited by the audit firm Gabinet Tècnic d'Auditoria i Consultoria, S.A., and our opinion in this report on the consolidated annual accounts is based, in relation to such investments, only on the report of the other auditors.

Our goals are to obtain a reasonable assurance that the consolidated annual accounts as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high level of assurance but does not guarantee that an audit carried out in accordance with the regulations governing accounts audit activity for the Public Sector currently in force in Spain always detects any existing material misstatements. Misstatements may occur from fraud or error and are considered material where, on an individual or aggregate basis, they can be reasonably expected to influence the financial decisions that users take on the basis of the consolidated annual accounts.

As part of an audit in accordance with the current regulations in force governing the accounts audit activity, we have applied our professional judgement and maintained an attitude of professional scepticism throughout the audit. Also:



- We identify and assess material misstatement risks in the annual accounts, due to fraud or error, we design and apply audit procedures to meet these risks, and we obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in a case of material misstatement due to error, as fraud can involve collusion, falsification, deliberate omissions, intentionally erroneous statements or the avoidance of internal controls.
- We obtained knowledge of the internal control that is relevant to the audit for the purposes of designing audit procedures that are appropriate according to the circumstances, and not for the purposes of expressing an opinion on the effectiveness of the Group's internal control.
- We have assessed the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates and corresponding information provided by Barcelona City Council's Municipal Manager's Office.
- We give our conclusion on the appropriateness of the use made by the Municipal Manager's Office of the Group's going-concern principle and, based on the audit evidence obtained, on whether or not there is a material uncertainty relating to the facts and conditions that may create significant doubt about the Group's ability to continue as a going concern. Should we conclude that there is a material uncertainty, we would be required to draw attention in our audit report on the corresponding information revealed in the consolidated annual accounts or, should such revelations not be appropriate, we would have to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. Nevertheless, future facts or conditions may cause the Group to cease being a going concern.
- We have assessed the overall presentation, structure and contents of the consolidated annual accounts revealed, including the information revealed, and whether the consolidated annual accounts represent the underlying transactions and facts in such a way that they manage to express a true and fair view.

- We have obtained sufficient and appropriate evidence relating to the financial information of the financial entities and activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the group's management, supervision and auditing as stated at the beginning of this section. We alone are responsible for our audit opinion.

We have determined which of the issues forwarded to Barcelona City Council's Municipal Manager's Office were of greater significance in the auditing of the current period's consolidated annual accounts and are therefore the audit's key issues.

We have described these issues in our report, except where legal or regulatory provisions prohibit us from publicly revealing them.

Barcelona on the date of the electronic signature

General Auditor

 **Ajuntament
de Barcelona** MUÑOZ JUNCOSA,
ANTONIO
(AUTENTICACIÓN)
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Antonio Muñoz Juncosa

(1) Translation of the report originally issued in Catalan. In case of discrepancy, the original version in Catalan prevails. Only the audit report issued in Catalan is authentic and is accompanied by the annual accounts.



Barcelona City Council Group

Consolidated annual accounts for the 2020 financial year



Consolidated Balance Sheet as of 31 December 2020 (amounts in euros)

ASSETS	Notes in annual report	2020	2019
A) FIXED ASSETS		14,481,800,630.90	14,420,525,561.66
I. Intangible fixed assets	16	13,719,260.75	12,356,237.59
1. Consolidated goodwill	8	732,328.00	878,794.00
2. Other intangible fixed assets		12,986,932.75	11,477,443.59
II. Tangible fixed assets	14	12,180,821,987.08	12,055,434,179.73
1. Land and buildings		6,697,164,403.77	6,694,085,410.49
2. Infrastructures and historical heritage assets		4,134,787,770.71	4,149,396,187.26
3. Other tangible fixed assets		208,163,853.92	203,368,605.17
4. Fixed assets under construction and advance payments		1,140,705,958.68	1,008,583,976.81
III. Property investments	15	234,557,212.18	234,192,048.35
IV. Long-term financial investments in entities of the group, multi-group and associates	17	1,169,457,063.78	1,182,169,114.80
1. Holdings consolidated under the equity method	13	1,046,142,462.55	1,069,116,926.05
2. Loans to entities are consolidated prporcionally or under the equity method		59,392,023.63	49,129,611.15
3. Other investments		63,922,577.60	63,922,577.60
V. Public land assets	14	656,010,786.82	654,468,003.59
1. Land and buildings		396,699,668.83	395,156,885.60
2. Under construction and advances		13,498,202.00	13,498,202.00
3. Other public land assets		245,812,915.99	245,812,915.99
VI. Long-term financial investments	17	204,914,881.46	258,092,982.58
VII Assets for deferred tax		2,453,753.53	1,425,408.96
VIII. Long-term receivabkes and other accounts receivable		19,865,685.30	22,387,586.06
B) CURRENT ASSETS		1,378,733,037.81	1,217,062,984.27
I. Assets instate of sale		0.00	0.00
II. Inventories	5.11	65,047,504.60	54,439,486.84
III. Receivables and other accounts receivable		421,730,794.57	330,364,538.13
V. Short-term financial investments	17	60,878,351.18	74,596,101.41
VI. Accruals and deferred income		5,276,940.78	6,871,884.52
VII Cash and other equivalent liquid assets		825,799,446.68	750,790,973.37
TOTAL ASSETS (A+B)		15,860,533,668.71	15,637,588,545.93

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated balance sheet as at 31 December 2020



Consolidated Balance Sheet as of 31 December 2020 (amounts in euros)

NET EQUITY AND LIABILITIES	Notes in annual report	2020	2019
A) NET EQUITY	19	13,292,780,237.55	13,167,212,323.27
I. Equity contributed		7,855,222,920.31	7,851,335,788.43
II. Equity created		4,460,747,011.65	4,346,893,060.07
2. Profit and loss brought forward		3,335,259,574.72	3,096,631,384.50
3. Financial year's results allocated to parent entity		155,683,018.63	266,875,367.86
4. Consolidated reserves		969,804,418.30	983,386,307.71
III. Adjustments for changes in value		23,145,346.00	23,004,748.00
IV. Other increases in equity pending recognition in the profit and loss account		872,250,686.59	858,968,713.77
V. External shareholders	10	81,414,273.00	87,010,013.00
B) FIXED LIABILITIES		1,519,760,270.29	1,560,077,414.67
I. Long-term provisions	20	39,491,780.93	46,029,633.66
II. Long-term debts	18	1,066,040,553.41	1,075,492,650.04
1. Debentures and other marketable securities		95,000,000.00	95,000,000.00
2. Debts with credit institutions		776,934,916.60	769,587,399.28
3. Other debts		194,105,636.81	210,905,250.76
III. Debts with group entities, multi-group and long term associates		0.00	0.00
1. Debts with entities integrated proportionally or by equity method		0.00	0.00
2. Other debts		0.00	0.00
IV. Liabilities for deferred tax		6,511,006.97	6,422,615.44
VI. Short term accruals payable	22	407,716,928.98	432,132,515.53
C) CURRENT LIABILITIES		1,047,993,160.87	910,298,807.99
I. Short-term provisions	20	22,975,120.30	26,883,227.39
II. Short-term debts	18	280,947,321.23	256,992,947.89
1. Debentures and other marketable securities		902,378.64	900,240.98
2. Debts with credit institutions		101,910,056.18	90,417,881.60
3. Other debts		178,134,886.41	165,674,825.31
III. Short-term debts with entities of the group, multi-group and associates		2,922,968.20	2,316,099.74
1. Debts with entities intergrated proportionally or by equity method		0.00	0.00
2. Other debts		2,922,968.20	2,316,099.74
IV. Short term creditors and other accounts payable		599,542,577.47	508,852,398.28
V. Accruals payable	22	141,605,173.67	115,254,134.69
TOTAL NET EQUITY AND LIABILITIES (A+B+C)		15,860,533,668.71	15,637,588,545.93

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated balance sheet as at 31 December 2020



Consolidated Income and Expenditure Account as of 31 December 2020 (amounts in euros)

	Notes in annual report	2020	2019
1. Tax revenues and social security contributions		1,368,667,162.29	1,321,028,694.07
a) Tax revenues		1,368,667,162.29	1,321,028,694.07
b) Social security contributions		0.00	0.00
2. Transfers and subsidies received		1,228,301,328.37	1,167,686,524.72
a) From the financial year		1,209,640,196.52	1,143,091,908.14
b) Allocation of non-financial fixed-asset subsidies		10,244,154.74	9,979,501.08
c) Allocation of subsidies for current and other assets		8,416,977.11	14,615,115.50
3. Net sales and services supplies		204,772,737.22	289,586,048.39
a) Net sales		41,436,101.32	58,615,358.59
b) Service supplies		163,336,635.90	230,970,689.80
4. Variation of inventories of finished products, products in the process of being manufactured and impairment losses		19,431.00	42,840.00
6. Other day-to-day management income		194,072,838.64	196,382,221.76
7. Provision surpluses		28,747,310.50	7,498,770.30
A) TOTAL INCOME FROM DAY-TO-DAY MANAGEMENT		3,024,580,808.02	2,982,225,099.24
8. Staff expenditure		-803,353,573.48	-792,895,156.77
a) Wages, salaries and similar expenses		-609,166,625.04	-601,245,586.18
b) Social security contributions		-194,186,948.44	-191,649,570.59
9. Transfers and subsidies granted		-663,635,162.16	-607,370,103.09
10. Supplies		-63,004,990.93	-71,116,784.27
a) Consumption of goods and other items		-63,004,990.93	-71,097,676.89
b) Impairment loss in goods, raw materials and other supplies		0.00	-19,107.38
11. Other day-to-day management expenses		-1,035,957,467.04	-982,212,982.17
12. Fixed asset depreciation		-238,368,126.20	-220,061,417.86
B) TOTAL EXPENSES FROM DAY-TO-DAY MANAGEMENT		-2,804,319,319.81	-2,673,656,444.16
I. Day-to-day manag. income and expenditure (saving and dissavings) (A+B)		220,261,488.21	308,568,655.08
13. Impairment losses and results from disposals of non-financial fixed assets and assets under sale		15,599,787.13	-8,215,445.46
a) Impairment losses		-2,000.04	0.00
b) Write-offs and disposals		15,601,787.17	-11,068,298.22
b) Allocation of non-financial fixed-asset subsidies		0.00	2,852,852.76
14. Other non-day-to-day items		-3,366,741.82	-6,677,652.48
II. Results from non-financial transactions		232,494,533.52	293,675,557.14
17. Financial income		24,767,825.35	30,625,123.80
a) From holdings in equity instruments		3,044,487.00	1,604,762.67
b) From marketable securities and credit from fixed assets		21,723,338.35	29,020,361.13
18. Financial expenditure		-17,145,966.81	-17,326,948.20
19. Financial expenses allocated to assets		455,388.89	254,116.00
20. Change in fair value through financial assets and liabilities		1,169,661.00	
a) Assets and liabilities at fair value charged to profit and loss		1,169,661.00	
21. Exchange differences		-4,372.13	893.85
22. Impairment losses, write-offs and disposals of financial assets and liabilities		-77,649,839.52	-41,852,883.73
III. Results from financial transactions		-68,407,303.22	-28,299,698.28
23. Share in profits (losses) from entities consolidated under the equity method	13	-384,989.34	10,880,307.43
IV. Pre-tax results		163,702,240.96	276,256,166.29
26. Capital gains tax		-603,361.33	-3,038,432.43
IV Results from financial year arising from discontinued transactions net of taxes	22	-11,518,782.00	-297,587.00
V Financial year's consolidated results (savings and dissavings)		151,580,097.63	272,920,146.86
Results allocated to parent entity		155,683,018.63	266,875,367.86
Results allocated to external shareholders	10	-4,102,921.00	6,044,779.00

Notes 1 to 25 of the accompanying annual report are an integral part of the Consolidated Income and Expenditure Account for the 2020 financial year

Consolidated Statement of Changes in Net Equity as of 31 December 2020 (amounts in euros)

1. Total Consolidated Statement of Changes in Net Equity

	Notes in annual report	I. Equity	II. Equity created	III. Adjustments for changes in value	IV. Subsidies received	V. External shareholders	TOTAL
NET EQUITY ADJ. AT THE END OF THE 2019 FINANCIAL YEAR		7,851,335,788.43	4,346,893,060.08	23,004,748.00	858,968,713.77	87,010,013.00	13,167,212,323.28
ADJUSTMENTS FOR CHANGES OF ACCOUNTING CRITERIA AND CORRECTIONS OF ERRORS		0.00	0.00	0.00	0.00	0.00	0.00
INITIAL NET EQUITY ADJUSTED FOR THE 2020 FINANCIAL YEAR		7,851,335,788.43	4,346,893,060.08	23,004,748.00	858,968,713.77	87,010,013.00	13,167,212,323.28
CHANGES IN NET EQUITY FOR THE 2020 FINANCIAL YEAR		3,887,131.88	113,853,951.57	140,598.00	13,281,972.82	-5,595,740.00	125,567,914.27
1. Income and expenditure recognised for the financial year		0.00	155,683,018.63	140,598.00	22,309,679.85	-4,214,937.00	173,918,359.48
2. Asset and liability transactions with the entity or owner entities		0.00	0.00	0.00	0.00	-1,375,602.00	-1,375,602.00
3. Other changes in net equity		3,887,131.88	-41,829,067.06	0.00	-9,027,707.03	-5,201.00	-46,974,843.21
NET EQUITY AT THE END OF THE 2020 FINANCIAL YEAR		7,855,222,920.31	4,460,747,011.65	23,145,346.00	872,250,686.59	81,414,273.00	13,292,780,237.55

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated statement of changes in net equity for the 2020 financial year

