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Antonio Muñoz Juncosa  
Interventor General

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AUDIT REPORT FOR THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE 2021 <sup>(1)</sup>  
FINANCIAL YEAR, ISSUED FOR BARCELONA CITY COUNCIL'S GENERAL  
INTERVENTION OF BARCELONA CITY

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At the Plenary of the Municipal Council of Barcelona City Council

## **I. Opinion**

The General Intervention of Barcelona City Council, in use of the powers attributed to it by Articles 213 and 220 of Royal Legislative Decree 2/2004, of 5 March which approves the Revised Text of the Regulatory Law of the Local Treasury and Articles 3 and 29.3.A) of Royal Decree 424/2017, of 28 April, which regulates the legal system of internal control in the entities of the Local Public Sector, has audited the consolidated annual accounts of the Barcelona City Council and its dependants (hereinafter, Group), which include the balance sheet as of 31 December 2021, the economic-property result account, the budget liquidation statement, the statement of changes in equity, the statement of cash flows and the report, all of them consolidated, corresponding to the annual financial year ended 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 2021, 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 consolidated annual accounts from our report.

We are independent of the Group in accordance with the requirements of ethics and protection of independence that are applicable to our audit of the consolidated annual accounts for the Public Sector in Spain as required by the regulations governing the auditing

activity of Public Sector accounts. 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 consolidated annual accounts for the current period. These issues were dealt with in the context of our audit of the consolidated 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, TI 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 2021, the Group had tangible fixed assets and property investments for a book value of 12,422 and 242 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 property investments; 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. The work has been carried out under the direction and supervision of the General Intervention of Barcelona City Council following the provisions established in the “Technical Standard for relations with auditors in the public sector” approved on 30 December 2020 by the General Intervention of the State Administration.

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**

The Municipal Management of the Barcelona City Council is responsible for formulating the attached consolidated annual accounts, in such a way that they express the true image of the heritage, the financial situation and the consolidated economic-patrimonial result of the Group and the execution of the consolidated budget of the Group, in accordance with the regulatory framework for financial information applicable to the Group in Spain, which is identified in note 4.1 of the attached consolidated report, and of the internal control deemed necessary to enable 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. Responsibilities of the auditor in relation to the audit of the consolidated 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 a) the report, which represent as a whole 9.7% (370 million euros) of the total expenses and 4.9% (806 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 Barcelona City Council's 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 communicate with the governing bodies of Barcelona City Council regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identify during the course of the audit.

Among the issues that have been the subject of communication to the governing bodies of Barcelona City Council, we determined those that have been of greater significance in the audit of the consolidated annual accounts for the current period and which are, consequently, the key issues of the audit.

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

Antonio Muñoz Juncosa

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



**APPENDIX I.- ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2021**



## **Barcelona City Council Group**

### **Consolidated annual accounts for the 2021 financial year**



**Consolidated Balance Sheet  
as of 31 December 2021 (amounts in euros)**

| ASSETS   | Notes in<br>annual<br>report | 2021                     | 2020                     |
|--|------------------------------|--------------------------|--------------------------|
| <b>A) FIXED ASSETS</b>   |                              | <b>14,784,195,736.86</b> | <b>14,481,800,630.90</b> |
| I. Intangible fixed assets   | 16                           | 14,347,222.63            | 13,719,260.75            |
| 1. Consolidated goodwill   | 8                            | 585,862.00               | 732,328.00               |
| 2. Other intangible fixed assets   |                              | 13,761,360.63            | 12,986,932.75            |
| II. Tangible fixed assets  | 14                           | 12,393,849,674.47        | 12,180,821,987.08        |
| 1. Land and buildings  |                              | 6,730,957,122.57         | 6,697,164,403.77         |
| 2. Infrastructures and historical heritage assets  |                              | 4,182,209,666.57         | 4,134,787,770.71         |
| 3. Other tangible fixed assets   |                              | 241,689,479.52           | 208,163,853.92           |
| 4. Fixed assets under construction and advance payments                                  |                              | 1,238,993,405.81         | 1,140,705,958.68         |
| III. Property investments  | 15                           | 294,685,998.45           | 234,557,212.18           |
| IV. Long-term financial investments in entities of the group, multi-group and associates | 17                           | 1,165,886,680.91         | 1,169,457,063.78         |
| 1. Holdings consolidated under the equity method   | 13                           | 1,042,499,864.51         | 1,046,142,462.55         |
| 2. Loans to entities are consolidated proportionally or under the equity method          |                              | 59,392,023.63            | 59,392,023.63            |
| 3. Other investments   |                              | 63,994,792.77            | 63,922,577.60            |
| V. Public land assets  | 14                           | 694,132,159.17           | 656,010,786.82           |
| 1. Land and buildings  |                              | 434,821,041.18           | 396,699,668.83           |
| 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                           | 201,567,606.17           | 204,914,881.46           |
| VII. Assets for deferred tax   |                              | 1,445,127.96             | 2,453,753.53             |
| VIII. Long-term receivables and other accounts receivable                                |                              | 18,281,267.10            | 19,865,685.30            |
| <b>B) CURRENT ASSETS</b>   |                              | <b>1,340,785,304.81</b>  | <b>1,378,733,037.81</b>  |
| I. Assets instate of sale  |                              | 0.00                     | 0.00                     |
| II. Inventories  | 5.11                         | 78,798,975.27            | 65,047,504.60            |
| III. Receivables and other accounts receivable   |                              | 385,882,056.76           | 421,730,794.57           |
| V. Short-term financial investments  | 17                           | 34,182,401.35            | 60,878,351.18            |
| VI. Accruals and deferred income   |                              | 5,386,182.74             | 5,276,940.78             |
| VII. Cash and other equivalent liquid assets   |                              | 836,535,688.69           | 825,799,446.68           |
| <b>TOTAL ASSETS (A+B)</b>  |                              | <b>16,124,981,041.67</b> | <b>15,860,533,668.71</b> |

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated balance sheet as at 31 December 2021



**Consolidated Balance Sheet  
as of 31 December 2021 (amounts in euros)**

| NET EQUITY AND LIABILITIES  | Notes in<br>annual<br>report | 2021                     | 2020                     |
|---|------------------------------|--------------------------|--------------------------|
| <b>A) NET EQUITY</b>  | 19                           | <b>13,438,285,204.94</b> | <b>13,292,780,237.55</b> |
| I. Equity contributed   |                              | 7,861,653,896.57         | 7,855,222,920.31         |
| II. Equity created  |                              | 4,582,538,639.13         | 4,460,747,011.65         |
| 2. Profit and loss brought forward  |                              | 3,508,618,898.62         | 3,335,259,574.72         |
| 3. Financial year's results allocated to parent entity                            |                              | 207,306,633.12           | 155,683,018.63           |
| 4. Consolidated reserves  |                              | 866,613,107.39           | 969,804,418.30           |
| III. Adjustments for changes in value   |                              | -553,054.00              | 23,145,346.00            |
| IV. Other increases in equity pending recognition in the profit and loss account  |                              | 908,047,681.24           | 872,250,686.59           |
| V. External shareholders  | 10                           | 86,598,042.00            | 81,414,273.00            |
| <b>B) FIXED LIABILITIES</b>   |                              | <b>1,592,541,274.71</b>  | <b>1,519,760,270.29</b>  |
| I. Long-term provisions   | 20                           | 41,801,364.68            | 39,491,780.93            |
| II. Long-term debts   | 18                           | 1,159,291,261.28         | 1,066,040,553.41         |
| 1. Debentures and other marketable securities                                     |                              | 95,000,000.00            | 95,000,000.00            |
| 2. Debts with credit institutions   |                              | 872,944,708.51           | 776,934,916.60           |
| 3. Other debts  |                              | 191,346,552.77           | 194,105,636.81           |
| III. Long-term debts with entities of the group, multi-group and associate bodies |                              | 0.00                     | 0.00                     |
| 1. Debts with joint ventures or entities consolidated under the equity method     |                              | 0.00                     | 0.00                     |
| 2. Other payables   |                              | 0.00                     | 0.00                     |
| IV. Liabilities for deferred tax  |                              | 5,761,413.68             | 6,511,006.97             |
| VI. Accruals and deferred income  | 22                           | 385,687,235.07           | 407,716,928.98           |
| <b>C) CURRENT LIABILITIES</b>   |                              | <b>1,094,154,562.02</b>  | <b>1,047,993,160.87</b>  |
| I. Short-term debts   | 20                           | 31,962,043.58            | 22,975,120.30            |
| II. Short-term payables   | 18                           | 324,957,442.15           | 280,947,321.23           |
| 1. Debentures and other marketable securities                                     |                              | 902,378.64               | 902,378.64               |
| 2. Payables to credit institutions  |                              | 94,795,232.89            | 101,910,056.18           |
| 3. Other debts  |                              | 229,259,830.62           | 178,134,886.41           |
| III. Short-term debts with entities of the group, multi-group and associates      |                              | 832,110.16               | 2,922,968.20             |
| 1. Debts with entities integrated proportionally or by equity method              |                              | 0.00                     | 0.00                     |
| 2. Other debts  |                              | 832,110.16               | 2,922,968.20             |
| IV. Short term creditors and other accounts payable                               |                              | 624,554,598.00           | 599,542,577.47           |
| V. Accruals payable   | 22                           | 111,848,368.13           | 141,605,173.67           |
| <b>TOTAL NET EQUITY AND LIABILITIES (A+B+C)</b>                                   |                              | <b>16,124,981,041.67</b> | <b>15,860,533,668.71</b> |

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated balance sheet as at 31 December 2021



## Consolidated Income and Expenditure Account as of 31 December 2021 (amounts in euros)

|   | Note | 2021                     | 2020                     |
|---|------|--------------------------|--------------------------|
| 1. Tax revenues and social security contributions   |      | 1,428,558,442.94         | 1,368,667,162.29         |
| a) Tax revenues   |      | 1,428,558,442.94         | 1,368,667,162.29         |
| b) Social security contributions  |      | 0.00                     | 0.00                     |
| 2. Transfers and subsidies received   |      | 1,282,806,243.62         | 1,228,301,328.37         |
| a) From the financial year  |      | 1,269,154,639.17         | 1,209,640,196.52         |
| b) Allocation of non-financial fixed-asset subsidies  |      | 10,597,525.89            | 10,244,154.74            |
| c) Allocation of subsidies for current and other assets   |      | 3,054,078.56             | 8,416,977.11             |
| 3. Net sales and services supplies  |      | 281,496,458.20           | 204,772,737.22           |
| a) Net sales  |      | 63,459,241.07            | 41,436,101.32            |
| b) Service supplies   |      | 218,037,217.13           | 163,336,635.90           |
| 4. Variation of inventories of finished products, products in the process of being manufactured and impairment losses |      | -33,097.00               | 19,431.00                |
| 6. Other day-to-day management income   |      | 185,763,726.43           | 194,072,838.64           |
| 7. Provision surpluses  |      | 13,357,184.31            | 28,747,310.50            |
| <b>A) TOTAL INCOME FROM DAY-TO-DAY MANAGEMENT</b>   |      | <b>3,191,948,958.50</b>  | <b>3,024,580,808.02</b>  |
| 8. Staff expenditure  |      | -856,803,779.56          | -803,353,573.48          |
| a) Wages, salaries and similar expenses   |      | -647,980,778.58          | -609,166,625.04          |
| b) Social security contributions  |      | -208,823,000.98          | -194,186,948.44          |
| 9. Transfers and subsidies granted  |      | -694,027,485.41          | -663,635,162.16          |
| 10. Supplies  |      | -79,323,409.14           | -63,004,990.93           |
| a) Consumption of goods and other items   |      | -79,323,409.14           | -63,004,990.93           |
| b) Impairment loss in goods, raw materials and other supplies   |      | 0.00                     | 0.00                     |
| 11. Other day-to-day management expenses  |      | -1,056,009,171.01        | -1,035,957,467.04        |
| 12. Fixed asset depreciation  |      | -246,377,657.33          | -238,368,126.20          |
| <b>B) TOTAL EXPENSES FROM DAY-TO-DAY MANAGEMENT</b>   |      | <b>-2,932,541,502.45</b> | <b>-2,804,319,319.81</b> |
| <b>I. Day-to-day management income and expenditure (saving and dissavings) (A+B)</b>                                  |      | <b>259,407,456.05</b>    | <b>220,261,488.21</b>    |
| 13. Impairment losses and results from disposals of non-financial fixed assets and assets under sale                  |      | -17,536,568.98           | 15,599,787.13            |
| a) Impairment losses  |      | 0.00                     | -2,000.04                |
| b) Write-offs and disposals   |      | -19,092,572.69           | 15,601,787.17            |
| b) Allocation of non-financial fixed-asset subsidies  |      | 1,556,003.71             | 0.00                     |
| 14. Other non-day-to-day items  |      | 3,428,690.63             | -3,366,741.82            |
| <b>II Results from non-financial transactions</b>   |      | <b>245,299,577.70</b>    | <b>232,494,533.52</b>    |
| 17. Financial income  |      | 30,451,589.29            | 24,767,825.35            |
| a) From holdings in equity instruments  |      | 1,326,897.37             | 3,044,487.00             |
| b) From marketable securities and credit from fixed assets  |      | 29,124,691.92            | 21,723,338.35            |
| 18. Financial expenditure   |      | -15,314,080.27           | -17,145,966.81           |
| 19. Financial expenses allocated to assets  |      | 518,812.78               | 455,388.89               |
| 20. Change in fair value through financial assets and liabilities   |      | 27,144,032.00            | 1,169,661.00             |
| a) Assets and liabilities at fair value charged to profit and loss  |      | 27,144,032.00            | 1,169,661.00             |
| 21. Exchange differences  |      | -68.99                   | -4,372.13                |
| 22. Impairment losses, write-offs and disposals of financial assets and liabilities                                   |      | -92,599,643.32           | -77,649,839.52           |
| <b>III. Results from financial transactions</b>   |      | <b>-49,799,358.51</b>    | <b>-68,407,303.22</b>    |
| 23. Share in profits (losses) from entities consolidated under the equity method                                      | 13   | 11,668,440.54            | -384,989.34              |
| <b>IV Pre-tax results</b>   |      | <b>207,168,659.73</b>    | <b>163,702,240.96</b>    |
| 26. Capital gains tax   |      | 6,201,583.39             | -603,361.33              |
| <b>IV Results from financial year arising from discontinued transactions net of taxes</b>                             | 22   | <b>0.00</b>              | <b>-11,518,782.00</b>    |
| <b>V Financial year's consolidated results (savings and dissavings)</b>   |      | <b>213,370,243.12</b>    | <b>151,580,097.63</b>    |
| <b>Results allocated to parent entity</b>   |      | <b>207,306,633.12</b>    | <b>155,683,018.63</b>    |
| <b>Results allocated to external shareholders</b>   | 10   | <b>6,063,610.00</b>      | <b>-4,102,921.00</b>     |

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated income and expenditure account for the 2021 financial year.



## Consolidated Statement of Changes in Net Equity as of 31 December 2021 (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 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 |
| ADJUSTMENTS FOR CHANGES OF ACCOUNTING CRITERIA AND CORRECTIONS OF ERRORS |                        | 0.00             | 81,302.94          | 0.00                                  | 0.00                   | 0.00                     | 81,302.94         |
| INITIAL NET EQUITY ADJUSTED FOR THE 2021 FINANCIAL YEAR                  |                        | 7,855,222,920.31 | 4,460,828,314.59   | 23,145,346.00                         | 872,250,686.59         | 81,414,273.00            | 13,292,861,540.49 |
| CHANGES IN NET EQUITY FOR THE 2021 FINANCIAL YEAR                        |                        | 6,430,976.26     | 135,649,324.54     | -                                     | 35,796,994.65          | 5,183,769.00             | 159,362,664.45    |
| 1. Income and expenditure recognised for the financial year              |                        | 0.00             | 207,306,633.12     | -                                     | 82,581,470.56          | 6,063,452.00             | 272,253,155.68    |
| 2. Asset and liability transactions with the entity or owned entities    |                        | 0.00             | 0.00               | 0.00                                  | 0.00                   | -877,424.00              | -877,424.00       |
| 3. Other changes in net equity   |                        | 6,430,976.26     | -85,596,308.58     | 0.00                                  | -46,784,475.91         | -2,259.00                | -125,952,067.23   |
| NET EQUITY AT THE END OF THE 2021 FINANCIAL YEAR                         |                        | 7,861,653,896.57 | 4,582,538,639.13   | -553,054.00                           | 908,047,681.24         | 86,598,042.00            | 13,438,285,204.94 |

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated statement of changes in net equity for the 2021 financial year.

### 2. Consolidated Statement of Recognised Income and Expenditure

|   | Notes in annual report | 2021                  | 2020                  |
|---|------------------------|-----------------------|-----------------------|
| <b>I. Income and expenditure</b>  |                        | <b>207,306,633.12</b> | <b>155,683,018.63</b> |
| <b>II. Income and expenditure recognised directly in net equity</b>                                       |                        |                       |                       |
| 1. Non-financial fixed assets   |                        | 0.00                  | 0.00                  |
| 2. Financial assets and liabilities   |                        | 1,036,759.77          | 0.00                  |
| 3. Accounting hedges  |                        | 258,405.00            | 140,598.00            |
| 4. Other increases in equity  |                        | 81,714,668.31         | 42,469,376.73         |
| 5. For actuarial gains and losses and other adjustments   |                        | -7,590.00             | -109,641.00           |
| 6. Conversion differences   |                        | 0.00                  | 0.00                  |
| 7. Tax effect   |                        | -962,280.74           | -957,487.70           |
| 5. For actuarial gains and losses and other adjustments   |                        | -7,590.00             | -109,641.00           |
| 7. Tax effect   |                        | -962,280.74           | -957,487.70           |
| <b>Total</b>  |                        | <b>82,751,428.08</b>  | <b>42,469,376.73</b>  |
| <b>III. Transfers to the income expenditure account or to the initial carrying amount of hedged items</b> |                        |                       |                       |
| 3. Accounting hedges  |                        | 0.00                  | 0.00                  |
| 4. Other increases in equity  |                        | -19,786,540.68        | -24,785,889.32        |
| 5. Conversion differences   |                        | 0.00                  | 0.00                  |
| 6. Tax effect   |                        | 1,981,635.16          | 551,853.44            |
| <b>Total</b>  |                        | <b>-17,804,905.52</b> | <b>-24,234,035.88</b> |
| <b>IV. TOTAL recognised income and expenditure (I+II+III)</b>   |                        | <b>272,253,155.68</b> | <b>173,918,359.48</b> |

Notes 1 to 25 of the accompanying annual report are an integral part of the consolidated statement of changes in net equity for the 2021 financial year.



## Consolidated Cash Flow Statement as of 31 December 2021 (amounts in euros)

|   | 2021                   | 2020                   |
|---|------------------------|------------------------|
| <b>CONSOLIDATED CASH FLOW STATEMENT</b>   |                        |                        |
| <b>I. CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per BCC and IB)</b>                            | <b>341,714,482.85</b>  | <b>283,141,242.06</b>  |
| <b>I. CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per PBE and PLC)</b>                           | <b>-1,534,257.52</b>   | <b>-23,781,603.67</b>  |
| <b>Net cash flows per management activity</b>   | <b>340,180,225.33</b>  | <b>259,359,638.39</b>  |
| <b>II. CASH FLOWS FROM INVESTMENT ACTIVITIES (*)</b>  |                        |                        |
| C) Receipts:  | 97,348,958.70          | 121,334,502.01         |
| 1. Sale of property investments   | 35,289,277.11          | 33,824,651.21          |
| 2. Sale of financial assets   | 0.00                   | 0.00                   |
| 3. Other receipts from investment activities  | 62,059,681.59          | 87,509,850.80          |
| D) Payments:  | -557,457,350.36        | -369,558,392.29        |
| 4. Purchase of property investments   | -532,497,483.40        | -348,175,853.23        |
| 5. Purchase of financial assets   | -18,135,226.32         | -21,595,929.55         |
| 6. Other payments from investment activities  | -6,824,640.64          | 213,390.49             |
| <b>Net cash flows from investment activities (+C-D)</b>                                     | <b>-460,108,391.66</b> | <b>-248,223,890.28</b> |
| <b>III. CASH FLOWS FROM FUNDING ACTIVITIES</b>  |                        |                        |
| E) Receivables to the owner entity or entities  | 34,262,534.98          | 21,579,238.52          |
| 2. Other receivables to owner entity or entities  | 34,262,534.98          | 21,579,238.52          |
| F) Payments to the owner entity or entities   | -879,901.20            | -1,375,602.00          |
| 5. Other payments to owner entity or entities   | -879,901.20            | -1,375,602.00          |
| G) Receipts for issuing financial liabilities:  | 190,297,115.23         | 100,201,540.05         |
| 5. Debentures and other marketable securities   | 0.00                   | 0.00                   |
| 6. Loans received   | 191,781,991.79         | 113,265,040.78         |
| 7. Other payables   | -1,484,876.56          | -13,063,500.73         |
| H) Payments for financial liability redemptions   | -77,694,126.95         | -72,444,303.30         |
| 9. Loans received   | -102,842,449.11        | -94,397,366.66         |
| 10. Other debts   | 25,148,322.16          | 21,953,063.36          |
| <b>Net cash flows through funding activities (+E-F+G-H)</b>                                 | <b>145,985,622.06</b>  | <b>47,960,873.27</b>   |
| <b>IV. CASH FLOWS PENDING CLASSIFICATION</b>  |                        |                        |
| I) Receipts pending   | -1,791,450.66          | 2,461,817.70           |
| J) Payments pending   | -47,853.95             | -32,063.70             |
| <b>Net cash flows pending classification (+I-J)</b>   | <b>-1,839,304.61</b>   | <b>2,429,754.00</b>    |
| <b>V. EFFECT OF VARIATIONS IN EXCHANGE RATES</b>  |                        |                        |
|   | <b>0.01</b>            | <b>10.31</b>           |
| <b>VI. NET INCREASE/REDUCTION IN CASH AND CASH EQUIVALENT LIQUID ASSETS (I+II+III+IV+V)</b> |                        |                        |
|   | <b>24,218,151.13</b>   | <b>61,526,385.69</b>   |
| Cash and cash-equivalent liquid assets at the start of the financial year (**)              | 812,317,359.06         | 750,790,973.37         |
| Cash and cash-equivalent liquid assets at the end of the financial year                     | 836,535,688.69         | 812,317,359.06         |