2. Consolidated Statement of Recognised Income and Expenditure

	2020	2019
I. Income and expenditure	155,683,018.63	266,875,367.86
II. Income and expenditure recognised directly in net equity		
2. Financial assets and liabilities	0.00	-21,884.13
4. Other increases in equity	42,469,376.73	76,448,830.44
Total	42,469,376.73	76,426,946.31
III. Transfers to the Income and Expenditure Account or to the initial carrying amount of hedged items		
3. Accounting hedges		0.00
4. Other increases in equity	-24,785,889.32	-30,834,478.54
6. Tax effect	551,853.44	538,246.25
Total	-24,234,035.88	-30,296,232.29
IV. TOTAL recognised income and expenditure (I+II+III)	173,918,359.48	313,006,081.88

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated statement of changes in net equity for the 2020 financial year



Consolidated Cash Flow Statement as of 31 December 2020 (amounts in euros)

	2020	2019
CONSOLIDATED CASH FLOW STATEMENT		
I. CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per BCC and IB)	283,141,242.06	216,610,543.54
I. CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per PBE and PLC)	-23,781,603.67	77,766,874.13
Net cash flows per management activity	259,359,638.39	294,377,417.67
II. CASH FLOWS FROM INVESTMENT ACTIVITIES (*)		
C) Receipts:	121,334,502.01	76,933,694.66
1. Sale of property investments	33,824,651.21	42,049,559.92
2. Sale of financial assets	0.00	1,603,660.00
3. Other receipts from investment activities	87,509,850.80	33,280,474.74
D) Payments:	-369,558,392.29	-463,171,667.80
4. Purchase of property investments	-348,175,853.23	-430,457,988.75
5. Purchase of financial assets	-21,595,929.55	-25,201,090.82
6. Other payments from investment activities	213,390.49	-7,512,588.23
Net cash flows from investment activities (+C-D)	-248,223,890.28	-386,237,973.14
III. CASH FLOWS FROM FUNDING ACTIVITIES		
E) Receivables to the owner entity or entities	21,579,238.52	17,048,565.77
2. Other receivables to owner entity or entities	21,579,238.52	17,048,565.77
F) Payments to the owner entity or entities	-1,375,602.00	-13,662,098.06
5. Other payments to owner entity or entities	-1,375,602.00	-13,662,098.06
G) Receipts for issuing financial liabilities:	100,201,540.05	59,712,774.52
5. Debentures and other marketable securities	0.00	0.00
6. Loans received	113,265,040.78	30,672,762.39
7. Other payables	-13,063,500.73	29,040,012.13
H) Payments for financial liability redemptions	-72,444,303.30	-92,885,761.27
9. Loans received	-94,397,366.66	-66,009,334.83
10. Other debts	21,953,063.36	-26,876,426.44
Net cash flows through funding activities (+E-F+G-H)	47,960,873.27	-29,786,519.04
IV. CASH FLOWS PENDING CLASSIFICATION		
I) Receipts pending	2,461,817.70	2,128,708.60
J) Payments pending	-32,063.70	-105,236.96
Net cash flows pending classification (+I-J)	2,429,754.00	-105,236.96
V. EFFECT OF VARIATIONS IN EXCHANGE RATES	10.31	-4.83
VI. NET INCREASE/REDUCTION IN CASH AND CASH EQUIVALENT LIQUID ASSETS (I+II+III+IV+V)	61,526,385.69	-119,623,607.70
Cash and cash-equivalent liquid assets at the start of the financial year (**)	750,790,973.37	870,414,581.07
Cash and cash-equivalent liquid assets at the end of the financial year	812,317,359.06	750,790,973.37

(*) 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.



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	584,067,720.19	577,295,936.72
Chapter 2	Expenditure on current goods and services	919,596,931.49	864,399,316.39
Chapter 3	Financial expenditure	16,243,271.81	14,047,595.01
Chapter 4	Current transfers	847,311,112.06	912,151,960.48
Chapter 5	Contingency funds	75,284,159.12	0.00
Chapter 6	Property investments	489,046,760.12	278,276,946.01
Chapter 7	Capital transfers	23,532,800.75	40,375,891.78
Chapter 8	Financial assets	50,196,119.99	19,799,393.47
Chapter 9	Financial liabilities	84,944,978.59	82,873,549.02
TOTAL		3,090,223,854.12	2,789,220,588.88

Income budget settlement

BUDGETARY IMPLEMENTATION	DESCRIPTION	INITIAL FORECASTS	NET RECOGNISED COLLECTION RIGHTS
Chapter 1	Direct taxes	1,069,543,202.75	1,114,721,643.94
Chapter 2	Indirect taxes	125,527,283.00	82,770,561.01
Chapter 3	Charges and other revenue	395,191,669.11	369,015,094.83
Chapter 4	Current transfers	1,222,472,216.08	1,198,549,800.77
Chapter 5	Property income	41,598,360.29	22,821,470.28
Chapter 6	Property investments	26,949,101.12	4,871,658.75
Chapter 7	Capital transfers	16,457,050.00	14,095,742.25
Chapter 8	Financial assets	27,963,872.97	0.00
Chapter 9	Financial liabilities	164,521,098.80	101,636,218.05
TOTAL		3,090,223,854.12	2,908,482,189.88

Consolidated budgetary results

ITEMS	NET RECOGNISED COLLECTION RIGHTS	NET RECOGNISED DEBENTURES	BUDGETARY INCOME AND EXPENDITURE
a) Current transactions	2,787,878,570.83	2,367,894,808.60	419,983,762.23
b) Capital transactions	18,967,401.00	318,652,837.79	-299,685,436.79
1..Total non-financial transactions (a+b)	2,806,845,971.83	2,686,547,646.39	120,298,325.44
c) Financial assets	0.00	19,799,393.47	-19,799,393.47
d) Financial liabilities	101,636,218.05	82,873,549.02	18,762,669.03
2. Total financial transactions (c+d)	101,636,218.05	102,672,942.49	-1,036,724.44
I. FINANCIAL YEAR'S CONSOLIDATED BUDGET RESULTS			119,261,601.00



Barcelona City Council Group Consolidated annual report for the 2020 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, public business entities and municipal trading companies.

In addition, for the purposes of participating in decision-making in chapters where it may be affected or collaborating with other authorities or private entities in chapters 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).



Barcelona City Council's Own Resource entities

Final provision 40 of Act 11/2020, of 30 December, on General State Budgets for the year 2021 (LPGE), in force since 1 January 2021, modifies, among others, Articles 32 and 33 of Act 9/2017, of 8 November, on Public Sector Contracts (LCSP). Since the modified LCSP is effective from 1 January 2021, it also affects the preparation of the 2020 annual accounts.

Specifically, the amendment eliminates, among other things, the obligation to report in the integral report of the accounts of the entities receiving orders, subsidiaries of Barcelona City Council, the calculation of 80 per cent according to the provisions of Article 32, paragraph 2, letter b.

Technical Note (1/2021) of the National Audit Office (ONA) indicates, on 7 April 2021, regarding the consideration of own resources in the public audit, the recommendation which instructs public auditors to examine certain areas in order to assess whether the requirements for own resources status are met, as well as their application in the audit report.

Due to the fact that, as at the date of publication of the note, the annual accounts of some group entities were already prepared, a redesign of the 2020 annual accounts of Foment de Ciutat, SA, and Barcelona Cicle de l'Aigua, SA, was necessary to apply the aforementioned regulations, both regarding its legal aspect and its application in the audit report.

Effects of the Covid-19 pandemic on group activity

As of 11 March 2020, the World Health Organisation classified Covid-19, caused by the SARS-CoV-2 coronavirus, as a pandemic.

The health, social and economic emergency caused by Covid-19 led to uncertainty about how the 2019 annual accounts would be affected, which were being prepared at that time. The uncertainty also extended to the impact of the pandemic on the economic, financial and budgetary situation of 2020.

The City Council, through its financial, material and human resources, was able to meet the serious health, social and economic challenges caused by the pandemic, reorienting its objectives and redistributing public resources. Towards this end, an amendment to the budget was made in July 2020, creating the Covid Fund amounting to 90 million euros.

Likewise, the subsidiaries also experienced the impact of the pandemic on their activities, both in the execution of the budget for the year, as well as in the profit and loss account. The City Council has borne a portion of the costs incurred due to Covid-19, alleviating these effects on dependent entities.

On its part, during the 2020 financial year, Budget and Finance Management, as the managing body of Barcelona City Council, made the strategic decision to reduce the transfers initially planned by Barcelona City Council to certain entities, due to their inability to spend produce by the economic crisis.

The current situation remains complex and predicting its effects is a complicated task. However, the budget approved for 2021, the highest in the history of the City Council, devotes all its resources to



the fight against Covid-19, favouring Barcelona society and promoting the recovery and reorientation of the city's economy.

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	Auditing firm
Municipal Institute for People with Disabilities	Global	IB	Barcelona City Council	Auren Auditores SP, SLP
Barcelona Sports Institute	Global	IB	Barcelona City Council	
Municipal Institute of Information Technology	Global	IB	Barcelona City Council	
Municipal Tax Office	Global	IB	Barcelona City Council	
Municipal Institute of Markets	Global	IB	Barcelona City Council	
Municipal Institute of Education	Global	IB	Barcelona City Council	
Municipal Institute of Urban Landscape and Quality of Life	Global	IB	Barcelona City Council	
Municipal Institute for Social Services	Global	IB	Barcelona City Council	
Municipal Institute of Parks and Gardens	Global	PBE	Barcelona City Council	Boraudit, SL
Barcelona Institute of Culture	Global	PBE	Barcelona City Council	
Municipal Institute of Housing and Renovation	Global	PBE	Barcelona City Council	
Public-owned company of the Mies van der Röhe Foundation	Global	PBE	Barcelona City Council	
Municipal Institute of Urban Planning	Global	PBE	Barcelona City Council	
Barcelona d'Infraestructures Municipals, SA	Global	PLC	Barcelona City Council	Boraudit, SL
Foment de Ciutat, SA	Global	PLC	Barcelona City Council	Boraudit, SL
Informació i Comunicació de Barcelona, SA	Global	PLC	Barcelona City Council	GTAC, SL
Barcelona Activa, SAU SPM	Global	PLC	Barcelona City Council	GTAC, SL
Barcelona Cicle de l'Aigua, SA	Global	PLC	Barcelona City Council	Boraudit, SL
Barcelona de Serveis Municipals, SA	Global	PLC	Barcelona City Council	GTAC, SL
Parc d'Atraccions Tibidabo, SA	Global	PLC	Barcelona de Serveis Municipals, SA	GTAC, SL
Tractament i Selecció de Residus, SA	Global	PLC	Barcelona de Serveis Municipals, SA	GTAC, SL
Selectives Metropolitanes, SA	Global	PLC	Tractament i Selecció de Residus, SA	GTAC, SL
Solucions Integrals per als Residus, SA	Global	PLC	Tractament i Selecció de Residus, SA	GTAC, SL
Cementiris de Barcelona, SA	Global	PLC	Barcelona de Serveis Municipals, SA	GTAC, SL
Mercabarna, SA	Global	PLC	Barcelona de Serveis Municipals, SA	GTAC, SL

IB – Independent body
PBE – Public Business Entity
PLC – Public limited company
GTAC, SL – Gabinete Técnico de Auditoria y Consultoria, SA

All the subsidiary entities that are incorporated into the consolidation using the global integration method closed the 2020 financial year on 31 December 2020, just like the parent entity. The entities' corresponding annual accounts for the 2020 financial year have been audited with an unqualified opinion in all cases.

The General Audit of Barcelona City Council, making use of the powers attributed by Article 29.3.A of Royal Decree 424/2017, of 28 April, regulating the legal regime for the internal control of Local Public Sector entities, has audited the annual accounts of the autonomous bodies, public business entities,



and commercial companies not subject to audits (Foment de Ciudad, SA; Barcelona Cicle de l'Aigua, SA and Barcelona d'Infraestructures Municipals, SA) with the collaboration of the auditing firms indicated in the previous table. Likewise, the annual accounts of Barcelona City Council have been audited, based on the auditing work carried out by Ernst & Young, S.L.

Entity	Shareholding (%)	Activity
Independent bodies		
Municipal Institute for People with Disabilities	100	Managing promotional activities and care for people with disabilities.
Barcelona Sports Institute	100	Promoting sports activities.
Municipal Institute of Information Technology	100	Performing IT work.
Municipal Tax Office	100	Managing, inspecting and collecting taxes, public-sector charges, fines and other revenue.
Municipal Institute of Markets	100	Administering and managing the municipal markets.
Municipal Institute of Education	100	Planning and managing the activities, structures and administration of teaching centres.
Municipal Institute of Urban Landscape and Quality of Life	100	Protecting, maintaining and improving landscape values.
Municipal Institute for Social Services	100	Promoting, organising, managing and coordinating the provision of social services.
Publicly Owned Business Organisation		
Municipal Institute of Parks and Gardens	100	Conserving and improving parks, gardens and woodland areas.
Barcelona Institute of Culture	100	Developing services and areas of cultural action.
Municipal Institute of Housing and Renovation	100	Promotion and construction of housing.
Public-owned company of the Mies van der Röhe Foundation	100	Promoting and disseminating culture in the field of architecture.
Municipal Institute of Urban Planning	100	Managing urban planning activities.
Trading Companies		
Barcelona Municipal Infrastructures, 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 in radio and television.
Barcelona Activa, SAU SPM	100	Fostering, promoting and stimulating employment and economic activity.
Barcelona Cicle de l'Aigua, SA	100	Managing the city's water cycle, beaches, coastline and the 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 Selecció de Residus, SA (1)(3)	58.64	Managing, treating and eliminating solid 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.
Barcelona wholesale market 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
Municipal Institute for People with Disabilities	13,016,149.74
Barcelona Institute of Sports	30,973,522.96
Municipal Institute of Information Technology	69,302,943.29
Municipal Tax Office	29,766,220.47
Municipal Institute of Markets	25,659,323.65
Municipal Institute of Education	70,744,525.92
Municipal Institute of Urban Landscape	8,589,865.20
Municipal Institute for Social Services	279,827,411.76
Municipal Institute of Parks and Gardens	61,913,654.15
Barcelona Institute of Culture	148,300,877.07
Barcelona Municipal Institute of Housing and Renovation	42,207,672.39
Public-owned company of the Mies van der Röhe Foundation	1,570,768.10
Municipal Institute of Urban Planning	7,496,181.73
Barcelona Municipal Infrastructures, SA	6,474,239.11
Foment de Ciutat, SA	8,959,293.18
Informació i Comunicació de Barcelona, SA	21,395,888.49
Barcelona Activa, SAU SPM	53,347,630.76
Barcelona Cicle de l'Aigua, SA	7,130,448.77
Barcelona de Serveis Municipals, SA	110,691,376.61
Parc d'Atraccions Tibidabo, SA	10,847,422.44
Tractament i Selecció de Residus, SA	89,692,199.32
Selectives Metropolitanes, SA	10,193,773.49
Solucions Integrals per als Residus, SA	11,774,634.26
Cementiris de Barcelona, SA	16,176,394.55
Mercabarna, SA	30,845,164.51



Note 2 – Entities of the multi-group and associates

2.1.a) Entities to be integrated into the consolidation.