(\*) 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                            | 837,910,271.79          | 609,846,734.01            |
| Chapter 2                | Expenditure on current goods and services | 1,081,746,484.93        | 846,534,547.07            |
| Chapter 3                | Financial expenditure                     | 21,766,125.34           | 12,155,585.95             |
| Chapter 4                | Current transfers                         | 604,702,000.45          | 912,990,736.96            |
| Chapter 5                | Contingency funds                         | 87,176,456.29           | 0.00                      |
| Chapter 6                | Property investments                      | 756,749,863.78          | 416,392,263.49            |
| Chapter 7                | Capital transfers                         | 43,671,959.16           | 96,251,541.84             |
| Chapter 8                | Financial assets                          | 49,985,197.05           | 18,160,010.99             |
| Chapter 9                | Financial liabilities                     | 104,837,132.48          | 94,406,315.47             |
| <b>TOTAL</b>             |   | <b>3,588,545,491.27</b> | <b>3,006,737,735.78</b>   |

Income budget settlement

| BUDGETARY IMPLEMENTATION | DESCRIPTION               | INITIAL FORECASTS       | NET RECOGNISED COLLECTION RIGHTS |
|--------------------------|---------------------------|-------------------------|----------------------------------|
| Chapter 1                | Direct taxes              | 1,068,119,704.81        | 1,156,827,680.06                 |
| Chapter 2                | Indirect taxes            | 97,088,338.72           | 83,036,328.60                    |
| Chapter 3                | Charges and other revenue | 481,613,619.76          | 434,274,340.69                   |
| Chapter 4                | Current transfers         | 1,280,352,780.81        | 1,237,006,093.67                 |
| Chapter 5                | Property income           | 54,091,379.28           | 29,919,161.30                    |
| Chapter 6                | Property investments      | 3,343,882.98            | 1,606,794.35                     |
| Chapter 7                | Capital transfers         | 155,227,804.44          | 21,012,097.46                    |
| Chapter 8                | Financial assets          | 66,207,980.47           | 0.00                             |
| Chapter 9                | Financial liabilities     | 382,500,000.00          | 110,679,853.06                   |
| <b>TOTAL</b>             |                           | <b>3,588,545,491.27</b> | <b>3,074,362,349.19</b>          |

Consolidated budgetary results

| ITEMS  | NET RECOGNISED COLLECTION RIGHTS | NET RECOGNISED DEBENTURES | BUDGETARY INCOME AND EXPENDITURE |
|--|----------------------------------|---------------------------|----------------------------------|
| a) Current transactions                                | 2,941,063,604.32                 | 2,381,527,603.99          | 559,536,000.33                   |
| b) Capital transactions                                | 22,618,891.81                    | 512,643,805.33            | -490,024,913.52                  |
| <b>1.. Total non-financial transactions (a+b)</b>      | <b>2,963,682,496.13</b>          | <b>2,894,171,409.32</b>   | <b>69,511,086.81</b>             |
| c) Financial assets                                    | 0.00                             | 18,160,010.99             | -18,160,010.99                   |
| d) Financial liabilities                               | 110,679,853.06                   | 94,406,315.47             | 16,273,537.59                    |
| <b>2. Total financial transactions (c+d)</b>           | <b>110,679,853.06</b>            | <b>112,566,326.46</b>     | <b>-1,886,473.40</b>             |
| <b>I. FINANCIAL YEAR'S CONSOLIDATED BUDGET RESULTS</b> |                                  |                           | <b>135,249,226.82</b>            |



## **Barcelona City Council Group Consolidated annual report for the 2021 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). The regulatory modification of the LCSP is applicable from 1 January 2021.

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.

In relation to Foment de Ciutat, the audit expresses an exception in relation to not accrediting the condition of own means. In relation to Barcelona Water Cycle and Barcelona infrastructures Barcelona, the audits express the same requirement but not as an exception but as "other legal and regulatory requirements.

### **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 and social, and subsequently economic, emergency caused by Covid-19 generated uncertainty about how the 2019 annual accounts, which were being prepared at the time, would be affected, at the same time that uncertainty is also transferred to how the pandemic could affect the economic, financial and budgetary situation of 2020 and 2021.

The City Council, with its financial, material and personal means, has faced the serious health, social and economic crisis caused by the pandemic by reorienting its objectives and redistributing public resources

Similarly, some of the dependent entities have suffered the impact of the consequences derived from the pandemic in their activity, both in the execution of the budget for the year, as well as in the profit and loss account. The report of the annual accounts, if applicable, have included a description of the most relevant effects of the pandemic on the entities' activity.

The approved budget for 2021, the highest in the history of the City Council, allocated part of its resources to the fight against Covid 19 by Barcelona's society and to promote the recovery and reorientation of the economy of the city. Barcelona City Council's 2022 budget continues the recovery line started in the 2021 budget. The City Council has intended with its budget to contribute to this recovery with a clearly expansive budget incorporating a significant increase in expenditure. The increase has an impact on investments and in the social sphere with significant increases in social expenditure and housing.



**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               |                         |
| Barcelona 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 Municipal Infrastructures, 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 Metropolitanas, 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 2021 financial year on 31 December 2021, just like the parent entity. The entities' corresponding annual accounts for the 2021 financial year have been audited with an unqualified opinion in all cases. In relation to the Municipal Institute of Informatics and City Development, a report with an opinion of exceptions has been issued

- a) IMI.- *The entity classifies the finances and deposits received in the current liabilities of the balance sheet of the annual accounts as of 31 December 2021 without considering their classification according to their long or short term maturity, and not comparing it with the classification of figures from the previous year. Therefore, the heading Short-term Debts of*



*Current Liabilities is overvalued by 805 thousand euros and Long-term Debts of Non-Current Liabilities is undervalued by the same amount*

- b) SAU City Promotion; According to its statutes, the entity has the status of own means referred to in Article 32 and 33 of the Public Sector Contracts Law and, therefore, must include in the annual accounts, information referring to the linked operations derived from its condition as own means. With the information provided by the management, it has not been possible to verify compliance with the requirement established in the Law with respect to the activities carried out and the maintenance of compliance with the conditions of own means

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   |
|--|------------------|--|
| <b>Independent bodies</b>                                    |                  |  |
| 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              | Protect, maintain and improve landscape values.  |
| Municipal Institute for Social Services                      | 100              | Promoting, organising, managing and coordinating the provision of social services.         |
| <b>Public Owned Business Organisation</b>                    |                  |  |
| Municipal Institute of Parks and Gardens                     | 100              | Conserving and improving parks, gardens and woodland areas.                                |
| Barcelona Institute of Culture                               | 100              | Develop services and areas of cultural action.   |
| Int. Barcelona 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.  |
| <b>Trading Companies</b>                                     |                  |  |
| 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 household waste.                                  |
| Selectives Metropolitanas, 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         | 12,636,114.38       |
| Barcelona Institute of Sports                            | 36,343,568.18       |
| Municipal Institute of Information Technology            | 81,756,789.29       |
| Municipal Tax Office                                     | 31,373,814.47       |
| Municipal Institute of Markets                           | 27,826,614.40       |
| Municipal Institute of Education                         | 73,812,455.46       |
| Municipal Institute of Urban Landscape                   | 4,440,497.85        |
| Municipal Institute for Social Services                  | 276,984,247.10      |
| Municipal Institute of Parks and Gardens                 | 63,732,547.82       |
| Barcelona Institute of Culture                           | 145,863,447.31      |
| Barcelona Municipal Institute of Housing and Renovation  | 41,650,942.08       |
| Public-owned company of the Mies van der Röhe Foundation | 1,504,492.53        |
| Municipal Institute of Urban Planning                    | 6,895,044.41        |
| Barcelona Municipal Infrastructures, SA                  | 5,852,259.43        |
| Foment de Ciutat, SA                                     | 10,942,594.85       |
| Informació i Comunicació de Barcelona, SA                | 20,434,458.25       |
| Barcelona Activa, SAU SPM                                | 61,529,965.60       |
| Barcelona Cicle de l'Aigua, SA                           | 7,092,216.15        |
| Barcelona de Serveis Municipals, SA                      | 121,134,949.33      |
| Parc d'Atraccions Tibidabo, SA                           | 12,789,164.75       |
| Tractament i Selecció de Residus, SA                     | 112,348,054.55      |



|   |               |
|---|---------------|
| Selectives Metropolitanas, SA           | 10,078,334.42 |
| Solucions Integrals per als Residus, SA | 12,634,280.05 |
| Cementiris de Barcelona, SA             | 16,571,489.37 |
| Mercabarna, SA                          | 26,797,922.98 |