In accordance with the provisions set out in Order HAP/1489/2013, multi-group entities are understood as entities managed by one or various group 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 multi-group entities integrated into the consolidation using the equity method are:

	Integration method	Legal nature	Owner entity	Shareholding (%)
Besòs Consortium (2)	EM	CO	Barcelona City Council	20.00
Mercat de les Flors Consortium (2)	EM	CO	Barcelona City Council	60.00
Museu de Ciències Naturals de Barcelona Consortium (1)	EM	CO	Barcelona City Council	55.00
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	42.00
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 (2)	EM	CO	Barcelona City Council	30.00
Localret Consortium (1)	EM	CO	Barcelona City Council	1.00
Barcelona Local Energy Agency (1)	EM	CO	Barcelona City Council	53.00
Fira Internacional de Barcelona Consortium (2)	EM	CO	Barcelona City Council	33.00
Turisme de Barcelona Consortium (2)	EM	CO	Barcelona City Council	44.00
Barcelona Housing Consortium	EM	CO	Barcelona City Council	40.00
Barcelona Education Consortium (1)	EM	CO	Barcelona City Council	40.00
Barcelona Social Services Consortium	EM	CO	Barcelona City Council	40.00
Barcelona Public Health Agency	EM	CO	Barcelona City Council	60.00
Barcelona Health Consortium (1)	EM	CO	Barcelona City Council	40.00
Institute of Municipal Staff Health Care Provision (PAMEM) (1)	EM	CO	Barcelona City Council	60.00
Gran Teatre del Liceu Consortium (1)	EM	CO	Barcelona City Council	28.00
Pla de Rehabilitació i Equipament de Teatres de Barcelona Consortium (1)	EM	CO	Barcelona City Council	25.00
Institut Ramon Llull Consortium (2)	EM	CO	Barcelona City Council	15.00
Mar Parc de Salut de Barcelona Consortium (1)	EM	CO	Barcelona City Council	40.00
Barcelona Mobile World Capital Consortium	EM	CO	Barcelona City Council	20.00
3ª Edició Barcelona World Race Consortium	EM	CO	Barcelona City Council	25.00
Linguistic Normalisation Consortium (2)	EM	CO	Barcelona City Council	1.00
Barcelona High-Speed (AVE) Consortium	EM	CO	Barcelona City Council	33.33
Les Drassanes Reials i Museu Marítim de Barcelona Consortium	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 (1)	EM	CO	Barcelona City Council	18.00
Barcelona Centre of Contemporary Culture, Casa Caritat (CCCC)	EM	CO	Barcelona City Council	27.00
Catalan Health and Social Care Consortium	EM	CO	Barcelona City Council	1.00
Zona Franca de Barcelona Consortium	EM	CO	Barcelona City Council	35.00
Metropolitan Transport Authority (1)	EM	CO	Barcelona City Council	22.00
Barri de la Mina Consortium (2)	EM	CO	Barcelona City Council	11.00
Besòs Tordera 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	EM	CO	Barcelona City Council	7.00
Parc de Recerca Biomèdica de Barcelona Consortium	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 (1)	EM	CO	Barcelona City Council	25.00
European Institute of the Mediterranean (1)	EM	CO	Barcelona City Council	31.00
Diplocat – Patronat Catalunya-Món Consortium	EM	CO	Barcelona City Council	3.00
Consortium for the Protection and Management of Delta de Llobregat Natural Areas	EM	CO	Barcelona City Council	12.50

EM – Equity method in accordance with Art. 12 of Order HAP/1489/2013

CO – Consortium

(1) Annual accounts for 2019 audited with an unqualified opinion.

(2) Annual accounts for 2019 audited with exceptions.



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

Entity	Integration method	Legal nature	Owner entity	Shareholding (%)
Barcelona Sagrera Alta Velocitat, SA	EM	PLC	Barcelona City Council	25.00
Barcelona Emprèn SCR – PYME, SA 'Undergoing liquidation' (1)	EM	PLC	Barcelona City Council	27.11
Fira 2000, SA (1)	EM	PLC	Barcelona City Council	23.97
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	44.16
Habitatge Metròpolis Barcelona, S.A.	EM	PLC	Barcelona City Council	50.00

(1) Unqualified opinion of the annual accounts for 2020.

EM – Equity method

PLC – Public limited company

The associated entities that are incorporated into the consolidation using the equity method closed the 2020 financial year on 31 December 2020, just like the parent entity. However, the annual accounts for the 2019 financial year have been used to incorporate the multi-group entities into the consolidation by the same method, because it was not possible to gather all the annual accounts at the closure of 2020. The Manager's Office estimates that, given the relative importance of the multi-group entities in the overall consolidated accounts, the above-mentioned time difference does not have a significant effect on the annual consolidated accounts.

2.1.b) Entities to be excluded from the consolidation

Taking into account Article 8, Sections (b) and (c) of Order HAP/1489/2013, of 18 July, approving the rules for drawing up consolidated annual accounts in the public sector, multi-group entities have been excluded from the consolidation where there are important ongoing restrictions that pose substantial difficulties for the parent entity in exercising its rights over the equity and management of the subsidiary entity. It would only be possible to obtain the necessary information for establishing the consolidated accounts by incurring disproportionate expenses and with an inevitable delay that would make it impossible to draw up the aforementioned accounts within the deadline set by the applicable legislation. The entities excluded from the consolidation are as follows:

Entity	Organisational classification – Assigned area	Legal nature
Barcelona Cultura Foundation	Area of Culture, Education, Science and Community Affairs	F
Navegació Oceànica Barcelona Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Carles Pi i Sunyer Foundation for Autonomous Region and Local Government Studies	Area of Culture, Education, Science and Community Affairs	F
Julio Muñoz Ramonet Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Barcelona Mobile World Capital Foundation	Area for Economy, Resources and Economic Promotion.	F
Museu Picasso de Barcelona Foundation	Area of Culture, Education, Science and Community Affairs	F
Barcelona Institute of Technology for Habitat (BIT HABITAT) Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Casa Amèrica a Catalunya Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Gran Teatre del Liceu Foundation	Area of Culture, Education, Science and Community Affairs	F
Antoni Tàpies Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Joan Miró Foundation – Contemporary Art Studies Centre	Area of Culture, Education, Science and Community Affairs	F
Teatre Lliure – Teatre públic de Barcelona Foundation	Area of Culture, Education, Science and Community Affairs	F
Museu Marítim i Drassanes Reials de Barcelona Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Artur Martorell Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Orfeo Català – Palau de la Música Catalana Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Joan Brossa Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Biblioteca Pública Arús Foundation	Area of Culture, Education, Science and Community Affairs	F
Hospital de la Santa Creu i Sant Pau Private Foundation	Area for Social Rights, Global Justice, Feminism and LGBTI Affairs	F
Hospital Santa Creu i Sant Pau Health Management Private Foundation	Area for Social Rights, Global Justice, Feminism and LGBTI Affairs	F
Institut de Salut Global Barcelona (IS Global) Private Foundation	Area for Social Rights, Global Justice, Feminism and LGBTI Affairs	F



Entity	Organisational classification – Assigned area	Legal nature
Dieta Mediterrània Foundation	Area for Economy, Resources and Economic Promotion.	F
Ulls del Món Private Foundation	Area for Social Rights, Global Justice, Feminism and LGBTI Affairs	F
BCN Formació Professional Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Escola de Puntaïres de Barcelona	Area of Culture, Education, Science and Community Affairs	F
Escoles Domènech Private Foundation	Area of Culture, Education, Science and Community Affairs	F
Institut Barcelona d'Estudis Internacionals (IBEI) Private Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Consejo España – China, Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Consejo España – India Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Consejo España – Japón Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Casa de Misericòrdia de Barcelona Foundation	Area for Social Rights, Global Justice, Feminism and LGBTI Affairs	F
Urbs i Territori Ildefons Cerdà Private Foundation	Area of Urban Ecology	F
Eurecat Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
I2CAT, Internet i Innovació digital a Catalunya Private Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
BCD per a la Promoció del Disseny Industrial Foundation	Area of Culture, Education, Science and Community Affairs	F
Barcelona Graduate School of Economics Private Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Institut d'Economia de Barcelona Private Foundation	Area for Economy, Resources and Economic Promotion.	F
Fòrum Ambiental Foundation	Area of Urban Ecology	F
Bioregió de Catalunya (Biocat) Private Foundation	Area for Economy, Resources and Economic Promotion.	F
Sustainable and Safe Mobility, Private Foundation	Area of Urban Ecology	F
Centre for International Information and Documentation, Barcelona (CIDOB) Private Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Factor Humà Foundation	Area for Economy, Resources and Economic Promotion.	F
Fòrum Universal de les Cultures Private Foundation	Area for Economy, Resources and Economic Promotion.	F
Pagesia de Catalunya Private Foundation	Area for Economy, Resources and Economic Promotion.	F
Barcelona Olímpica Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Centro de Estudios Internacionales Private Foundation	Area for the 2030 Agenda, Digital Transition and Sports	F
Festa Major de Gràcia Private Foundation	Area for Economy, Resources and Economic Promotion.	F
Barcelona Zoo Foundation	Area for Economy, Resources and Economic Promotion.	F
Parc Científic de Barcelona Private Foundation	Area of Culture, Education, Science and Community Affairs	F
International Association of Educating Cities	Area for Economy, Resources and Economic Promotion.	A
Red de Juderías de España, Caminos de Sefarad	Area for Economy, Resources and Economic Promotion.	A
Barcelona Metropolitan Strategic Plan	Area for the 2030 Agenda, Digital Transition and Sports	A
Catalan Federation of Local Authorities	Area for Economy, Resources and Economic Promotion.	A
Catalan Association of Local Authorities and Counties (ACMC)	Area for Economy, Resources and Economic Promotion.	A
Community of Ariane Cities	Area for Economy, Resources and Economic Promotion.	A
América-Europa de Regiones y Ciudades (AERYC) Association	Area for the 2030 Agenda, Digital Transition and Sports	A
United Cities and Local Governments (UCLG)	Area for the 2030 Agenda, Digital Transition and Sports	A
World Association of the Major Metropolises. Metropolis	Area for the 2030 Agenda, Digital Transition and Sports	A
Professional Training Network	Area of Culture, Education, Science and Community Affairs	A
Industrial Agreement for the Barcelona Metropolitan Region	Area for Economy, Resources and Economic Promotion.	A
Barcelona European Finance Centre	Area for Economy, Resources and Economic Promotion.	A
Barcelona – Catalonia Logistics Centre	Area for Economy, Resources and Economic Promotion.	A
Catalan Development Cooperation Fund (FCCD)	Area for Social Rights, Global Justice, Feminism and LGBTI Affairs	A
Barcelona Cluster Nàutic Association	Area for Economy, Resources and Economic Promotion.	A
Centro Iberoamericano de Desarrollo Estratégico Urbano – CIDEU	Area for the 2030 Agenda, Digital Transition and Sports	A
Airport Regions Conference (ARC) Association	Area for Economy, Resources and Economic Promotion.	A
Red de Ciudades AVE	Area for Economy, Resources and Economic Promotion.	A
Red de Ciudades Inteligentes (Spanish Smart Cities Network)	Area for the 2030 Agenda, Digital Transition and Sports	A
City Protocol Society Association	Area for the 2030 Agenda, Digital Transition and Sports	A
Associació Délice, a network of the world's gourmet cities	Area for Economy, Resources and Economic Promotion.	A
Observatori de les Dones en els Mitjans de Comunicació Association	Area for Social Rights, Global Justice, Feminism and LGBTI Affairs	A
Red de Ciudades por la Bicicleta	Area of Urban Ecology	A
Marcas Renombradas Españolas Association	Area for Economy, Resources and Economic Promotion.	A
Barcelona Observatory for Architectural Restoration (OBRA)	Area of Urban Ecology	A
Medcities Association	Area for the 2030 Agenda, Digital Transition and Sports	A
Xarxa de ciutats i pobles cap a la sostenibilitat, Association	Area of Urban Ecology	A
Municipalities for the Social and Solidarity Economy Network Association	Area for Economy, Resources and Economic Promotion.	A
Association of Municipalities for Public Water	Area of Urban Ecology	A
Associació World Tourism Cities Federation	Area for Economy, Resources and Economic Promotion.	A
EIT Urban Mobility	Area for the 2030 Agenda, Digital Transition and Sports	A
Machadian Cities Network	Area of Culture, Education, Science and Community Affairs	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 Selecció de Residus, SA	58.64	Barcelona de Serveis Municipals, SA
Selectives Metropolitanes, SA	58.64	Tractament i Selecció de Residus, SA
Solucions Integrals per als Residus, SA	58.64	Tractament i Selecció de Residus, SA
Cementiris de Barcelona, SA	100	Barcelona de Serveis Municipals, SA
Mercabarna, SA	50.69	Barcelona de Serveis Municipals, SA

Note 4 – Conditions for presenting the annual consolidated accounts

4.1 A true and accurate picture

The Consolidated Annual Accounts have been formulated by the Management Office of Barcelona City Council based on the accounting records of Barcelona City Council and attached entities, and they include the adjustments and reclassifications required to standardise the criteria established by the Group. The Group's Annual Consolidated Accounts for the 2020 financial year have been prepared in accordance with the rules established in Order HAP/1781/2013, of 20 September, approving the Instruction on the Normal Accounting Model for Local Government (hereafter IMNCL), and in accordance with Order HAP/1489/2013 of 18 July, approving the regulations for formulating consolidated annual accounts in the public sector, and any other provisions within the applicable regulatory framework for financial information, with the aim of giving a faithful picture of the assets, the financial situation, the results, budget execution and consolidated cash flow of the Group for the financial year that ended on 31 December 2020, figures which are expressed in euros.