## 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 | 57.14            |
| Museu de Ciències Naturals de Barcelona Consortium (2)   | EM                 | CO           | Barcelona City Council | 54.54            |
| Urban Ecology Agency of Barcelona, dissolved (1)   | EM                 | CO           | Barcelona City Council | 33.00            |
| Museu d'Art Contemporani de Barcelona (MACBA) Consortium (1)                                       | EM                 | CO           | Barcelona City Council | 41.67            |
| L'Auditori i l'Orquestra Consortium (1)  | EM                 | CO           | Barcelona City Council | 57.14            |
| Barcelona Libraries Consortium (1)   | EM                 | CO           | Barcelona City Council | 56.25            |
| Campus Interuniversitari Diagonal-Besòs Consortium (1)   | 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 | 53.33            |
| Fira Internacional de Barcelona Consortium (2)   | EM                 | CO           | Barcelona City Council | 33.00            |
| Turisme de Barcelona Consortium (2)  | EM                 | CO           | Barcelona City Council | 45.00            |
| Habitatge de Barcelona Consortium  | EM                 | CO           | Barcelona City Council | 40.00            |
| Barcelona Education Consortium (1)   | EM                 | CO           | Barcelona City Council | 40.00            |
| Consortium of Social Services of Barcelona (2)   | EM                 | CO           | Barcelona City Council | 40.00            |
| Barcelona Public Health Agency (1)   | EM                 | CO           | Barcelona City Council | 60.00            |
| Barcelona Health Consortium (1)  | EM                 | CO           | Barcelona City Council | 40.00            |
| Institute for Medical Assistance to Municipal Personnel (PAMEM), in the process of dissolution (1) | EM                 | CO           | Barcelona City Council | 60.00            |
| Gran Teatre del Liceu Consortium (1)   | EM                 | CO           | Barcelona City Council | 27.77            |
| 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 (2)  | EM                 | CO           | Barcelona City Council | 40.00            |
| Barcelona Mobile World Capital Consortium, dissolution pending ratification by consortia bodies    | EM                 | CO           | Barcelona City Council | 20.00            |
| 3rd Barcelona World Race Consortium  | EM                 | CO           | Barcelona City Council | 25.00            |
| Linguistic Normalisation Consortium (1)  | EM                 | CO           | Barcelona City Council | 1.00             |
| Barcelona High-Speed (AVE) Consortium  | EM                 | CO           | Barcelona City Council | 33.33            |
| Les Drassanes R. i M. Marítim de Barcelona Consortium  | EM                 | CO           | Barcelona City Council | 28.57            |





**Consolidated annual accounts for the 2021 financial year**

|  |    |    |                        |       |
|--|----|----|------------------------|-------|
| Palau de la Música Catalana Consortium   | EM | CO | Barcelona City Council | 16.66 |
| Museu Nacional d'Art de Catalunya (MNAC) Consortium (2)                          | EM | CO | Barcelona City Council | 16.66 |
| Barcelona Centre of Contemporary Culture, Casa Caritat (CCCB)                    | EM | CO | Barcelona City Council | 26.66 |
| Health and Social Consortium of Catalonia (2)                                    | EM | CO | Barcelona City Council | 1.00  |
| Barcelona Zona Franca Consortium (1)   | EM | CO | Barcelona City Council | 32.00 |
| Metropolitan Transport Authority (1)   | EM | CO | Barcelona City Council | 22.22 |
| Barri de la Mina Consortium (2)  | EM | CO | Barcelona City Council | 10.71 |
| Besòs Tordera Consortium   | EM | CO | Barcelona City Council | 7.89  |
| Universitat Internacional Menéndez Pelayo de Bcn – Centre Ernest Lluch Con.      | EM | CO | Barcelona City Council | 25.00 |
| Parc Natural de la Serra de Collserola Consortium (1)                            | EM | CO | Barcelona City Council | 7.14  |
| Parc de Recerca Biomèdica de Barcelona Consortium (1)                            | EM | CO | Barcelona City Council | 30.00 |
| Institut d'Estudis Regionals i Metropolitans de Barcelona Consortium (1)         | EM | CO | Barcelona City Council | 23.08 |
| Casa Àsia (1)  | EM | CO | Barcelona City Council | 25.00 |
| European Institute of the Mediterranean (1)                                      | EM | CO | Barcelona City Council | 31.25 |
| Consortici Diplocat - Patronat Catalunya-Món (2)                                 | EM | CO | Barcelona City Council | 3.00  |
| Consortium for the Protection and Management of Delta de Llobregat Natural Areas | EM | CO | Barcelona City Council | 13.33 |

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

CO – Consortium

(1) Annual accounts for 2020 audited with an unqualified opinion.

(2) Annual accounts for 2020 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              | 24.05            |
| 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              | 25.00            |

(1) Unqualified opinion of the annual accounts for 2021.

EM – Equity method

PLC – Public limited company

The associated entities that are included in the consolidation using the equity method have closed the 2021 financial year on 31 December 2021, just like the parent entity. However, the annual accounts for the 2020 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 2021. 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

Pursuant to Article 8, Sections b and c of Order HAP/1489/2013, of 18 July which approves the rules for the formulation of consolidated annual accounts in the public sector, multigroup entities in which there are significant and permanent restrictions that substantially hinder the exercise by the dominant entity of its rights over the assets or the management of the dependent 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 for Culture, Education, Science and Community                 | 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 for Culture, Education, Science and Community                 | F            |
| Julio Muñoz Ramonet Private Foundation   | Area for Culture, Education, Science and Community                 | F            |
| Barcelona Mobile World Capital Foundation  | Area for Economy, Resources and Economic Promotion.                | F            |
| Museu Picasso de Barcelona Foundation  | Area for Culture, Education, Science and Community                 | 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 for Culture, Education, Science and Community                 | F            |
| Gran Teatre del Liceu Foundation   | Area for Culture, Education, Science and Community                 | F            |
| Antoni Tàpies Private Foundation   | Area for Culture, Education, Science and Community                 | F            |
| Joan Miró Foundation – Contemporary Art Studies Centre                           | Area for Culture, Education, Science and Community                 | F            |
| Teatre Lliure – Teatre públic de Barcelona Foundation                            | Area for Culture, Education, Science and Community                 | F            |
| Museu Marítim i Drassanes Reials de Barcelona Private Foundation                 | Area for Culture, Education, Science and Community                 | F            |
| Artur Martorell Private Foundation   | Area for Culture, Education, Science and Community                 | F            |
| Orfeo Català – Palau de la Música Catalana Private Foundation                    | Area for Culture, Education, Science and Community                 | F            |
| Joan Brossa Private Foundation   | Area for Culture, Education, Science and Community                 | F            |
| Biblioteca Pública Arús Foundation   | Area for Culture, Education, Science and Community                 | F            |
| Hospital de la Santa Creu i Sant Pau Private Foundation                          | Area for Social Rights, Global Justice, Feminism and LGBTI Affairs | F            |
| Hospital de la Santa Creu i Sant Pau Health Management Private Foundation        | Area for Social Rights, Global Justice, Feminism and LGBTI Affairs | F            |

| Entity  | Organisational classification – Assigned area                      | Legal nature |
|---|--|--------------|
| Institut de Salut Global Barcelona (IS Global) Private Foundation     | Area for Social Rights, Global Justice, Feminism and LGBTI Affairs | F            |
| 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 for Culture, Education, Science and Community                 | F            |
| Escola de Puntaires de Barcelona                                      | Area for Culture, Education, Science and Community                 | F            |
| Escoles Domènech Private Foundation                                   | Area for Culture, Education, Science and Community                 | 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 for Culture, Education, Science and Community                 | 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 for Culture, Education, Science and Community                 | 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 Professional Training Network        | Area for the 2030 Agenda, Digital Transition and Sports            | A |
| Industrial Agreement for the Barcelona Metropolitan Region                                   | Area for Culture, Education, Science and Community                 | 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 for Culture, Education, Science and Community                 | A |
| Association of Municipalities and Entities for Energy  | Area of Urban Ecology  | 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 Consolidated Annual Accounts of the Group for the year 2021 have been prepared in accordance with the rules established in Order HAP/1781/2013, of 20 September, which approves the Instruction of the Normal Accounting Model of the Local Administration (before IMNCL), and in accordance with Order HAP/1489/2013, of 18 July, which approves the rules for the formulation of consolidated annual accounts in the public sector, and more provisions of the regulatory framework of applicable financial information, with the aim of showing the faithful image of the assets, the financial situation, the results, the execution of the budget and consolidated cash flows of the Group for the completed annual financial year on 31 December 2021, which are expressed in euros.

The annual accounts of the entities for the financial year 2021 have been drawn up in accordance with the modifications introduced by Royal Decree 1/2021, of 12 January, which modifies the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, the rules for the formulation of the consolidated annual accounts approved by Royal Decree 1159/2010, of 17 September, and the rules for adapting the General Accounting Plan of local non-profit entities approved by Royal Decree 1491/2011, of 24 October

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 liquidations of the budgets corresponding to the City Council and the local autonomous bodies have been approved by Mayoral Decrees of 28 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 Act 781/1986, of 18 April, approving the consolidated text of current provisions on local government.
- Legislative Decree 2/2003, of 28 April, approving the consolidated text of the Municipal and Local Government Act of Catalonia.
- Royal Legislative Decree 2/2004, of 5 March, approving the consolidated text of the regulatory Act on Local Tax Offices (Act 39/1988 of 28 December).
- Royal Decree 500/1990, of 20 April, developing Chapter I of Title VI of Act 39/1998 of 28 December, regulating 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 40/2015, of 1 October, on the Legal Regime of the Public Sector
- Act 22/1998, of 30 December, on the Barcelona Municipal Charter.
- Act 1/2006, of 13 March, which regulates the special regime of the municipality of Barcelona
- Royal Decree 1/2021, of 12 January, amending the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November; the General Accounting Plan for Small and Medium Enterprises approved by Royal Decree 1515/2007, of 16 November; the Rules for the formulation of consolidated annual accounts approved by Royal Decree 1159/2010, of 17 September, and the rules for adapting the General Accounting Plan to non-profit entities approved by Royal Decree 1491/2022, of 24 October

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 2021 and 2020 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 hedging 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 2020 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. If between the closing date of the dependent entity's financial year and the consolidated annual accounts, transactions have been carried out or significant events have occurred, the operations will be adjusted.
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. Homogenisation for internal operations. When in the annual accounts of the entities of the group the amounts of the items derived from internal operations do not coincide or there is something pending to be recorded, the necessary adjustments are made before making the corresponding eliminations. It will not apply to the elimination related to the investment- net worth
4. Homogenisation of the structures of the annual accounts. The necessary reclassifications must be made in the structure of the annual accounts of the entities of the group, so that it coincides with that of the consolidated annual accounts.
5. Aggregation. The different items of the previously homogenised individual annual accounts are aggregated according to their nature without prejudice to the adjustments and eliminations that must be made.
6. 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.

7. 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.
8. Intra-group entry eliminations. Credits and debts, income and expenses and cash flows between Group entities are eliminated in their entirety, with the appropriate adjustments made. 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, if the associated entity incurs losses, the reduction of the investment will have as a limit the own accounting value of the participation, calculated by placing it in equity. 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 (updated according to the 2021 town council annual accounts)**

### 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 subject to review whenever an event or change in circumstances may imply that the book value is not 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.

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

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

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.

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.



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 amortisation process begins at the time as putting the asset into operation, the estimated useful life years being the following:

|   | Years of useful life |
|---|----------------------|
| Buildings   | 65                   |
| Assets for general use – buildings, facilities and woodland | 50                   |
| Assets for general use – systems and roadways               | 40                   |
| Assets for general use – miscellaneous                      | 35                   |
| Assets for general use – parks and gardens                  | 20                   |
| Technical installations and machinery                       | 8-12.5               |
| Transport equipment   | 5                    |
| Furniture   | 6                    |
| Data-processing equipment                                   | 4                    |
| Livestock   | 7                    |
| Bibliographic archives and the like                         | 8                    |

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.

With regard to 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 2021 financial year, all on the basis of the above-mentioned independent valuation. This treatment was justified by the fact that the above-mentioned historical and artistic component was subject to maintenance to ensure the long-term duration of its value.

**4. Public Land Assets**

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

The municipally owned properties which 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 continuity over time and use in the production of goods and services or constituting a source of the entity's resources. In other words:

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

### Initial valuation

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



### Subsequent valuation

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

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

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

### Depreciation

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

|                               | <b>Years of useful life</b> |
|-------------------------------|-----------------------------|
| 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 for which they are maintained or for which they were issued.

### **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.

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.

Where the equity instruments originate from capital fund contributions, the recoverable amount is used to determine the amount of the adjustment value, that being understood as the larger amount between the fair value less the sale expenditure and the current value of the cash flows derived from the investment. For want of better evidence of the recoverable value, account has been taken, in estimating the impairment of these investments, of the net equity of the subsidiary entity corrected for the adjusted changes for the unrealised capital gain on their valuation date.

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 accounts payable 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, debentures are incurred with the receipt of the successive liquid fund assets. They are classed as fixed or current respectively, depending on whether they mature in over or under one year.

### **Financial liability write-offs**

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

The Group has no assets considered inventories.

### **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 recognised in the accounts when the right to receive them arises, and specifically in relation to fines, the right to collect is recognised at the time when the enforcement of the act is established imposition

#### ***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 or contingencies arising from claims, procedures, lawsuits or litigation, or that have had a ruling or been settled in the tax year, are not recorded if their estimated amount is fully covered by current insurance policies or similar instruments.

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. When they are no longer relevant or probable, they are reversed with a counter-entry to the corresponding expense account due to their nature or income due to their excess

For the purposes of quantifying the provisions, reference is made to internal and external expert reports and to the City Council'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.

## **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 according to the fair value of the referred amount granted when entered in the accounts.

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

On the other hand, the non-refundable subsidies related to specific expenses are recognised in the economic profit and loss account in the same financial year in which the corresponding expenses are earned.



### **Transfers and subsidies granted**

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

### **18. Joint activities**

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

### **19. Assets under sale**

The Group has no assets under sale.

### **20. Interrupted transactions**

The Group has no interrupted operations in the 2021 financial year.

### **Note 6 – Adjustments and eliminations**

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



**Consolidated annual accounts for the 2021 financial year**

| Entity group                          | Caption   | Amount                  |
|---------------------------------------|---|-------------------------|
| <b>Barcelona City Council</b>         |   | <b>3,390,480,331.64</b> |
|                                       | Receivables and other accounts receivable   | 64,184,201.45           |
|                                       | Holdings consolidated under the equity method   | 486,425,166.15          |
|                                       | Long-term financial investments in entities of the group, multi-group and associates  | 257,140,937.50          |
|                                       | Other investments   |                         |
|                                       | Trade and other accounts payable  | 216,503,257.95          |
|                                       | Short-term debts with entities of the group, multi-group and associates               | 168,122,454.36          |
|                                       | Long-term debts with entities of the group, multi-group and associate bodies          | 36,626.27               |
|                                       | Consolidated reserve  | 777,153,474.23          |
|                                       | Contributed equity  | 265,994,845.81          |
|                                       | Reservations  | 324,151,692.74          |
|                                       | Profit (loss) brought forward   | -30,224,014.43          |
|                                       | Other day-to-day management expenses  | 18,148,125.22           |
|                                       | Current transfers   | 817,480,338.41          |
|                                       | Capital transfers   | 33,028,576.04           |
|                                       | Other day-to-day management income  | 998,639.88              |
|                                       | Tax revenues and social security contributions  | 58,936.24               |
|                                       | Current transfers   | 796,320.50              |
|                                       | Net sales and service supplies  | 2,534,031.85            |
|                                       | Interest in profits (losses) from entities consolidated under the equity method       | -12,053,278.54          |
| <b>Public Owned Business Entities</b> |   | <b>371,403,130.90</b>   |
|                                       | Receivables and other accounts receivable   | 121,129,101.89          |
|                                       | Short-term investments  | 17,624,190.73           |
|                                       | Long-term financial investments   | 4,408.75                |
|                                       | Short-term accruals payable   | 14,805,703.90           |
|                                       | Other increases in equity pending recognition in the profit and loss account          | 11,767,888.71           |
|                                       | Trade and other accounts payable  | 748,767.31              |
|                                       | Other day-to-day management expenses  | 2,818,344.82            |
|                                       | Other day-to-day management income  | 3,976,811.76            |
|                                       | Current transfers   | 188,982,888.61          |
|                                       | Capital transfers   | 9,028,603.66            |
|                                       | Provision of services   | 516,420.76              |
| <b>Independent bodies</b>             |   | <b>595,172,707.06</b>   |
|                                       | Receivables and other accounts receivable   | 101,621,448.49          |
|                                       | Short-term financial investments in entities of the group, multi-group and associates | 3,270,525.13            |
|                                       | Short-term financial investments with group entities                                  | 39,953.62               |
|                                       | Short-term accruals payable   | 46,425.54               |
|                                       | Trade and other accounts payable  | 3,860,667.10            |
|                                       | Other increases in equity pending recognition in the profit and loss account          | 77,486.18               |
|                                       | Other day-to-day management expenses  | 5,018,532.00            |
|                                       | Other day-to-day management income  | 209,908.14              |
|                                       | Current transfers   | 479,362,505.41          |
|                                       | Capital transfers   | 190.24                  |
|                                       | Allocation of non-financial fixed-asset subsidies                                     | 200,699.61              |
|                                       | Net sales and service supplies  | 1,464,365.60            |
| <b>Municipal Trading Companies</b>    |   | <b>405,254,693.91</b>   |
|                                       | Receivables and other accounts receivable   | 139,545,415.22          |
|                                       | Long-term financial investments   | 32,217.52               |
|                                       | Short-term investments  | 428,629.86              |
|                                       | Short-term accruals payable   | 1,130,303.33            |
|                                       | Trade and other accounts payable  | 53,125,447.70           |
|                                       | Short-term debts with entities of the group, multi-group and associates               | 5,854,128.60            |
|                                       | Other day-to-day management income  | 9,091,024.70            |
|                                       | Current transfers   | 149,464,714.38          |
|                                       | Capital transfers   | 3,231,576.49            |



**Consolidated annual accounts for the 2021 financial year**

|                                |                         |
|--------------------------------|-------------------------|
| Net sales and service supplies | 30,692,356.69           |
| <b>Total Eliminations</b>      | <b>4,762,310,863.51</b> |

| Entity group                          | Caption   | Total Debt            | Total Credit          |
|---------------------------------------|---|-----------------------|-----------------------|
| <b>Barcelona City Council</b>         |   | <b>7,684,430.54</b>   | <b>7,684,430.54</b>   |
|                                       | Receivables and other accounts receivable                           | 5,413,272.48          | 182,096.98            |
|                                       | Consolidation reserve   | 1,467,415.39          | 6,067,659.97          |
|                                       | Trade and other accounts payable                                    | 0.00                  | 0.00                  |
|                                       | Current transfers   | 0.00                  | 1,434,673.59          |
|                                       | Capital transfers   | 0.00                  | 0.00                  |
|                                       | Provision of services   | 166,356.31            | 0.00                  |
|                                       | Other day-to-day management income                                  | 0.00                  | 0.00                  |
|                                       | Short-term debts with entities of the group, multig. and associates | 637,386.36            | 0.00                  |
|                                       | Sales   | 0.00                  | 0.00                  |
| <b>Public Owned Business Entities</b> |   | <b>244,944,373.11</b> | <b>245,142,045.90</b> |
|                                       | Accumulated depreciation and provisions                             | 9,329,687.28          | 0.00                  |
|                                       | Receivables and other accounts receivable                           | 325,833.84            | 0.00                  |
|                                       | I.M. Infrastructures and historical heritage assets                 | 0.00                  | 5,125,713.35          |
|                                       | I.M. Land   | 0.00                  | 86,190,145.75         |
|                                       | Allocation of non-financial fixed-asset subsidies                   | 481,103.27            | 0.00                  |
|                                       | Liabilities for deferred tax  | 162,768.02            | 0.00                  |
|                                       | Equity contributed  | 0.00                  | 73,979,258.65         |
|                                       | Consolidation reserve   | 5,162,511.09          | 79,605,942.61         |
|                                       | Capital subsidies   | 223,678,611.52        | 0.00                  |
|                                       | Trade and other accounts payable                                    | 2,421.41              | 36,797.74             |
|                                       | Other day-to-day management expenses                                | 38,378.28             | 204,187.80            |
|                                       | Adjustments for short-term accruals                                 | 5,506,301.01          | 0.00                  |
|                                       | Other day-to-day management income                                  | 52,725.73             | 0.00                  |
|                                       | Current transfers   | 44,741.31             | 0.00                  |
|                                       | Provision of services   | 159,290.35            | 0.00                  |
| <b>Independent bodies</b>             |   | <b>5,769,043.81</b>   | <b>6,243,358.88</b>   |
|                                       | Receivables and other accounts receivable                           | 2,481,442.62          | 0.00                  |
|                                       | Allocation of non-financial fixed-asset subsidies                   | 164,550.48            | 0.00                  |
|                                       | Consolidation reserve   | 8,095.89              | 5,681,357.54          |
|                                       | Capital subsidies   | 1,236,311.09          | 0.00                  |
|                                       | Transfers and subsidies received                                    | 0.00                  | 0.00                  |
|                                       | Trade and other accounts payable                                    | 0.00                  | 28,474.48             |
|                                       | Other day-to-day management expenses                                | 53,030.53             | 525,430.97            |
|                                       | Current transfers   | 1,622,009.03          | 1,791.92              |
|                                       | Other day-to-day management income                                  | 203,604.17            | 6,303.97              |
| <b>Municipal Trading Companies</b>    |   | <b>73,750,773.03</b>  | <b>73,078,785.17</b>  |
|                                       | Assets for deferred tax   | 90,604.81             | 0.00                  |
|                                       | Accumulated depreciation and provisions                             | 3,365,664.60          | 0.00                  |
|                                       | Receivables and other accounts receivable                           | 52,782,185.75         | 3,388,699.68          |
|                                       | I.M. Buildings  | 0.00                  | 6,010,121.04          |
|                                       | Allocation of non-financial fixed-asset subsidies                   | 2,408,277.12          | 0.00                  |
|                                       | Trade and other accounts payable                                    | 500,317.75            | 50,954,785.79         |
|                                       | Consolidation reserve   | 6,710,596.37          | 11,453,291.78         |
|                                       | Liabilities for deferred tax  | 16,193.87             | 0.00                  |
|                                       | Capital subsidies   | 7,036,087.92          | 0.00                  |
|                                       | Other day-to-day management expenses                                | 161,478.97            | 1,197,641.55          |
|                                       | Current transfers   | 675,506.78            | 6,300.00              |
|                                       | Capital transfers   | 0.00                  | 46,706.72             |
|                                       | Other day-to-day management income                                  | 10,408.85             | 0.00                  |
|                                       | Provision of services   | -6,549.76             | 13,958.04             |
|                                       | Short-term payables to entities of the group, multig and associates | 0.00                  | 7,280.57              |
| <b>Total adjustments</b>              |   | <b>332,148,620.49</b> | <b>332,148,620.49</b> |