Information of a budgetary nature contains consolidated data for the City Council and its Independent Bodies; this is not the case for the subsidiary companies, which do not present a budget settlement given their commercial status.

The budget settlements corresponding to the City Council and local independent bodies were approved by the Mayoral Decrees of 26 February 2021. 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 Law 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 budgets in local tax offices.
- Order ECF/138/2007, of 27 April 2007, on procedures relating to the financial oversight of local authorities, amended by the resolutions ECF/2901/2008, ECF/1769/2009, ECF/3210/2010, ECO/1406/2011, ECO/2829/2012 and ECO/2876/2014.
- 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 multi-group entities as detailed in Note 2.1.(a)

4.2 Comparison of the information

The annual consolidated accounts for the financial years 2020 and 2019 were drawn up in accordance with the framework established under the IMNCL applicable to the parent and subsidiary



entities, and prepared under uniform valuation, grouping, classification and monetary-unit criteria, so the information presented is homogeneous and comparable.

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 are 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. The annual accounts for the 2019 financial year have been used to incorporate the multi-group entities into the consolidation by the equity method.

b) Consolidation principles.

The assets, liabilities, income, expenditure, cash flows and other entries in the annual accounts of the Group's subsidiary 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 regards multigroup and associate entities, the following are included in the equity method value:

- The amount 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 amount of the contributions made as assets assigned from the City Council for a value corresponding to that of the assets handed over at the time of assignment.
- The amount of the direct equity 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 allocated 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 regulations. 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 entity. 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 is below its net depreciation value, and that generally occurs because of physical impairment occurring, obsolescence or a reduction from the initially expected performance. Assets that have suffered an impairment loss are regularly reviewed for possible reversals of impairment losses.

Indications of impairment were evaluated at the close of the financial year for elements of fixed assets bringing in future financial revenue, taking the following circumstances into account:

- There were no significant changes to the technological environment or legacy during the financial year, or which were expected to occur in the short term and would have a negative impact on the Group.
- There were no significant reductions in the market value of assets.
- There are no obsolete assets or assets that are physically impaired in any significant way.
- There were no significant changes to the way in which the assets were used during the financial year that had a negative impact on the Group.
- There was no evidence to support the view that the assets' financial performance was significantly below that which was expected.

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 refurbishments 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 roadways	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 'Buildings' 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 €221,573,000 during the 2020 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 legislation.

The municipally owned properties which fall under this item are 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, to build social housing, residences for elderly people, care centres and other social investments.
- Properties on which investment projects were being carried out, which, once completed, would enable their allocation to social housing and other social-interest initiatives.

As regards the 100 x 1000 Plan, the budget commitments implemented by this plan are treated as capital transfers, effecting the way they are recorded in the profit and loss statement.

Transactions associated with this plan therefore have a neutral effect on the profit and loss statement, the receipt of assets linked to the plan and their entry in the municipal inventory is recorded as a gain from public ownership of the land.

The valuation and depreciation criteria for the various types of assets are 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 cendurance over the years and use in the production of goods and services or by 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 use.
- 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 worth (equity instrument) for the other party.



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

a) Financial assets

Financial assets consist of money in cash, capital or net worth 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 supplies'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.

Any guarantees and deposits made are always valued according to delivered value.

Financial assets available for sale

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 worth up to their disposal or impairment.

Attribution

Financial assets are recognised in the books 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 profit (loss), except where their scale makes it advisable to incorporate them into the value of the financial asset. 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 ratios on how collectable receivables are, 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.
- Debts 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 global 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, guarantees and deposits 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 reception 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 Expenditure Account for the financial year in which it takes place.

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 lesser. 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 built or acquired for other entities

The Group has no assets built 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

Pursuant to Act 27/2014, of 27 November, on Corporate Tax, Barcelona City Council and its autonomous bodies are exempt from tax and the returns on their movable capital are not subject to withholding.

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. Deferred tax is determined by applying the tax rates approved or about to be approved on the date of the balance sheet. It is expected to be applied when the deferred tax asset is realised or the deferred tax liability is paid.

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 is produced, acknowledging the respective rights and debentures.

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 recognises income when its total can be reliably valued: it is probably that the Entity will receive the future financial profits and that the specific conditions for each of the activities, as detailed below, will be met.

Income from sales is registered when: the Entity has transferred to the purchaser the risks and advantages derived from the ownership of the goods, irrespective of ownership; it does not reserve for itself any involvement in the current management of the goods sold, nor does it 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 day to day management expenses are entered in the Income and Expenditure Account when the obligation falls due, irrespective of when the current monetary expense arising from it is incurred.

16. Provisions and contingencies

A provision is recognised 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 recognised 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 recognised 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 at 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

Authorised transfers and subsidies are recognised 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 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 closure of the activity of the Slaughterhouse, mostly owned by the company Meracabarna, SA, is classified as an interrupted activity.

In order to standardise the comparative information of the different financial years, the income and expenses of this activity for the two comparative years of these annual accounts have been classed as results of interrupted activities. The corresponding reclassifications have been made for the purposes of presenting the accompanying 2019 comparative figures. The slaughter activity carried out in the Slaughterhouse was recorded in differentiated accounting accounts, both in the income items and in those of purchase expenses and other operating services, for which the direct result is extracted according to the balances presented by these accounts, and the allocation of expenses



related to the activity for the purposes of their classification as interrupted operations, in the respective profit and loss accounts for the years 2020 and 2019.

With regard to the activity of the slaughterhouse in 2020, the Mercabarna Board of Directors decided to close this business line, which has suffered losses in recent years of more than 22 million euros since 2008. Based on the same downward trend in the volume of tons of animal slaughter, from 2008 to the end of 2019, the decline in accumulated tons of animal slaughter represented a reduction of 35.44%. Mercabarna had made continuous efforts to improve the profitability of the slaughterhouse's segregated business unit by reviewing and optimising its costs as far as possible, but the significant and continuous reduction in slaughter tonnes made it virtually impossible to stabilise this line of business.

Finally, the closure of the Mercabarna Slaughterhouse took effect on 30 September 2020.

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		3,539,444,484.57
	Receivables and other accounts receivable	41,819,508.65
	Holdings consolidated under the equity method	486,284,251.10
	Long-term financial investments in entities of the group, multi-group and associates	254,453,316.98
	Other investments	
	Trade and other accounts payable	292,951,517.56
	Short-term debts with entities of the group, multi-group and associates	121,854,350.41
	Long-term debts with entities of the group, multi-group and associate bodies	3,030,599.27
	Consolidated reserve	853,403,545.11
	Contributed equity	267,000,465.88
	Reservations	327,136,295.92
	Profit (loss) brought forward	29,058,003.85
	Other day-to-day management expenses	21,036,498.56
	Current transfers	802,931,658.08
	Capital transfers	33,757,781.58
	Other day-to-day management income	2,371,241.33
	Tax revenues and social security contributions	1,018,505.39
	Current transfers	338,498.30
	Net sales and service supplies	2,620,601.27
	Interest in profits (losses) from entities consolidated under the equity method	-1,622,154.66
Public Owned Business Entities		387,944,735.66
	Receivables and other accounts receivable	147,215,310.51
	Short-term investments	11,579,594.84
	Long-term financial investments	13,549.43
	Short-term accruals payable	6,997,262.57
	Other increases in equity pending recognition in the profit and loss account	7,293,614.48
	Trade and other accounts payable	349,580.36



Consolidated annual accounts for the 2020 financial year

Other day-to-day management expenses	3,863,843.11
Other day-to-day management income	4,576,576.73
Current transfers	201,832,097.53
Capital transfers	3,594,265.86
Provision of services	629,040.24
Independent bodies	641,368,545.86
Receivables and other accounts receivable	148,772,164.72
Short-term financial investments in entities of the group, multi-group and associates	539,035.31
Short-term accruals payable	0.00
Trade and other accounts payable	3,258,188.20
Long-term debts with entities of the group, multi-group and associate bodies	0.00
Other increases in equity pending recognition in the profit and loss account	0.00
Other day-to-day management expenses	5,401,192.29
Other day-to-day management income	1,163.00
Current transfers	477,654,848.13
Capital transfers	4,296,316.46
Allocation of non-financial fixed-asset subsidies	0.00
Net sales and service supplies	1,445,637.75
Municipal Trading Companies	333,893,873.08
Receivables and other accounts receivable	108,798,168.65
Long-term financial investments	17,049.84
Short-term investments	721,098.02
Short-term accruals payable	1,462,599.00
Other increases in equity pending recognition in the profit and loss account	1,585,118.68
Trade and other accounts payable	35,978,385.95
Short-term payables Other payables	1,191,888.00
Short-term debts with entities of the group, multi-group and associates	5,141,521.17
Reserves	10,000,000.00
Other day-to-day management expenses	6,570,779.13
Other day-to-day management income	818,404.76
Current transfers	125,438,584.30
Capital transfers	2,327,425.01
Allocation of grants for non-financial fixed assets	0.00
Net sales and service supplies	33,842,850.57
Total Eliminations	4,902,651,639.17

Entity group	Caption	Total Debt	Total Credit
Barcelona City Council		17,302,092.71	18,820,838.00
	Receivables and other accounts receivable	142,525.11	36,835.49
	Consolidation reserve	499,324.43	16,802,768.28
	Trade and other accounts payable	151,117.95	0.00
	Current transfers	0.00	462,488.94
	Capital transfers	3,000,000.00	0.00
	Provision of services	12,559.93	0.00
	Other day-to-day management income	0.00	1,518,745.29
	Short-term debts with entities of the group, multi-group and associates	11,048,460.56	0.00
	Sales	2,448,104.73	0.00
Public Owned Business Entities		251,991,484.28	252,260,659.15
	Accumulated depreciation and provisions	8,180,859.85	0.00
	Receivables and other accounts receivable	21,396.52	85,098.02
	I.M. Infrastructures and historical heritage assets	0.00	5,125,713.35
	I.M. Land	0.00	76,795,527.97
	Allocation of non-financial fixed-asset subsidies	438,251.16	0.00
	Liabilities for deferred tax	45,099.33	0.00



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Equity contributed	0.00	67,548,282.39
Consolidation reserve	5,217,048.94	102,430,624.98
Capital subsidies	201,876,205.24	0.00
Other day-to-day management expenses	31,500.00	275,412.44
Adjustments for short-term accruals	35,760,455.18	0.00
Other day-to-day management income	289,381.69	0.00
Current transfers	128,267.28	0.00
Provision of services	3,019.09	0.00
Independent bodies	1,609,877.75	2,366,870.69
Receivables and other accounts receivable	239,514.00	0.00
Allocation of non-financial fixed-asset subsidies	176,582.34	0.00
Consolidation reserve	3,727.71	1,490,949.30
Capital subsidies	777,061.83	0.00
Transfers and subsidies received	0.00	0.00
Trade and other accounts payable	116,024.95	564.71
Other day-to-day management expenses	0.00	756,992.94
Current transfers	296,966.92	118,363.74
Municipal Trading Entities	56,796,631.50	54,251,718.40
Assets for deferred tax	75,368.04	0.00
Accumulated depreciation and provisions	3,245,462.60	0.00
Receivables and other accounts receivable	37,445,353.00	2,605,635.75
I.M. Buildings		6,010,121.04
Allocation of non-financial fixed-asset subsidies	1,922,081.28	0.00
Trade and other accounts payable	0.00	36,239,313.53
Consolidation reserve	7,373,970.87	8,770,602.58
Liabilities for deferred tax	393,661.70	0.00
Capital subsidies	6,328,982.31	0.00
Other day-to-day management expenses	11,751.70	101,976.35
Current transfers	0.00	333,090.41
Capital transfers	0.00	178,317.40
Provision of services	0.00	12,661.34
Total adjustments	327,700,086.24	327,700,086.24

Note 7 – Combinations of business restructuring operations and transactions

The group has not carried out business combinations or business restructuring operations in 2020.

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 2020	878,794.00
31 December 2020	
Cost	1,464,658.00
Accumulated depreciation	732,330.00
Net accounting value	732,328.00



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:

	2020
Parc d'Atraccions Tibidabo, SA	732,328.00
Total	732,328.00

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 impair 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	Social capital	Share premium and reserves	Profit (loss) for the year	Subsidies, donations and legacies	TOTAL
Tractament i Selecció de Residus Group	5,973,014	26,528,830	-709,820	0	31,792,024
Mercados de Abastecimientos de Barcelona, SA	6,995,989	45,908,094	-3,393,101	111,267	49,622,249
	12,969,003	72,436,924	-4,102,921	111,267	81,414,273

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

In 2020, the following modifications were made to the share percentages of the following entities in the Group:



The Annual Meeting of the company Fira 2000, SA agreed to increase its share capital during the 2020 financial year with the Barcelona City Council shareholding rising from 23.95% to 23.97%.

Fira 2000, SA is an associate company consolidated by the equity method.