**Note 7 – Combinations of business restructuring operations and transactions**

The group has not carried out business combinations or business restructuring operations in 2021.

**Note 8 – Consolidated goodwill**

The movement in the consolidation goodwill comes from the Barcelona de Serveis Municipals, SA group with respect to its subsidiary PATSA and is as follows:

|                             |                   |
|-----------------------------|-------------------|
| <b>1 January 2021</b>       | <b>732,328.00</b> |
| <b>31 December 2021</b>     |                   |
| Economic                    | 1,464,658.00      |
| Accumulated depreciation    | (878,796.00)      |
| <b>Net accounting value</b> | <b>585,862.00</b> |

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:

|                                | <b>2021</b>       |
|--------------------------------|-------------------|
| Parc d'Atraccions Tibidabo, SA | 585,862.00        |
| <b>Total</b>                   | <b>585,862.00</b> |

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:

| Entity                                       | 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         | 25,819,010                 | 361,253                    | 0                                 | 32,153,277        |
| Mercados de Abastecimientos de Barcelona, SA | 6,995,989         | 41,916,088                 | 5,702,357                  | 111,108                           | 54,444,765        |
|  | <b>12,969,003</b> | <b>67,735,098</b>          | <b>6,063,610</b>           | <b>111,108</b>                    | <b>86,598,042</b> |

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

In 2021, 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, during the 2021 financial year, to increase its share capital, increasing the participation of Barcelona City Council from 23.97% to 24.05%

Fira 2000, SA 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**

|  |                         |
|--|-------------------------|
| <b>1 January 2021</b>                          | <b>1,069,116,926.05</b> |
| Positive result in the profit and loss account | 11,668,478.54           |
| Increase/Decrease in financial holdings        | -34,642,942.04          |
| <b>31 December 2021</b>                        | <b>1,046,142,462.55</b> |

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 2021 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 2021 financial year of the entities consolidated under the equity method is as follows:

| Entity  | Assets           | Liabilities    | Ordinary Income  | Financial year's results | PE results           |
|---|------------------|----------------|------------------|--------------------------|----------------------|
| Besòs Consortium  | 27,514,578.93    | 22,091,216.03  | 2,408,334.84     | -65,994.37               | -13,198.87           |
| Mercat de les Flors Consortium  | 10,360,818.28    | 2,262,746.22   | 5,143,585.90     | 504,182.29               | 288,089.76           |
| Natural Sciences Museum Consortium of Barcelona Consortium                  | 5,229,165.29     | 2,512,970.58   | 9,111,934.23     | 270,689.04               | 147,633.80           |
| Barcelona Urban Ecology Agency  | 909,110.89       | 922.47         | 1,069,738.63     | 232,796.33               | 76,822.79            |
| Museu d'Art Contemporani de Barcelona (MACBA) Consortium                    | 39,870,497.32    | 5,332,089.56   | 13,468,509.49    | 310,458.50               | 129,368.06           |
| L'Auditori i l'Orquestra Consortium   | 43,797,967.45    | 6,399,152.85   | 19,962,032.51    | 0.00                     | 0.00                 |
| Barcelona Libraries Consortium  | 9,116,637.13     | 4,038,602.84   | 22,779,604.05    | -47,417.74               | -26,672.48           |
| Campus Interuniversitari Diagonal-Besòs Consortium                          | 67,546,099.04    | 8,954,804.34   | 271,646.54       | 55,511.11                | 16,653.33            |
| Localret Consortium   | 3,223,754.14     | 357,063.31     | 1,806,441.06     | 147,540.92               | 1,475.41             |
| Barcelona Local Energy Agency   | 1,509,856.58     | 163,426.14     | 754,310.12       | -210,738.43              | -112,386.80          |
| Gran Teatre del Liceu Consortium  | 87,392,586.73    | 21,715,607.64  | 4,121,768.03     | 227,247.12               | 63,106.53            |
| Pla de Rehabilitació i Equipament de Teatres de Barcelona Consortium        | 689,744.67       | 689,744.67     | 544,540.37       | 0.00                     | 0.00                 |
| Institut Ramon Llull Consortium   | 9,594,497.07     | 7,261,514.40   | 7,706,262.62     | -122,538.78              | -18,380.82           |
| Mar Parc de Salut de Barcelona Consortium (formerly IMAS)                   | 317,480,725.45   | 142,490,029.40 | 394,670,029.40   | 14,760,847.33            | 5,904,338.93         |
| Barcelona Public Health Agency  | 14,836,111.04    | 7,374,518.26   | 32,793,378.40    | 1,426,548.64             | 855,929.18           |
| Les Drassanes Reials i Museu Marítim de Barcelona Consortium                | 91,750,965.15    | 2,769,866.15   | 7,672,097.38     | -716,076.83              | -204,583.15          |
| Palau de la Música Catalana Consortium                                      | 0.00             | 0.00           | 0.00             | 0.00                     | 0.00                 |
| Museu Nacional d'Art de Catalunya (MNAC) Consortium                         | 250,877,138.80   | 5,488,093.66   | 22,799,620.03    | -103,965.33              | -17,320.62           |
| Barcelona Centre of Contemporary Culture, Casa Caritat (CCCB)               | 32,255,458.52    | 1,580,349.62   | 10,366,121.66    | 679,276.88               | 181,095.22           |
| Catalan Hospital Consortium (Catalan Health-Care and Social Consortium)     | 1,485,242.00     | 1,205,235.21   | 1,008,728.05     | 14,896.02                | 148.96               |
| Zona Franca de Barcelona Consortium   | 577,733,000.00   | 86,179,000.00  | 88,926,000.00    | 35,939,000.00            | 11,500,480.00        |
| Metropolitan Transport Authority  | 1,665,549,817.50 | 851,412,581.66 | 1,503,481,825.51 | -2,168,640.16            | -477,100.84          |
| Besòs Tordera Consortium  | 47,513,637.22    | 17,405,629.08  | 34,752,353.71    | -2,212,959.67            | -199,166.37          |
| Universitat Internacional Menéndez Pelayo de Bcn – Centre Ernest Lluch Con. | 1,026,830.13     | 14,287.88      | 254,053.00       | 54,691.89                | 13,672.97            |
| Parc Natural de la Serra de Collserola Consortium                           | 22,487,799.77    | 858,884.07     | 6,282,630.61     | -347,797.59              | -24,832.75           |
| Parc de Recerca Biomèdica de Barcelona Consortium                           | 107,241,397.01   | 34,566,840.12  | 12,884,503.41    | 1,318,106.85             | 395,432.06           |
| Institut d'Estudis Regionals i Metropolitans de Barcelona Consortium        | 1,429,606.54     | 969,612.84     | 3,847,268.33     | 27,655.01                | 6,382.78             |
| European Institute of the Mediterranean                                     | 5,786,869.93     | 5,141,595.08   | 2,224,197.10     | 0.00                     | 0.00                 |
| Diplocat – Patronat Catalunya-Món Consortium                                | 1,417,993.95     | 1,064,981.55   | 1,139,744.00     | -54,994.40               | -1,649.83            |
| Barcelona International Fair (consolidated annual accounts)                 | 87,481,841.00    | 78,052,313.00  | 92,302,188.00    | 534,239.00               | 176,160.27           |
| Barcelona Sagrera Alta Velocitat, SA  | 340,366,370.82   | 384,177,434.86 | 29,742,354.01    | 0.00                     | 0.00                 |
| Barcelona Emprèn CR, SA   | 1,538,349.00     | 6,801.00       | 0.00             | -44,104.00               | -10,611.42           |
| Fira 2000, SA   | 686,234,328.27   | 443,396,043.00 | 2,979,247.00     | -27,459,084.00           | -6,603,909.70        |
| Barcelona Regional, SA  | 4,536,703.00     | 2,005,190.00   | 8,164,096.00     | 28,189.00                | 12,448.26            |
| Habitatge Metropolità Barcelona, SA   | 27,060,062.68    | 3,115,814.36   | 0.00             | -18,139.00               | -4,534.75            |
| Barcelona d'Aparcaments Municipals SA                                       | 396,752,000.00   | 125,194,000.00 | 29,567,000.00    | -962,000.00              | -384,800.00          |
| <b>TOTAL</b>  |                  |                |                  |                          | <b>11,668,478.54</b> |