The Government Committee of 25 June 2020 approved the acquisition by Barcelona City Council of 30 shares of the company Barcelona Regional, Agencia de Desarrollo Urbano, SA, (hereinafter, BR) owned by the company AENA, S.M.E. The purchase of shares materialised in 2020 and Barcelona City Council's stake in BR went from 29.41% to 41.18%.

Barcelona Regional is an associate company consolidated by the equity method.

Barcelona Emprèn, SCR - PYME, SA 'Under liquidation' signed, during the 2020 financial year, a share purchase agreement between Inversiones Hemisferio and Stier Investment, S.L. and the shareholding of Barcelona City Council went from 24.06% to 25.05%.

Barcelona Emprèn, SCR - PYME, SA 'Under settlement' is an associate company consolidated by the equity method.

Note 12 – Entries corresponding to multi-group entities

All the multi-group 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 2020	1,069,116,926.05
Positive result in the profit and loss account	-384,989.34
Decrease in financial holdings	-22,589,418.16
31 December 2020	1,046,142,462.55

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

1. Profit 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 (see table below).
2. Decrease in financial holdings through integration into the consolidation of the multi-group's entities.



Consolidated annual accounts for the 2020 financial year

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 2019 financial year of the entities consolidated under the equity method is as follows:

Organisation	Assets	Liabilities	Ordinary Income	Financial year's results	PE results
Besòs Consortium	25,963,518.29	20,473,098.62	2,615,630.58	167,035.08	33,407.02
Mercat de les Flors Consortium	9,982,955.17	2,047,385.46	5,684,310.70	-275,453.17	-165,271.90
Natural Sciences Museum Consortium of Barcelona Consortium	3,916,300.00	1,518,836.11	9,030,053.98	-273,340.24	-150,337.13
Barcelona Urban Ecology Agency	902,469.57	224,893.67	706,941.46	-570,112.94	-188,137.27
Museu d'Art Contemporani de Barcelona (MACBA) Consortium	40,341,477.82	4,194,676.04	13,128,123.11	-5,555.68	-2,333.39
L'Auditori i l'Orquestra Consortium	42,382,315.19	5,778,901.26	22,735,644.63	-1,902,391.99	-1,084,363.43
Barcelona Libraries Consortium	7,837,632.23	29,922,381.16	22,067,808.11	-84,456.25	-47,295.50
Campus Interuniversitari Diagonal-Besòs Consortium	67,473,874.62	8,949,910.80	271,646.54	55,791.30	16,737.39
Localret Consortium	2,868,359.70	149,209.79	1,666,572.27	101,124.64	1,011.25
Barcelona Local Energy Agency	1,816,390.44	259,221.57	1,065,079.10	69,770.11	36,978.16
Gran Teatre del Liceu Consortium	90,802,128.24	24,062,251.91	4,121,567.14	257,955.14	72,227.44
Pla de Rehabilitació i Equipament de Teatres de Barcelona Consortium	426,923.01	426,923.01	581,818.55	0.00	0.00
Institut Ramon Llull Consortium	8,832,643.55	6,456,321.31	9,592,759.57	-90,369.48	-13,555.42
Mar Parc de Salut de Barcelona Consortium (formerly IMAS)	301,460,956.06	145,838,998.60	343,169,361.06	-1,447,146.69	-578,858.68
Barcelona Public Health Agency	10,678,455.91	1,279,351.51	31,334,683.10	779,816.09	467,889.65
Les Drassanes Reials i Museu Marítim de Barcelona Consortium	91,783,298.53	2,051,589.27	8,115,154.01	-773,564.23	-208,862.34
Palau de la Música Catalana Consortium	0.00	0.00	0.00	0.00	0.00
Museu Nacional d'Art de Catalunya (MNAC) Consortium	257,059,752.23	4,271,786.36	22,917,734.21	-92,906.59	-16,723.19
Barcelona Centre of Contemporary Culture, Casa Caritat (CCCB)	32,904,116.60	2,740,247.28	10,435,308.19	-23,803.63	-6,426.98
Catalan Hospital Consortium (Catalan Health-Care and Social Consortium)	1,914,159.34	1,649,048.57	989,214.71	4,018.16	40.18
Zona Franca de Barcelona Consortium	563,598,000.00	107,806,000.00	84,665,000.00	14,156,000.00	4,954,600.00
Metropolitan Transport Authority	1,722,352,531.34	871,148,952.00	1,452,385,044.10	964,327.02	212,151.94
Besòs Tordera Consortium	48,732,664.97	16,343,250.99	22,178,394.74	-545,510.18	-49,095.92
Universitat Internacional Menéndez Pelayo de Bcn – Centre Ernest Lluch Con.	978,445.66	20,595.32	256,745.40	-8,090.48	-2,022.62
Parc Natural de la Serra de Collserola Consortium	22,278,060.82	1,178,246.90	6,364,669.03	-100,139.23	-7,009.75
Parc de Recerca Biomèdica de Barcelona Consortium	109,564,475.61	37,654,059.97	12,635,828.97	1,707,462.60	512,238.78
Institut d'Estudis Regionals i Metropolitans de Barcelona Consortium	1,132,133.68	699,795.99	3,431,920.64	111,238.67	25,584.89
European Institute of the Mediterranean	6,507,343.87	5,851,485.76	2,186,805.55	-17,246.17	677,909.72
Social Services Consortium	25,578,461.33	7,722,517.02	59,110,389.21	-2,472,455.03	-988,982.01
Fira Internacional de Barcelona	89,246,619.00	83,884,547.00	209,357,490.00	5,000,815.00	4,201,068.96
Barcelona Sagrera Alta Velocitat, SA	334,595,984.45	378,407,048.49	13,284,740.46	0.00	0.00
Barcelona Emprèn CR, SA	1,181,001.00	5,349.00	0.00	1,914,581.00	460,648.19
Fira 2000, SA	673,763,410.00	467,104,701.00	4,390,308.00	-27,288,167.00	-6,540,973.63
Barcelona Regional, SA	3,632,286.00	1,460,685.00	6,753,232.00	2,444.00	1,079.27
Habitatge Metròpolis Barcelona, SA	753,721.50	720,175.45	0.00	-2,338.05	-1,169.03
Barcelona d'Aparcaments Municipals SA	410,157,000.00	128,213,000.00	23,363,000.00	-5,017,860.00	-2,007,144.00
TOTAL					-384,989.34



Note 14 – Tangible fixed assets and Public Land Assets

Tangible fixed assets

Item	Balance as of 01.01.2020	(+) Income	(-) Expenditures	(+/-) Transfers	(-) Provision for depreciation	Balance as of 31.12.20
1. Land	2,952,857,516.09	39,325,319.29	-34,705,698.54	39,023,568.50	-17,522,198.22	2,978,978,507.12
• Cost	2,949,673,275.35	39,325,319.29	-39,605,170.54	39,023,568.50	0.00	2,988,416,992.60
• Accumulated depreciation	3,286,447.33	0.00	4,899,472.00	0.00	-17,522,198.22	-9,336,278.89
• Valuation adjustments	-102,206.59	0.00	0.00	0.00	0.00	-102,206.59
2. Buildings	3,741,227,894.39	3,009,269.02	-1,091,239.37	65,031,760.60	-89,991,787.99	3,718,185,896.65
• Cost	5,037,430,128.82	3,009,269.02	-1,091,239.37	64,842,137.52	0.00	5,104,190,295.99
• Accumulated depreciation	-1,296,202,234.43	0.00	0.00	189,623.08	-89,991,787.99	-1,386,004,399.34
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
3. Infrastructures	4,141,477,437.05	0.00	0.00	72,631,946.65	-87,450,467.10	4,126,658,916.60
• Cost	5,213,783,035.28	0.00	0.00	72,311,597.74	0.00	5,286,094,633.02
• Accumulated depreciation	-1,072,305,598.23	0.00	0.00	320,348.91	-87,450,467.10	-1,159,435,716.42
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
4. Historical heritage assets	7,918,750.21	210,103.90	0.00	0.00	0.00	8,128,854.11
• Cost	8,041,078.55	210,103.90	0.00	112,439,182.42	0.00	120,690,364.87
• Accumulated depreciation	-122,328.34	0.00	0.00	-112,439,182.42	0.00	-112,561,510.76
• Valuation adjustments	0.00	0.00	0.00	0.00	0.00	0.00
5. Other tangible fixed assets	203,368,605.17	10,902,209.81	-3,434,234.54	34,063,948.24	-36,736,674.76	208,163,853.92
• Cost	945,932,661.11	10,920,387.02	-51,938,468.34	34,063,948.24	0.00	938,978,528.03
• Accumulated depreciation	-742,112,982.33	0.00	48,504,233.80	0.00	-36,736,674.76	-730,345,423.29
• Valuation adjustments	-451,073.61	-18,177.21	0.00	0.00	0.00	-469,250.82
6. Fixed assets under construction and in accounts	1,008,583,976.81	356,185,809.01	-16,390,310.42	-207,673,516.72	0.00	1,140,705,958.68
• Cost	1,008,191,512.31	356,185,809.01	-16,390,310.42	-207,673,516.72	0.00	1,140,313,494.18
• Accumulated depreciation	392,464.50	0.00	0.00	0.00	0.00	392,464.50
TOTAL	12,055,434,179.72	409,632,711.03	-55,621,482.87	3,077,707.27	-231,701,128.07	12,180,821,987.08

The most important investments in the financial year correspond to:

	Amount
• City Council direct investments	64,281,075.63
• Delivery of funds to decentralised organisations, for investment	246,532,337.45
• Investments funded by third parties	6,864,945.26
• Other investments made by subsidiary entities	91,954,352.69
TOTAL	409,632,711.03



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

- The building of flats by the Municipal Housing Trust.
- In Barcelona de Serveis Municipals SA, the investment to replace the new parking metres in the city of Barcelona which is scheduled to be completed in the first quarter of 2020. Also the investments to install the Sahel at the zoo, the refurbishment of the Wellington store at the zoo, and the replacement of the climate control machines in Palau Sant Jordi, the purchase of new IT equipment by CHAPTER Scancar, and the installation of new electric vehicle charge points and improvements to those already installed, and other improvements to existing installations.
- Mercados de Abastecimientos de Barcelona SA, mainly for investments in the Central Fruit and Vegetable Market, and in the Halls and in the Central Fish Market, among others.
- Cementiris de Barcelona SA, mainly for the renovation and improvement of niches, graves, pantheons and columbaria, as well as the enclosures of various cemeteries and the recovery of niches through expiry of funeral rights.
- A notable investment at Tibidabo Amusement Park is the investment to renovate the Tibidabo Funicular, which includes replacing the vehicles and the platform renovation works.
- In Tractament i Selecció de Residus SA, the renovation of the roofs of the packaging plant buildings and the mechanics workshop and the refurbishment of the Energy Recovery Plant in Sant Adrià del Besós.

At the close of the financial year, the acquisition cost of goods that were totally depreciated and which remained in use came to €600,507,582.58.

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

Other substantive circumstances

At the close of the 2020 financial year, eight property acquisition operations for a total amount of €14,829,193.50 were still awaiting the conclusion of their legal transfers. The assets were incorporated into the City Council's assets as the corresponding records determining the recognition of the expenditure were entered.



Public Land Assets

Financial year's variations

Item	Balance as of 31.12.2019	(+) Income	(-) Expenditure	(+/-) Transfers	(-) Provision for depreciation	Balance as of 31.12.2020
1. Land	252,375,786.30	1,566,129.70	-4,945,254.72	1,328,490.68	0.00	250,325,151.96
• Cost	252,375,786.30	1,566,129.70	-4,945,254.72	1,328,490.68	0.00	250,325,151.96
• 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	142,781,099.30	0.00	0.00	6,535,986.75	-2,942,569.18	146,374,516.87
• Cost	164,997,836.67	0.00	0.00	6,535,986.75	0.00	171,533,823.42
• Accumulated depreciation	-22,216,737.37	0.00	0.00	0.00	-2,942,569.18	-25,159,306.55
• 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	245,812,915.99	0.00	0.00	0.00	0.00	245,812,915.99
• Cost	245,812,915.99	0.00	0.00	0.00	0.00	245,812,915.99
• 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	654,468,003.59	1,566,129.70	-4,945,254.72	7,864,477.43	-2,942,569.18	656,010,786.82

The most important investments in the financial year correspond to:

	Amount
• Transfer of land, compensation	1,566,129.70
TOTAL	1,566,129.70



Note 15 – Property investments

	As of 31.12.2019	(+) Income	(-) Expenditure	(+/-) Transfers	(-) Provision for depreciation	Balance as of 31.12.2020
1. Land	43,641,774.71	0.00	0.00	0.00	0.00	43,641,774.71
• Cost	43,641,774.71	0.00	0.00	0.00	0.00	43,641,774.71
• Accumulated depreciation	0.00	0.00	0.00	0.00	0.00	0.00
• Value adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2. Buildings	190,550,273.64	372,436.60	0.00	0.00	-7,272.77	190,915,437.47
• Cost	244,985,450.66	474,008.92	0.00	0.00	0.00	245,459,459.58
• Accumulated depreciation	-54,218,231.48	0.00	0.00	0.00	-7,272.77	-54,225,504.25
• Value adjustments	-216,945.54	-101,572.32	0.00	0.00	0.00	-318,517.86
TOTAL	234,192,048.35	372,436.60	0.00	0.00	-7,272.77	234,557,212.18

This lists those properties from which significant revenue is obtained, including the Convention Centre, the Auditorium in the Forum Building and the Port del Fòrum, as well as the property used for the Ecopark – solar.