**Note 14 – Tangible fixed assets and Public Land Assets**

**Tangible fixed assets**

| Item  | Balance as of 01/01/2021 | (+) Income            | (-) Expenses          | (+/-) Transfers        | (-) Provision for depreciation | Balance as of 31.12.21   |
|---|--------------------------|-----------------------|-----------------------|------------------------|--------------------------------|--------------------------|
| <b>1. Land</b>  | <b>2,978,978,507.12</b>  | <b>31,665,602.15</b>  | <b>-31,569,537.91</b> | <b>-9,561,269.11</b>   | <b>-1,155,922.92</b>           | <b>2,968,357,379.33</b>  |
| • Cost  | 2,988,416,992.60         | 31,665,602.15         | -31,659,910.91        | -9,493,559.37          | 0.00                           | 2,978,929,124.47         |
| • Accumulated depreciation                                | -9,336,278.89            | 0.00                  | 90,373.00             | -67,709.74             | -1,155,922.92                  | -10,469,538.55           |
| • Valuation adjustments                                   | -102,206.59              | 0.00                  | 0.00                  | 0.00                   | 0.00                           | -102,206.59              |
| <b>2. Buildings</b>                                       | <b>3,718,185,896.65</b>  | <b>100,192,707.80</b> | <b>-7,637,562.04</b>  | <b>48,540,724.07</b>   | <b>-96,682,023.24</b>          | <b>3,762,599,743.24</b>  |
| • Cost  | 5,104,190,295.99         | 100,192,707.80        | -7,637,562.04         | 540,190.08             | 0.00                           | 5,197,285,631.83         |
| • Accumulated depreciation                                | -1,386,004,399.34        | 0.00                  | 0.00                  | 48,000,533.99          | -96,682,023.24                 | -1,434,685,888.59        |
| • Valuation adjustments                                   | 0.00                     | 0.00                  | 0.00                  | 0.00                   | 0.00                           | 0.00                     |
| <b>3. Infrastructures</b>                                 | <b>4,126,658,916.60</b>  | <b>0.00</b>           | <b>0.00</b>           | <b>158,370,726.20</b>  | <b>-111,109,250.11</b>         | <b>4,173,920,392.69</b>  |
| • Cost  | 5,286,094,633.02         | 0.00                  | 0.00                  | 158,370,726.20         | 0.00                           | 5,444,465,359.22         |
| • Accumulated depreciation                                | -1,159,435,716.42        | 0.00                  | 0.00                  | 0.00                   | -111,109,250.11                | -1,270,544,966.53        |
| • Valuation adjustments                                   | 0.00                     | 0.00                  | 0.00                  | 0.00                   | 0.00                           | 0.00                     |
| <b>4. Historical heritage assets</b>                      | <b>8,128,854.11</b>      | <b>160,419.77</b>     | <b>0.00</b>           | <b>0.00</b>            | <b>0.00</b>                    | <b>8,289,273.88</b>      |
| • Cost  | 120,690,364.87           | 160,419.77            | 0.00                  | 112,439,182.42         | 0.00                           | 120,850,784.64           |
| • Accumulated depreciation                                | -112,561,510.76          | 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                     |
| <b>5. Other tangible fixed assets</b>                     | <b>208,163,853.92</b>    | <b>17,314,144.65</b>  | <b>-176,495.03</b>    | <b>55,425,458.44</b>   | <b>-39,037,482.46</b>          | <b>241,689,479.52</b>    |
| • Cost  | 938,978,528.03           | 17,324,158.93         | -13,955,446.01        | 55,414,570.88          | 0.00                           | 997,761,811.83           |
| • Accumulated depreciation                                | -730,345,423.29          | 0.00                  | 13,778,950.98         | 10,887.56              | -39,037,482.46                 | -755,593,067.21          |
| • Valuation adjustments                                   | -469,250.82              | -10,014.28            | 0.00                  | 0.00                   | 0.00                           | -479,265.10              |
| <b>6. Fixed assets under construction and in accounts</b> | <b>1,140,705,958.68</b>  | <b>460,721,533.03</b> | <b>-14,056,165.70</b> | <b>-348,377,920.20</b> | <b>0.00</b>                    | <b>1,238,993,405.81</b>  |
| • Cost  | 1,140,313,494.18         | 460,721,533.03        | -14,056,165.70        | -348,377,920.20        | 0.00                           | 1,238,600,941.31         |
| • Accumulated depreciation                                | 392,464.50               | 0.00                  | 0.00                  | 0.00                   | 0.00                           | 392,464.50               |
| <b>TOTAL</b>  | <b>12,180,821,987.08</b> | <b>610,054,407.40</b> | <b>-53,439,760.68</b> | <b>-95,602,280.60</b>  | <b>-247,984,678.73</b>         | <b>12,393,849,674.47</b> |

The most important investments in the financial year correspond to:

|  | Amount                |
|--|-----------------------|
| Direct City Council investments                                  | 96,260,502.36         |
| Delivery of funds to decentralised organisations, for investment | 286,024,440.42        |
| Delivery of funds to third parties, for investment               | 0.00                  |
| Free assignments of assets                                       | 717,500.00            |
| Investments funded by third parties                              | 7,260,568.02          |
| Other investments executed by dependent entities                 | 219,791,396.60        |
| <b>TOTAL</b>   | <b>610,054,407.40</b> |

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



- The building of flats by the Municipal Housing Trust. The registrations in developments under construction for the year 2021 correspond to land received free of charge from Barcelona City Council, to investments in developments under construction and to the transfer of developments completed for rent.
- To Barcelona de Serveis Municipals SA, extension and renovation of the zoological park facilities, modernisation and improvement of the facilities that they manage for Culture and Leisure activities (Anella, Forum, Parc Güell and Port Olímpic, other structure installations).
- To Mercados de Abastecimientos de Barcelona SA, mainly for the investments in the Central Fruit and Vegetable Market, in the Pavilions and in the Central Fish Market, among others and especially during this financial year in 22AL
- To Cementiris de Barcelona SA, mainly for the rehabilitation and improvement of the grounds of the different cemeteries for a value of 281 thousand euros and high retrocession of graves for the different cemeteries for a value of 524 thousand euros.
- To the Parc d'Atraccions Tibidabo, the Tibidabo Funicular renovation project (opened in June) stands out and has resulted in an increase of more than 4.2 million euros.
- To Tractament i Selecció de Residus SA, the rehabilitation of the Sant Adrià del Besós Energy Recovery Plant, started in 2020.

At the end of the financial year, the acquisition cost of the goods that are fully depreciated and that are still in use amounts to 670,106,161.97 euros.

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 closing date of the 2021 financial year, 73 transactions for the acquisition of lots, premises and homes for an amount of 55 million euros are pending the completion of their legal transfer. The assets were included in the City Council's balance as this was dictated by the corresponding acts which determine the recognition of expenditure.

Most of the operations correspond to the purchase of premises and estates through public competition. In 55 properties, the tender was approved in December and, as stated in the previous paragraph, the legal transfer of the property will take place during the 2022 financial year.



**Public Land Assets**

| Item                                      | Balance as of<br>31.12.2020 | (+) Income           | (-) Expenditure    | (+/-) Transfers      | (-) Provision<br>for<br>depreciation | Balance as of<br>31.12.2021 |
|---|-----------------------------|----------------------|--------------------|----------------------|--------------------------------------|-----------------------------|
| <b>1. Land</b>                            | <b>250,325,151.96</b>       | <b>30,498,267.66</b> | <b>-868,095.00</b> | <b>577,380.76</b>    | <b>0.00</b>                          | <b>280,532,705.38</b>       |
| • Cost                                    | 250,325,151.96              | 30,498,267.66        | -868,095.00        | 577,380.76           | 0.00                                 | 280,532,705.38              |
| • 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                        |
| <b>2. Buildings</b>                       | <b>146,374,516.87</b>       | <b>10,956,410.83</b> | <b>0.00</b>        | <b>-1,283,481.95</b> | <b>-1,759,109.95</b>                 | <b>154,288,335.80</b>       |
| • Cost                                    | 171,533,823.42              | 10,956,410.83        | 0.00               | 0.00                 | 0.00                                 | 182,490,234.25              |
| • Accumulated depreciation                | -25,159,306.55              | 0.00                 | 0.00               | -1,283,481.95        | -1,759,109.95                        | -28,201,898.45              |
| • Valuation adjustments                   | 0.00                        | 0.00                 | 0.00               | 0.00                 | 0.00                                 | 0.00                        |
| <b>3. Under construction and advances</b> | <b>13,498,202.00</b>        | <b>0.00</b>          | <b>0.00</b>        | <b>0.00</b>          | <b>0.00</b>                          | <b>13,498,202.00</b>        |
| • 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                        |
| <b>4. Other public land assets</b>        | <b>245,812,915.99</b>       | <b>0.00</b>          | <b>0.00</b>        | <b>0.00</b>          | <b>0.00</b>                          | <b>245,812,915.99</b>       |
| • 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                        |
| <b>TOTAL</b>                              | <b>656,010,786.82</b>       | <b>41,454,678.49</b> | <b>-868,095.00</b> | <b>-706,101.19</b>   | <b>-1,759,109.95</b>                 | <b>694,132,159.17</b>       |

The most important investments in the financial year correspond to:

|                                 | Amount               |
|---------------------------------|----------------------|
| Direct City Council investments | 37,317,523.49        |
| Free assignments of assets      | 3,269,060.00         |
| Transfer of land, compensations | 868,095.00           |
| <b>TOTAL</b>                    | <b>41,454,678.49</b> |

**Note 15 – Property investments**

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.



|                            | As of<br>31.12.2020   | (+) Income  | (-) Expenses | (+/-) Transfers      | (-) Provision<br>for<br>depreciation | Balance as of<br>31.12.2021 |
|----------------------------|-----------------------|-------------|--------------|----------------------|--------------------------------------|-----------------------------|
| <b>1. Land</b>             | <b>43,641,774.71</b>  | <b>0</b>    | <b>0</b>     | <b>1,438,673.22</b>  | <b>0</b>                             | <b>45,080,447.93</b>        |
| • Cost                     | 43,641,774.71         | 0           | 0            | 1,438,673.22         | 0                                    | 45,080,447.93               |
| • Accumulated depreciation | 0                     | 0           | 0            | 0                    | 0                                    | 0                           |
| • Value adjustments        | 0                     | 0           | 0            | 0                    | 0                                    | 0                           |
| <b>2. Buildings</b>        | <b>190,915,437.47</b> | <b>0.00</b> | <b>0</b>     | <b>63,237,003.90</b> | <b>-4,538,446.78</b>                 | <b>249,613,994.59</b>       |
| • Cost                     | 245,459,459.58        | 0.00        | 0            | 111,033,613.54       | 0                                    | 356,493,073.12              |
| • Accumulated depreciation | -54,225,504.25        | 0           | 0            | -47,796,609.64       | -4,538,446.78                        | -106,560,560.67             |
| • Value adjustments        | -318,517.86           | 0.00        | 0            | 0                    | 0                                    | -318,517.86                 |
| <b>3. Infrastructures</b>  | <b>0.00</b>           | <b>0.00</b> | <b>0</b>     | <b>0.00</b>          | <b>-8,444.07</b>                     | <b>-8,444.07</b>            |
| • Cost                     | 0.00                  | 0.00        | 0            | 0.00                 | 0                                    | 0.00                        |
| • Accumulated depreciation | 0.00                  | 0           | 0            | 0.00                 | -8,444.07                            | -8,444.07                   |
| • Value adjustments        | 0.00                  | 0.00        | 0            | 0                    | 0                                    | 0.00                        |
| <b>TOTAL</b>               | <b>234,557,212.18</b> | <b>0.00</b> | <b>0</b>     | <b>64,675,677.12</b> | <b>-4,546,890.85</b>                 | <b>294,685,998.45</b>       |