Note 16 – Intangible fixed assets

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

Item	Balance as of 31.12.2019	(+) Income	(-) Expenditure	(+/-) Transfers	(-) Provision for depreciation	Balance as of 31.12.2020
1. Consolidated goodwill	878,794.00	0.00	0.00	0.00	-146,466.00	732,328.00
• Cost	1,464,658.00	0.00	0.00	0.00	0.00	1,464,658.00
• Accumulated depreciation	-585,864.00	0.00	0.00	0.00	-146,466.00	-732,330.00
• Value 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
• Value adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2.2. Industrial and intellectual property	58,503.00	555.54	-82.87	0.00	-10,645.81	48,329.86
• Cost	554,502.75	555.54	-3,314.89	0.00	0.00	551,743.40
• Accumulated depreciation	-495,999.75	0.00	3,232.02	0.00	-10,645.81	-503,413.54
• Value adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2.3. IT applications	10,777,154.52	5,508,084.29	0.00	0.00	-3,993,742.67	12,291,496.14
• Cost	37,518,477.14	5,510,092.22	0.00	0.00	0.00	43,028,569.36
• Accumulated depreciation	-26,522,746.88	0.00	0.00	0.00	-3,993,742.67	-30,516,489.55
• Value adjustments	-218,575.74	-2,007.93	0.00	0.00	0.00	-220,583.67
2.4. Investments in leased or assigned assets	0.00	37,139.50	-18,597.16	30,923.56	-18,597.16	49,465.90
• Cost	0.00	37,139.50	0.00	89,578.08	0.00	126,717.58
• Accumulated depreciation	0.00	0.00	0.00	-58,654.52	-18,597.16	-77,251.68
• Value adjustments	0.00	0.00	0.00	0.00	0.00	0.00
2.5. Other intangible fixed assets	641,786.07	0.00	0.00	-30,923.56	-13,221.66	597,640.85
• Cost	46,761,360.08	0.00	0.00	-30,923.56	0.00	46,761,360.08
• Accumulated depreciation	-46,119,574.01	0.00	0.00	0.00	-13,221.66	-46,074,141.15
• Value adjustments	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	12,356,237.59	5,545,779.33	-82.87	0.00	-4,182,673.30	13,719,260.75



The breakdown of the 'other intangible fixed assets' item is as follows:

	Amount
Internet development	1,620,800.60
Re-engineering in municipal services	41,925,824.71
Other	3,125,156.70
Accumulated depreciation	-46,074,141.16
TOTAL	597,640.85

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 69,992,894.44 euros.



Note 17 – Financial assets

The financial assets appear in the following table:

Classes Categories	Long-term financial assets						Short-term financial assets						Total	
	Capital investments		Debt securities		Other investments		Capital investments		Debt securities		Other investments			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Credit and receivables	0.00	0.00	2,032,755.00	3,230,788.00	161,021,095.15	149,631,840.91	0.00	0.00	290,551.09	331,780.00	33,646,514.09	74,264,321.41	196,990,915.33	227,458,730.32
Financial assets available for sale	41,861,031.31	105,230,353.67	0.00	0.00	0.00	0.00	26,941,286.00	0.00	0.00	0.00	0.00	5,698,922.00	68,802,317.31	105,230,353.67
Total	41,861,031.31	105,230,353.67	2,032,755.00	3,230,788.00	161,021,095.15	149,631,840.91	26,941,286.00	0.00	290,551.09	331,780.00	33,646,514.09	74,264,321.41	265,793,232.64	332,689,083.99

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

Variation Adjusting Accounts Financial asset classes	Initial balance	Reduced value owing to the financial year's credit impairment	Reversal of the financial year's credit impairment	Final balance
Long-term financial assets	79,437,185.35	4,932,123.80	3,665,800.47	84,335,821.58
Capital investments	79,252,399.04	4,932,123.80	3,481,014.16	84,335,821.58
Other investments	184,786.31	0.00	184,786.31	0.00



Financial assets available for selling:

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

	31 December 2020	
	% Shareholdin g	Accounting Value
Ecoenergies Barcelona Sud, Zona Franca and Gran Via de l'Hospitalet, SA	17.55%	1,692,828.00
Barcelona Funeral Service, SA	15.00%	26,941,286.00
GL Events CCIB, SL	12.00%	240,600.00
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
Port Forum Sant Adria, SL	5.00%	12,822.99
Nauta Tech Invest III, SCR	4.78%	1,298,423.30
Ethical bank contributions	-	599.02
Deposit for BSM portfolio management	-	32,732,777.00
		68,802,317.31



Note 18 – Financial liabilities

Classes Categories	Long-term						Short-term						Total	
	Debentures and other marketable securities		Debts with credit institutions		Other debts		Debentures and other marketable securities		Payables to credit institutions		Other payables			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Debts at depreciated cost	95,000,000.00	95,000,000.00	776,934,916.60	769,587,399.28	194,105,636.81	210,905,250.76	902,378.64	900,240.98	101,910,056.18	90,417,881.60	178,134,886.41	165,674,825.31	1,346,987,874.64	1,332,485,597.93
Total	95,000,000.00	95,000,000.00	776,934,916.60	769,587,399.28	194,105,636.81	210,905,250.76	902,378.64	900,240.98	101,910,056.18	90,417,881.60	178,134,886.41	165,674,825.31	1,346,987,874.64	1,332,485,597.93

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 AS OF 31/12/2019		CREATIONS		ACCRUED INTEREST ACCORDING TO AER		CANCELLED INTEREST (7)	REDUCTIONS		DEBT AS OF 31/12/2020	
	DEPRECIATED COST (1)	EXPLICIT INTEREST (2)	CASH (3)	EXPEND ITURE (4)	EXPLICIT COST (5)	REST (6)		ACCOUNTING VALUE (10)	RESUL TS (11)	DEPRECIATED COST (12)=(1)+(3)- (4)+(6)+(8)-(10)	EXPLICIT INTEREST (13)=(2)+(5)- (7)+(9)
Loan €90 M (mt. 15/09/23)	31,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	9,000,000.00	0.00	22,000,000.00	0.00
Loan €50 M Section €30 M (mt. 15/12/21)	30,000,000.00	33,373.33	0.00	0.00	750,900.00	0.00	750,900.00	0.00	0.00	30,000,000.00	33,373.33
Loan €50 M Section €20 M (mt. 15/12/22)	20,000,000.00	11,004.44	0.00	0.00	247,600.00	0.00	247,600.00	0.00	0.00	20,000,000.00	11,004.44
Loan €25 M (mt. 03/03/20)	25,000,000.00	423.21	0.00	0.00	26,263.89	0.00	26,687.50	25,000,000.00	0.00	0.00	0.00
Loan €75 M (mt. 13/04/20)	9,375,000.00	8,887.50	0.00	0.00	12,298.96	0.00	21,186.46	9,375,000.00	0.00	0.00	0.00
Loan €240 M (mt. 19/03/22)	72,000,000.00	15,600.00	0.00	0.00	308,810.67	0.00	316,454.67	24,000,000.00	0.00	48,000,000.00	7,956.00
Loan €40 M (mt. 28/10/20)	3,750,000.00	7,434.38	0.00	0.00	19,862.70	0.00	27,297.08	3,750,000.00	0.00	0.00	0.00
Loan €50 M (mt. 20/12/32)	43,333,333.34	39,841.39	0.00	0.00	1,300,835.28	0.00	1,303,900.00	3,333,333.33	0.00	40,000,000.01	36,776.67
Loan €200 M Section €160 M (mt. 21/12/30)	160,000,000.00	65,244.44	0.00	0.00	2,348,800.00	0.00	2,348,800.00	0.00	0.00	160,000,000.00	65,244.44
Loan €200 M Section €40 M (mt. 15/12/32)	40,000,000.00	22,186.67	0.00	0.00	499,200.00	0.00	499,200.00	0.00	0.00	40,000,000.00	22,186.67
Loan €73.5 M (mt. 31/12/26)	73,500,000.00	1,327.08	0.00	0.00	470,495.97	0.00	470,798.13	0.00	0.00	73,500,000.00	1,024.93
Loan €70 M (mt.31/12/2029)	70,000,000.00	1,263.89	0.00	0.00	448,091.38	0.00	448,379.16	0.00	0.00	70,000,000.00	976.11
Loan €10 M (mt. 19/12/26)	8,750,000.00	500.38	0.00	0.00	13,814.17	0.00	14,087.50	1,250,000.00	0.00	7,500,000.00	227.05
Loan €2.5 M (mt.22/12/2026)	2,187,500.00	219.84	0.00	0.00	7,780.59	0.00	7,877.15	312,500.00	0.00	1,875,000.00	123.28
Loan €15 M (mt.18/12/2027)	13,333,333.34	3,755.56	0.00	0.00	100,280.55	0.00	100,750.00	1,666,666.66	0.00	11,666,666.68	3,286.11
Loan €28.625 M (mt. 18/12/27)	25,444,444.44	515.96	0.00	0.00	179,891.56	0.00	179,956.06	3,180,555.56	0.00	22,263,888.88	451.46
Loan €7.5 M (mt. 20/12/32)	7,500,000.00	222.29	0.00	0.00	5,289.49	0.00	5,511.78	576,923.04	0.00	6,923,076.96	0.00
Schuldschein €60 M (mt. 21/09/29)	60,000,000.00	878,196.72	0.00	0.00	3,152,405.13	0.00	3,150,327.87	0.00	0.00	60,000,000.00	880,273.99
Sustainable Bond Issue €35 M (mt.20/12/2027)	35,000,000.00	22,044.26	0.00	0.00	672,410.40	0.00	672,350.00	0.00	0.00	35,000,000.00	22,104.66
Loan €100 M Section €50 M (mt. 12/12/33)	50,000,000.00	30,875.00	0.00	0.00	585,000.00	0.00	585,000.00	0.00	0.00	50,000,000.00	30,875.00
Loan €100 M Section €50 M (mt. 29/06/35)	0.00	0.00	50,000,000.00	0.00	73,305.56	0.00	72,500.00	0.00	0.00	50,000,000.00	805.56
Loan €95 M SECTION €45 M (mt. 29/10/40)	0.00	0.00	45,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	45,000,000.00	0.00
Loan €6 M (mt.15/12/28)	0.00	0.00	6,000,000.00	0.00	382.50	0.00	0.00	0.00	0.00	6,000,000.00	382.50
TOTAL	780,173,611.12	1,142,916.74	101,000,000.00	0.00	11,223,718.80	0.00	11,249,563.36	81,444,978.59	0.00	799,728,632.53	1,117,072.20



Barcelona City Council has current accounting hedges worth a total of €60,000,000 as at 31 December 2020. 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 at 31 December 2020 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 (H.P.O)	160,195,659.89	7,604,913.83	167,800,573.72
Loans from the Institut Català del Sòl (H.P.P.)	5,176,756.66	924,316.33	6,101,072.99
TOTAL	165,372,416.55	8,529,230.16	173,901,646.71

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

CONCEPT	DEBT 31/12/2019	CREATIONS	REDUCTIONS	DEBT 31/12/2020
Long-term debt with the Spanish Central Government	171,698,334.60	0.00	15,608,939.76	156,089,394.84
Long-term deposits and guarantees	37,335,689.38	977,720.73	1,547,207.26	36,766,202.85
Short-term debts with the Spanish Central Government	19,831,977.07	15,608,939.76	19,831,976.69	15,608,940.14
Short-term guarantees and deposits	33,487,072.53	2,629,962.10	5,981,907.63	30,135,127.00
Other budgetary liabilities	36,040,944.71	166,994,911.42	152,586,354.78	50,461,650.01
Urban development fees	51,730,046.01	17,529,980.40	0.00	69,260,026.41
Short-term accounts payable	25,717,820.68	301,532.10	12,218,824.24	13,800,528.54
Other	738,191.09	0.00	619,537.66	118,653.43
TOTAL	376,580,076.07	204,043,046.51	208,382,599.36	372,240,523.22



The total amount for the final negative settlement of the share in Spanish Central Government taxes corresponding to the 2008 financial year came to €93,487,000, whereas the figure for the 2009 financial year was also negative by €304,284,000. In accordance with the provisions set down in Act 2/2012, of 29 June, on General State Budgets for the 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 Spanish Central Government taxes for the financial years 2008 and 2009, as regulated by Act 2/2012, of 29 June, on the State's budgets for the year 2012, and allowed, as at January 2015 and subject to authorisation, extensions to the terms for paying the above-mentioned receivables in 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 2021 financial year is entered in the accounts under the 'Other short-term debts' caption.

On 18 December 2020, the final settlement corresponding to the 2018 financial year was received with a net balance in favour of the City Council amounting to €42,217,208.11.

Share in Spanish Central Government Taxes	
Final settlement 2008 (long-term)	30,795,812.26
Final settlement 2009 (long-term)	125,293,582.58
Final settlement 2008 (short-term)	3,079,581.14
Final settlement 2009 (short-term)	12,529,359.00
Final settlement 2017 (short-term)	0.00
TOTAL	171,698,334.98



Note 19 – Net equity

Net equity	Initial Balance	Increases	Transfers	Reductions	Final Balance
I. Equity contributed	7,851,335,788.43	3,887,131.88	0.00	0.00	7,855,222,920.31
II. Equity created	4,346,893,060.07	179,263,190.49	0.00	-65,409,238.92	4,460,747,011.65
1. Reservations	983,386,307.72	23,580,171.86	0.00	-37,162,061.28	969,804,418.30
Parent entity's reserves	0.00	0.00	0.00		0.00
Reserves in consolidated entities	470,996,979.02	23,580,171.86	0.00	-21,717,057.59	472,860,093.29
Reserves in entities under the equity method	512,389,328.70	0.00	0.00	-15,445,003.69	496,944,325.01
2. Profit (loss) brought forward	3,096,631,384.50	0.00	266,875,367.86	-28,247,177.64	3,335,259,574.72
3. Financial year's results allocated to parent entity	266,875,367.86	155,683,018.63	-266,875,367.86		155,683,018.63
III. Adjustments for changes in value	23,004,748.00	140,598.00	0.00	0.00	23,145,346.00
IV. Other increases in equity pending recognition in the profit and loss account	888,968,713.77	21,081,986.30	0.00	-7,800,013.48	872,250,686.59
V. External shareholders	87,010,013.00	0.00	0.00	-5,595,740.00	81,414,273.00
TOTAL	13,167,212,323.27	204,372,906.67	0.00	-78,804,992.40	13,292,780,237.55

Note 20 – Provisions and contingencies

20.1 Provisions

Caption	Balance as of 31.12.19		(+) Increases		(+/-) Transfers		(-) Decreases		Balance as of 31.12.20	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Different contingencies	39,014,063.11	0.00	19,018,706.76	14,058,500.48	0.00	3,667,225.39	-32,440,278.09	-1,710,926.66	25,592,491.78	16,014,799.21
Provision for consortiums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for Ruling 632/2013 TSJC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IIVTNU provision (gain)	0.00	21,125,000.00	5,500,000.00	0.00	0.00	-215,000.00	0.00	0.00	5,500,000.00	6,000,000.00
Provision for taxes	4,253,537.84	-215,000.00	862,199.56	0.00	0.00	215,000.00	0.00	-14,910,000.00	5,115,737.40	0.00
Extra salary payment 2012 RDL 208/2012	457,024.58	-114,103.09	71,615.49	0.00	0.00	114,103.09	-19,090.91	0.00	509,549.16	0.00
	525,211.91	114,103.90	411,231.68	0.00	0.00	114,103.09	0.00	0.00	936,443.59	0.00
Provision for environmental actions	1,770,611.00	301,299.19	51,948.00	0.00	0.00	0.81	0.00	0.00	1,822,559.00	301,300.00
Provision for staff remunerations	0.00	1,079,613.93	0.00	0.00	0.00	0.00	0.00	-857,940.83	0.00	221,673.10
Provisions for upkeep and repair	9,185.22	4,592,313.46	6,922.74	242,971.88	0.00	-3,667,225.39	-1,107.96	-88,014.18	15,000.00	437,348.39
Other provisions										
TOTAL	46,029,633.66	26,883,227.39	25,922,624.23	14,301,472.36	0.00	0.00	-32,460,476.96	-18,209,579.05	39,491,780.93	22,975,120.70



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

The value of the provisions recorded is the nominal value it is expected will be required in the future to settle the obligations. They have not been valued at their current value as the financial effect of discounting them is not significant.

a) Various provisions

These provisions include the following causes:

- The City Council has a number of pending litigations in the courts and tribunals, which the legal services have classified as probable with an assessment of responsibility, the most prominent being a claim of 10.4 million for the final settlement of the 1st Belt Works Agreement.
- The case held by the municipal company Barcelona de Infraestructuras Municipales, SA, for an inadmissibility claim in the contractual resolution for the works of the tunnels in Plaça de las Glòries.
- The lawsuits before the social courts held by the municipal company Informació i Comunicació de Barcelona, SA.
- The social contingencies that may occur due to the closure of the slaughterhouse of the main shareholder Mercabarna, SA.

Resolved cases correspond to legal proceedings that have received final judgements and others that have changed their occurrence classification, and are now not probable.

b) Provision for tax on increase in urban land value

Constitutional Court judgement (STC) 59/2017, of 11 May, declared unconstitutional and null and void articles 107.1, 107.2(a) and 110.4 of the Consolidated Text of the Local Tax Authorities Act (TRLRHL), approved by Royal Legislative Decree (RDL) 2/2004, of 5 March, inasmuch as they submit situations where there has been no increase in value to the tax on the increase in value of urban land.

On 9/7/2018, the Supreme Court made an interpretive ruling for STC 59/2017, determining that the prices established in the legal documents are circumstantial evidence of the increase or decrease in the value of the transfers, which City Councils may use as evidence to demonstrate that the prices in the legal documents do not correspond to reality and that, therefore, in spite of the legal documents, there are cases where there is a subjective increase in value subject to taxation.

Barcelona City Council, in compliance with the PGCP adapted to Local Administration, approved according to Order HAP/1781/2013, of 20 September, takes account of a provision in which the estimation is based on the IMH Legal Services report, which makes a reliable estimation of the amounts derived from the claims made through applications for correcting self-assessments and/or administrative contentious appeals as well as its temporary distribution (2021/2022). Based on the



above, it was considered probable that the City Council would have to spend resources in the following cases:

- Applications made by tax-payers for correcting self-assessments, which are in administrative channels, where it has been confirmed that there is no increase in the value making up the tax base: €8,500
- Administrative appeals that have been resolved against the interests of the City Council: €3,000,000

According to the report cited above, the total of €11,500 has been allocated as follows: €5,500 in long term and €6,000 in the short term.

20.2. Contingent liabilities

Barcelona City Council

At the closing date of the financial year, the City Council has two lawsuits pending which will probably result in an outflow of resources from the City Council to settle the obligation. However, it has not been possible to reliably calculate the amount of obligation at the close of the financial year.

There are also nine outstanding contentious issues going through the courts which are classified as possible risks. The total amount that has been possible to calculate for these matters reaches a total of €86,702. These include three cases for a claim for €55,150 for the settlement of a concession contract and another for €17,103 due to an order to cease the activity of a company when carrying out an activity other than that authorised and the third matter for €8,521 is due to asset claim for damages.

Likewise, no provision has been made for claims classified as possible, which are in administrative proceedings in which no evidence has been provided by the interested party (€19,432) and in judicial proceedings pending judgment (€18,692).

Barcelona Activa, SA

As at 31 December 2020, it has no third-party guarantees. As at 31 December 2019, it has third-party guarantees for the amount of €20,124.89 as a guarantee for work carried out by the company.

Moreover, as of 31 December 2020, there are possible contingencies with respect to claims for recognition of rights filed by the Barcelona Activa staff.

Barcelona d'Infraestructures Patrimonials, SA

As at the date the annual accounts were formulated, the company had various legal disputes awaiting resolution. The Administrators, together with their lawyers, do not anticipate that the resolution of said cases will result in a significant asset variation in the Company's annual accounts that have not been recorded in them, given that they are all covered by the corresponding financial liability policy and therefore it would be the insurance company who would pay any compensation



that may be agreed upon in the judicial process.

Barcelona de Serveis Municipals, SA

The Group BSM has various ongoing disputes from which it does not expect any significant liabilities that would affect the annual accounts as they are considered remote.

Specifically, the company Mercados y Abastelaciones de Barcelona, SA, maintains an open case regarding public prices for the service of waste disposal at AMB facilities, for a total amount of € 1,150,105.00. In 2019 and 2020, the company filed several appeals against the AMB's decision to liquidate the public prices for waste treatment.

Barcelona Cicle de l'Aigua, SA

At the close of the 2020 financial year, there is a legal case in which the company is a defendant, which entails a contingent liability of €3,000 with €2,532.06 corresponding to the amount claimed and an estimated €467.94 in legal costs. The claim has been filed by one of the two previous BCASA vehicle fleet leasing companies, Lease Plan Servicios, S.A. The reference claim is being heard at the Court of First Instance No. 31 in Barcelona, Oral Judgement 354/19. A further contingent liability of €25,846.71 was also recorded, with €19,846.71 representing the principal, €4,153.63 representing interest and €1,979.67 representing management expenses as outlined in the burofax dated 10/11/2020, sent to the Legal Department Iuris Justicia Creditor, representative of the other BCASA vehicle fleet rental company, Arval Service Lease, SA, which currently is not providing its fleet rental services to BCASA either. Therefore, a short-term provision has been recorded to cover these expenses in 2021.

Tractament i Selecció de Residus, SA

As at 31 December 2020, it has guarantees to cover loan operations with investee companies, for the amount of €873,355.75 (€1,047,754.55 in 2019). No additional liabilities are expected as a result of these guarantees. The company to which they were awarded is Ecoparc del Besòs, SA.



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	293,487.98	0.00	293,487.98	0.00	293,487.98	0.00
Chapter 2	Expenditure on current goods and services	153,573,828.65	60,674.21	153,513,154.44	0.00	153,473,199.93	39,954.51
Chapter 3	Financial expenditure	4,684.93	0.00	4,684.93	0.00	4,684.93	0.00
Chapter 4	Current transfers	208,096,498.34	487,927.96	207,608,570.38	0.00	199,046,269.15	8,562,301.23
Chapter 5	Contingency funds	0.00	0.00	0.00	0.00	0.00	0.00
Chapter 6	Property investments	170,374,597.17	0.00	170,374,597.17	0.00	146,030,655.75	24,343,941.42
Chapter 7	Capital transfers	92,420,445.21	241,516.65	92,178,928.56	0.00	24,970,716.26	67,208,212.30
Chapter 8	Financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Chapter 9	Financial liabilities	128,620.86	0.00	128,620.86	0.00	116,000.12	12,620.74
TOTAL		624,892,163.14	790,118.82	624,102,044.32	0.00	523,935,014.12	100,167,030.20



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	2021 FINANCIAL YEAR	2022 FINANCIAL YEAR	2023 FINANCIAL YEAR	2024 FINANCIAL YEAR	SUCCESSIVE FINANCIAL YEARS
Chapter 1	Staff expenses	1,085,175.18	448,951.34	0.00	0.00	0.00
	Expenditure on current goods and services	618,745,856.93	236,497,936.17	58,323,958.09	27,299,883.23	62,370,679.02
Chapter 2						
Chapter 4	Current transfers	41,859,395.18	12,968,311.38	7,405,436.15	1,158,044.76	896,558.87
Chapter 6	Property investments	26,733,263.92	3,885,854.15	1,796,133.36	39,639.60	0.00
Chapter 7	Capital transfers	617,000.00	7,638,236.09	7,638,236.09	7,638,236.09	7,638,236.09
Chapter 8	Financial assets	15,285,053.99	12,709,089.95	21,181,816.58	21,181,816.58	0.00
TOTAL		704,325,745.20	274,148,379.08	96,345,580.27	57,317,620.26	70,905,473.98

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	246,369,021.95	6,240,423.11	13,329,355.69	15,494,996.76	19,832,305.63	203,952,786.98
Chapter 2	Indirect taxes	8,068,807.87	1,183,947.61	26,972.82	13,063.58	1,041,431.10	8,171,287.98
Chapter 3	Charges and other revenue	407,932,789.34	5,959,166.27	19,910,386.29	14,031,399.24	29,291,444.27	350,658,725.81
Chapter 4	Current transfers	125,192,098.67	-5,000.00	0.00	0.00	121,962,460.08	3,224,638.59
Chapter 5	Property income	8,582,015.82	-259,044.64	527,997.98	2,403.43	1,850,206.85	5,942,362.92
Chapter 6	Sale of property investments	27,382,166.61	0.00	0.00	0.00	23,721,852.93	3,660,313.68
Chapter 7	Capital transfers	19,076,860.36	0.00	0.00	0.00	5,717,157.79	13,359,702.57
TOTAL		842,603,760.62	13,119,492.35	33,794,712.78	29,541,863.01	203,416,858.65	588,969,818.53



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.	352,068,638.19	251,342,630.95	100,726,007.24
2. Variation in inventories of finished products and products in the process of being manufactured.	-	19,431.52	- 19,431.52
3. Tasks performed by the company for its assets.	-	-	-
4. Supplies.	- 103,353,492.71	- 84,822,708.16	- 18,530,784.55
a) Consumption of goods.	- 34,258,506.81	- 19,930,201.72	- 14,328,305.09
b) Consumption of raw materials and other consumables.	- 8,128,192.00	- 13,141,026.16	5,012,834.16
c) Work performed for other companies.	- 60,966,793.90	- 51,751,480.28	- 9,215,313.62
d) Impairment loss in goods, raw materials and other supplies.	-	-	-
5. Other operating income.	340,920,974.18	341,515,749.32	- 594,775.14
a) Accessory income and other current management revenue.	44,027,230.54	35,503,902.25	8,523,328.29
b) Operational subsidies incorporated into the financial year's results.	296,893,743.64	306,011,847.07	- 9,118,103.43
6. Staff expenditure.	- 239,924,787.59	- 223,954,266.08	- 15,970,521.51
a) Wages, salaries and similar expenses	- 179,353,605.79	- 169,248,621.60	- 10,104,984.19
b) Social security contributions.	- 60,437,181.80	- 54,634,028.99	- 5,803,152.81
c) Provisions.	- 134,000.00	- 71,615.49	- 62,384.51
7. Other operational expenses.	- 292,652,294.74	- 280,381,711.49	- 12,270,583.25
a) External services.	- 198,463,278.19	- 172,097,123.21	- 26,366,154.98
b) Taxes.	- 8,415,066.54	- 6,780,042.83	- 1,635,023.71
c) Losses, impairment and variation of provisions for commercial transactions.	- 1,243,642.59	- 2,290,863.07	1,047,220.48
d) Other current management expenses.	- 84,530,307.42	- 99,213,682.38	14,683,374.96
8. Fixed-asset depreciation.	- 45,186,442.52	- 45,336,839.10	150,396.58
a) Intangible fixed-asset depreciation.	- 3,412,176.42	- 3,940,778.11	528,601.69
b) Fixed-asset depreciation.	- 41,769,366.10	- 41,388,788.32	- 380,577.78
c) Property investment depreciation.	- 4,900.00	- 7,272.77	2,372.77
9. Allocation of non-financial fixed-asset subsidies.	4,986,635.92	4,898,220.06	88,415.86
10. Provision surpluses.	-	59,668.17	- 59,668.17
11. Impairment and results for the alienation of fixed assets.	- 100,000.00	844,879.89	- 944,879.89
a) Impairment and losses.	- 100,000.00	- 2,000.04	- 97,999.96
Intangible fixed assets	-	-	-
Tangible fixed assets	- 100,000.00	- 2,000.04	- 97,999.96
Financial investments	-	-	-
b) Results for alienation and other things.	-	846,879.93	- 846,879.93
Intangible fixed assets	-	- 82.87	82.87
Tangible fixed assets	-	846,962.80	- 846,962.80
Financial investments	-	-	-
c) Impairment and results for alienation of the fixed assets of holding companies	-	-	-
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 others	-	-	-
13. Other results	- 4,156,666.57	- 4,926,078.33	769,411.76
Exceptional expenditure	- 4,176,666.57	- 5,454,096.94	1,277,430.37
Exceptional income	20,000.00	528,018.61	- 508,018.61
A1) OPERATIONAL RESULTS (1+2+3+4+5+6+7+8+9+10+11+12+12a+13)	12,602,564.16	- 40,741,023.25	53,343,587.41
14. Financial income.	2,277,173.32	4,065,746.46	- 1,788,573.14
a) From holdings in equity instruments.	943,000.00	2,608,998.61	- 1,665,998.61
b) From negotiable securities and other financial instruments.	1,334,173.32	1,456,747.85	- 122,574.53
c) Allocation of financial subsidies, donations and financial legacies.	-	-	-
15. Financial expenditure.	- 6,174,450.66	- 3,196,724.16	- 2,977,726.50
a) For debts with the group and associate companies.	- 67,787.00	-	- 67,787.00
b) For debts with third parties.	- 6,061,663.66	- 3,183,529.21	- 2,878,134.45
c) For updating provisions.	- 45,000.00	- 13,194.95	- 31,805.05
16. Variation in fair value in financial instruments.	-	1,169,661.16	- 1,169,661.16
17. Exchange differences.	- 750.00	- 475.26	- 274.74
18. Impairment and result for alienation of financial instruments.	-	- 490,040.39	490,040.39
19. Other financial income and expenditure	-	460,435.11	- 460,435.11
A.2) FINANCIAL RESULTS (14+15+16+17+18+19).	- 3,898,027.34	2,008,602.92	- 5,906,630.26
A.3) RESULT BEFORE TAXES (A.1+A.2)	8,704,536.82	- 38,732,420.33	47,436,957.15
20. Income tax.	- 508,776.95	- 603,361.29	94,584.34
A.4) RESULTS OF THE FINANCIAL YEAR FROM ONGOING OPERATIONS (A.3+20)	8,195,759.87	- 39,335,781.62	47,531,541.49
B) DISCONTINUED TRANSACTIONS	-	-	-
21. Results from financial year arising from discontinued transactions net of taxes	-	- 11,518,782.04	11,518,782.04
A.5) RESULTS OF THE FINANCIAL YEAR (A.4+21)	8,195,759.87	- 50,854,563.66	59,050,323.53



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 pre-tax results	9,198,010.82	- 56,084,906.32	65,282,917.14
Adjustments to the results	43,072,413.13	53,698,351.09	- 10,625,937.96
Fixed-asset depreciation	44,891,753.21	45,483,253.72	- 591,500.51
Valuation corrections for impairment	251,000.00	-	251,000.00
Variations in provision	1,371,619.00	10,994,625.57	- 9,623,006.57
Allocation of subsidies	- 4,986,636.41	- 8,129,928.63	3,143,292.22
Results for write-offs and disposal of fixed assets	-	6,376,777.61	- 6,376,777.61
Results for write-offs and disposal of financial instruments	-	- 1,169,661.00	1,169,661.00
Financial income	- 2,277,173.32	- 4,065,746.82	1,788,573.50
Financial expenditure	5,671,750.66	3,158,987.05	2,512,763.61
Exchange differences	- 750.00	- 1.06	- 748.94
Valuation corrections for impairment	-	490,040.00	- 490,040.00
Other income and expenses	- 1,849,150.00	- 1,447,139.35	- 402,010.65
Share in profits (losses) of entities under the equity method	-	2,007,144.00	- 2,007,144.00
Changes in the current capital	14,589,530.92	- 19,122,628.03	33,712,158.95
Inventories	- 6,899,999.88	- 529,805.53	- 6,370,194.35
Receivables and other accounts receivable	29,181,785.05	- 34,742,880.79	63,924,665.84
Other current assets	- 552,843.59	1,926,201.89	- 2,479,045.48
Short term creditors and other accounts payable	- 13,747,253.24	13,580,742.35	- 27,327,995.59
Other fixed assets and liabilities	3,813,642.53	7,556,727.10	- 3,743,084.57
Other current liabilities	2,794,200.05	- 6,913,613.05	9,707,813.10
Other cash flows from operational activities	- 5,103,160.61	- 2,272,420.41	- 2,830,740.20
Interest payments	- 5,118,300.00	- 2,743,819.02	- 2,374,480.98
Interest collections	988,516.32	1,495,807.82	- 507,291.50
Income tax payment (collection)	- 430,541.05	- 901,811.03	471,269.98
Dividend collections	941,000.00	2,569,939.00	- 1,628,939.00
Other payments	- 1,483,835.88	- 2,692,537.18	1,208,701.30
Cash flows from operational activities	61,756,794.26	-23,781,603.67	85,538,397.93
II. CASH FLOWS FROM INVESTMENT ACTIVITIES			
C) Receipts:	8,998,518.40	69,590,655.65	- 60,592,137.25
1. Sale of property investments	- 2,243,517.00	1,254,722.00	- 3,498,239.00
2. Sale of financial assets	-	65,416,167.55	- 65,416,167.55
3. Other receipts from investment activities	11,242,035.40	2,919,766.10	8,322,269.30
D) Payments:	- 126,846,273.85	- 71,952,690.37	- 54,893,583.48
4. Purchase of property investments	- 93,923,995.99	- 72,110,916.42	- 21,813,079.57
5. Purchase of financial assets	- 25,896,230.26	- 1,071,570.85	- 24,824,659.41
6. Other payments from investment activities	- 7,026,047.60	1,229,796.90	- 8,255,844.50
Net cash flows through investment activities	-117,847,755.45	-2,362,034.72	-115,485,720.73
III. CASH FLOWS FROM FUNDING ACTIVITIES			
E) Receivables to the owner entity or entities	12,267,925.03	21,578,524.52	- 9,310,599.49
1. Sale of external members' shareholdings	-	-	-
2. Other receivables to owner entity or entities	12,267,925.03	21,578,524.52	- 9,310,599.49
F) Payments to the owner entity or entities	-	- 1,375,602.00	1,375,602.00
3. Acquisition of external members' shareholdings	-	-	-
4. Other payments to owner entity or entities	-	- 1,375,602.00	1,375,602.00
G) Receipts for issuing financial liabilities:	63,461,024.09	- 3,672,961.90	67,133,985.99
5. Debentures and other marketable securities	-	-	-
6. Loans received	51,720,377.17	12,265,040.78	39,455,336.39
7. Other debts	11,740,646.92	- 15,938,002.68	27,678,649.60
H) Payments for financial liability redemptions	- 28,961,021.24	17,493,464.39	- 46,454,485.63
8. Debentures and other marketable securities	-	-	-
9. Loans received	- 16,736,644.80	- 12,952,388.07	- 3,784,256.73
10. Other debts	- 12,224,376.44	30,445,852.46	- 42,670,228.90
Net cash flows through management activities	46,767,927.88	34,023,425.01	12,744,502.87
IV. CASH FLOWS PENDING CLASSIFICATION			
I) Receipts pending	-	-	-
J) Payments pending	-	-	-
Net cash flows pending classification	0.00	0.00	0.00
V. EFFECT OF VARIATIONS IN EXCHANGE RATES		10.31	- 10.31
VI. NET INCREASE/REDUCTION IN CASH AND CASH-EQUIVALENT LIQUID ASSETS	-9,323,033.31	7,879,796.93	-17,202,830.24
Cash and cash equivalent liquid assets at the start of the financial year	95,594,481.05	141,042,179.68	- 45,447,698.63
Cash and cash-equivalent liquid assets at the end of the financial year	86,271,447.74	148,921,976.61	- 62,650,528.87



Note 22 – Other information affecting the consolidated annual accounts

a) Accrued liabilities expenditure

The movement of the long-term accrual adjustments heading in 2020 was as follows:

Balance as of 31 December 2019	432,132,515.53
Financial year's added entries	995,841.00
Updating	2,954.64
Short-term transfers to accrued expenditure	-18,497,986.04
Allocation to results	0.00
Other reductions	-6,916,396.15
Balance as of 31 December 2020	407,716,928.98

By nature, €402,628,000 correspond to income received in advance for the right to use municipally-owned assets and €5,089,000 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 short-term amount transferred is the one planned for application in the Consolidated Profit and Loss Accounts for the 2021 financial year and appears under the 'Accrual adjustments' heading of the liabilities side of the Consolidated Balance Sheet for the financial year closed on 31 December 2020.

Short-term accrued expenditure for the 2020 financial year presents the following variations:

Balance as of 31 December 2019	115,254,134.69
Financial year's added entries	33,571,832.33
Updating	300,153.29
Long-term transfers to accrued expenditure	18,497,986.04
Allocation to results	-18,697,331.69
Reductions in awards and other items	0.00
Other reductions	-7,321,590.99
Balance as of 31 December 2020	141,605,173.67



b) Results from financial year arising from disrupted transactions, net of taxes

As indicated in note 5.20, during the 2020 financial year, the slaughterhouse business area was closed at the main shareholder Mercados y Abastecimientos de Barcelona, SA, on 30 September 2020.

a) Income and expenses related to this activity, as well as the economic result:

Slaughterhouse activity	2020	2019
Net amount of business turnover	4,245,597	5,876,606
Supplies and Work performed for other companies	(1,701,503)	(2,498,198)
Other operating income	86,290	22,880
Capital subsidies	206,729	7,732
Staff expenditure	(400,003)	(539,872)
Other operating expenditure	(2,095,482)	(2,598,215)
Taxes	(131,587)	(130,848)
Fixed-asset depreciation	(465,466)	(466,276)
Impairment and results for the alienation of fixed assets	(7,233,065)	(8,760)
Other results	(5,500,000)	-
Operating results	(12,988,490)	(334,951)
Financial results	(309)	(518)
Results before taxes and interrupted operations	(12,988,799)	(335,469)
Capital gains tax	1,470,017	37,882
Net taxable income from interrupted operations	(11,518,782)	(297,587)

b) Cash flows generated by the activity:

Statement of cash flows for the Slaughterhouse activity	2020	2019
PRE-TAX RESULTS	(12,988,799)	(335,469)
Fixed-asset depreciation	465,466	466,276
Valuation corrections for impairment	7,233,065	8,760
Variations in provisions	5,500,000	-
Allocation of subsidies	(206,729)	(7,732)
CASH FLOWS FROM OPERATIONAL ACTIVITIES	3,003	131,835
Payment for investments	-	(628,822)
Tangible fixed assets	-	(628,822)
CASH FLOWS FROM INVESTMENT ACTIVITIES	-	(628,822)
CASH INCREASE/DECREASE	3,003	(496,987)

c) Auditors' fees

The fees to be received by Ernst & Young, SL, corresponding to the audit services and expenditure incurred in the provision of these services during the 2020 financial year amounted to €260,000, VAT included. Invoiced to Barcelona City Council under the audit contract's invitation-to-tender lot 1 file, these fees also include the audit work on the individual annual accounts of the Barcelona City Council group, quality control and coordination of the work and support for the General Audit in exercising financial control.



d) Taxes and social security contributions subject to inspection

All taxes and social security contributions that the City Council is subject to are eligible for auditing for all the financial years during which the limitation period deadline established under the legislation in force has not lapsed. No additional liabilities that merit consideration are expected for the City Council as a result of possible inspections.

e) Guarantees

As at 31 December 2020, the guarantees awarded by the group for covering credit transactions amounted to €488,792.50.

Note 23 – Financial and equity indicators

- Immediate liquidity:

$$\frac{\text{Liquid funds}}{\text{Current liabilities}} = 0,79$$

- Short-term liquidity:

$$\frac{\text{Liquid funds} + \text{Entitlements pending collections}}{\text{Current liabilities}} = 1,14$$

- General liquidity:

$$\frac{\text{Current assets}}{\text{Current liabilities}} = 1,26$$

- Debt per resident:

$$\frac{\text{Liabilities}}{\text{Number of residents}} = 1.568,80 \text{ euros}$$

- Debt:

$$\frac{\text{Liabilities}}{\text{Liabilities} + \text{Net Equity}} = 0,16$$

- Debt ratio:

$$\frac{\text{Current liabilities}}{\text{Fixed liabilities}} = 0,69$$

- Cash flow:

$$\frac{\text{Liabilities}}{\text{New management flows}} = 9,90$$

- Income structure

INCOME FROM DAY-TO-DAY MANAGEMENT (IFDM)			
INC. TAX/IFDM	TRANSFR/IFDM	S & PS/IFDM	Remaining IFDM/IFDM
45.25%	40.61%	6.77%	7.37%

- Expenditure structure

DAY-TO-DAY MANAGEMENT EXPENSES (EFDM)			
EXPENDITURE PERS. / EFDM	TRANSFG/EFDM	SUPP/EFDM	Rest of EFDM/EFDM
28.65%	23.66%	2.25%	45.44%

- Coverage of current expenses: highlights the existing relationship between day-to-day management expenditure and income.

$$\frac{\text{Day – to – day management expenses}}{\text{Day – to – day management income}} = 92,72\%$$

Note 24 – Events subsequent to the close

Between the year-end date and the date the drafting of the consolidated annual accounts, no significant events occurred between closure and drafting of the annual accounts which would require reporting or lead to the inclusion of adjustments to the figures contained in the consolidated annual accounts of Barcelona City Council, except for the following events occurred in the municipal company Barcelona de Serveis Municipals, SA:

- On 28 February 2020, the Plenary Session of the Municipal Council approved the sale of 15% of the company's stake in Serveis Funeraris de Barcelona, SA, which includes 195 shares and represents 15% of the share capital of the investee company, through public auction.
On 2 March 2021, Pompes Fúnebres Mediterrànies, SL acquired the aforementioned shares by exercising a pre-emptive right, for the same amount of the bid received via public auction, amounting to 28,000,011 euros.



On 12 July 2021, the Chief Executive of Barcelona City Council, 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 64, corresponding to the financial year ending 31 December 2020.

Chief Executive