### Note 16 – Intangible fixed assets

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

| Item   | Balance as of<br>31.12.2020 | (+) Income          | (-) Expenses      | (+/-)<br>Transfers | (-) Provision<br>for<br>depreciation | Balance as of<br>31.12.2021 |
|--|-----------------------------|---------------------|-------------------|--------------------|--------------------------------------|-----------------------------|
| <b>1. Consolidated goodwill</b>                      | <b>732,328.00</b>           | <b>0.00</b>         | <b>0.00</b>       | <b>0.00</b>        | <b>-146,466.00</b>                   | <b>585,862.00</b>           |
| • Cost   | 1,464,658.00                | 0.00                | 0.00              | 0.00               | 0.00                                 | 1,464,658.00                |
| • Accumulated depreciation                           | -732,330.00                 | 0.00                | 0.00              | 0.00               | -146,466.00                          | -878,796.00                 |
| • Value adjustments                                  | 0.00                        | 0.00                | 0.00              | 0.00               | 0.00                                 | 0.00                        |
| <b>2.1. Investments in R&amp;D</b>                   | <b>0.00</b>                 | <b>0.00</b>         | <b>0.00</b>       | <b>0.00</b>        | <b>0.00</b>                          | <b>0.00</b>                 |
| • 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                        |
| <b>2.2. Industrial and intellectual property</b>     | <b>48,329.86</b>            | <b>734.74</b>       | <b>-14.62</b>     | <b>0.00</b>        | <b>-20,189.30</b>                    | <b>28,860.68</b>            |
| • Cost   | 551,743.40                  | 734.74              | -31,225.36        | 0.00               | 0.00                                 | 521,252.78                  |
| • Accumulated depreciation                           | -503,413.54                 | 0.00                | 31,210.74         | 0.00               | -20,189.30                           | -492,392.10                 |
| • Value adjustments                                  | 0.00                        | 0.00                | 0.00              | 0.00               | 0.00                                 | 0.00                        |
| <b>2.3. IT applications</b>                          | <b>12,291,496.14</b>        | <b>5,195,874.18</b> | <b>0.00</b>       | <b>122,795.76</b>  | <b>-4,517,250.22</b>                 | <b>13,092,915.86</b>        |
| • Cost   | 43,028,569.36               | 5,203,597.66        | -529,921.65       | 122,795.76         | 0.00                                 | 47,825,041.13               |
| • Accumulated depreciation                           | -30,516,489.55              | 0.00                | 529,921.65        | 0.00               | -4,517,250.22                        | -34,503,818.12              |
| • Value adjustments                                  | -220,583.67                 | -7,723.48           | 0.00              | 0.00               | 0.00                                 | -228,307.15                 |
| <b>2.4. Investments in leased or assigned assets</b> | <b>49,465.90</b>            | <b>23,579.17</b>    | <b>-15,087.42</b> | <b>0.00</b>        | <b>0.00</b>                          | <b>57,957.65</b>            |
| • Cost   | 126,717.58                  | 23,579.17           | 0.00              | 0.00               | 0.00                                 | 150,296.75                  |
| • Accumulated depreciation                           | -77,251.68                  | 0.00                | -15,087.42        | 0.00               | 0.00                                 | -92,339.10                  |
| • Value adjustments                                  | 0.00                        | 0.00                | 0.00              | 0.00               | 0.00                                 | 0.00                        |
| <b>2.5. Other intangible fixed assets</b>            | <b>597,640.85</b>           | <b>27,488.00</b>    | <b>0.00</b>       | <b>0.00</b>        | <b>-43,502.51</b>                    | <b>581,626.34</b>           |
| • Cost   | 46,761,360.08               | 27,488.00           | 0.00              | 0.00               | 0.00                                 | 46,699,270.00               |
| • Accumulated depreciation                           | -46,074,141.15              | 0.00                | 0.00              | 0.00               | -43,502.51                           | -46,117,643.66              |
| • Value adjustments                                  | 0.00                        | 0.00                | 0.00              | 0.00               | 0.00                                 | 0.00                        |
| <b>TOTAL</b>   | <b>13,719,260.75</b>        | <b>5,247,676.09</b> | <b>-15,102.04</b> | <b>122,795.76</b>  | <b>-4,727,408.03</b>                 | <b>14,347,222.53</b>        |



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

|                                      | <b>Amount</b>     |
|--------------------------------------|-------------------|
| Internet development                 | 1,620,800.60      |
| Re-engineering in municipal services | 41,925,824.71     |
| Other                                | 3,152,644.70      |
| Accumulated depreciation             | -46,117,643.67    |
| <b>TOTAL</b>                         | <b>581,626.34</b> |

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 73,206,807.38 euros.





**Note 17 – Financial assets**

The financial assets appear in the following table:

| Classes<br>Categorïes               | Long-term financial assets |                      |                     |                     |                       |                       | Short-term financial assets |                      |                  |                   |                      |                      | Total                 |                       |
|-------------------------------------|----------------------------|----------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------------|----------------------|------------------|-------------------|----------------------|----------------------|-----------------------|-----------------------|
|                                     | Capital investments        |                      | Debt securities     |                     | Other investments     |                       | Capital investments         |                      | Debt securities  |                   | Other investments    |                      |                       |                       |
|                                     | 2021                       | 2020                 | 2021                | 2020                | 2021                  | 2020                  | 2021                        | 2020                 | 2021             | 2020              | 2021                 | 2020                 |                       |                       |
| Credit and receivables              | 0.00                       | 0.00                 | 1,718,616.00        | 2,032,755.00        | 164,949,168.26        | 161,021,095.15        | 0.00                        | 0.00                 | 90,533.46        | 290,551.09        | 34,091,867.89        | 33,646,514.09        | 200,850,185.61        | 196,990,915.33        |
| Financial assets available for sale | 34,899,821.91              | 41,861,031.31        | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                        | 26,941,286.00        | 0.00             | 0.00              | 0.00                 | 0.00                 | 34,899,821.91         | 68,802,317.31         |
| <b>Total</b>                        | <b>34,899,821.91</b>       | <b>41,861,031.31</b> | <b>1,718,616.00</b> | <b>2,032,755.00</b> | <b>164,949,168.26</b> | <b>161,021,095.15</b> | <b>0.00</b>                 | <b>26,941,286.00</b> | <b>90,533.46</b> | <b>290,551.09</b> | <b>34,091,867.89</b> | <b>33,646,514.09</b> | <b>235,750,007.52</b> | <b>265,793,232.64</b> |

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      |
| <b>Long-term financial assets</b> | <b>84,381,764</b> | <b>17,755,092</b>   | <b>2,027,580</b>                                   | <b>100,109,276</b> |
| Capital investments               | 84,335,822        | 17,798,002  | 2,027,580  | 100,106,243        |
| Other investments                 | 45,942            | -42,910   | 0.00   | 3,032              |



**Financial assets available for selling:**

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

|   | 31 December 2021  |                      |
|---|-------------------|----------------------|
|   | %<br>Shareholding | Accounting<br>Value  |
| Ecoenergies Barcelona Sud, Zona Franca and Gran Via de l'Hospitalet, SA | 17.55%            | 1,387,050.00         |
| 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               |
| Other company shares  | -                 | 2,874,957.00         |
| Deposit for BSM portfolio management                                    | -                 | 34,899,821.91        |
|   |                   | <b>68,802,317.31</b> |



**Note 18 – Financial liabilities**

| Classes                  | Long-term                               |                      |                                |                       |                       |                       | Short-term                              |                   |                                 |                       |                       |                       | Total                   |                         |
|--------------------------|---|----------------------|--------------------------------|-----------------------|-----------------------|-----------------------|---|-------------------|---------------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
|                          | Debtors and other marketable securities |                      | Debts with credit institutions |                       | Other debts           |                       | Debtors and other marketable securities |                   | Payables to credit institutions |                       | Other payables        |                       |                         |                         |
|                          | 2021                                    | 2020                 | 2021                           | 2020                  | 2021                  | 2020                  | 2021                                    | 2020              | 2021                            | 2020                  | 2021                  | 2020                  | 2021                    | 2020                    |
| <b>Categories</b>        |   |                      |                                |                       |                       |                       |   |                   |                                 |                       |                       |                       |                         |                         |
| Debt at depreciated cost | 95,000,000.00                           | 95,000,000.00        | 872,944,708.51                 | 776,934,916.60        | 191,346,552.77        | 194,105,636.81        | 902,378.64                              | 902,378.64        | 94,795,232.89                   | 101,910,056.18        | 229,259,830.62        | 178,134,886.41        | 1,484,248,703.43        | 1,346,987,874.64        |
| <b>Total</b>             | <b>95,000,000.00</b>                    | <b>95,000,000.00</b> | <b>872,944,708.51</b>          | <b>776,934,916.60</b> | <b>191,346,552.77</b> | <b>194,105,636.81</b> | <b>902,378.64</b>                       | <b>902,378.64</b> | <b>94,795,232.89</b>            | <b>101,910,056.18</b> | <b>229,259,830.62</b> | <b>178,134,886.41</b> | <b>1,484,248,703.43</b> | <b>1,346,987,874.64</b> |

**Debts with to 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 31/12/2020 |                       | CREATIONS             |                 | ACCRUED INTEREST ACCORDING TO AER |             | REDUCTIONS             |                       | DEBT AS OF 31/12/2021 |  |  |
|--|-----------------------|-----------------------|-----------------------|-----------------|-----------------------------------|-------------|------------------------|-----------------------|-----------------------|--|--|
|  | DEPRECIATED COST (1)  | EXPLICIT INTEREST (2) | CASH (3)              | EXPENDITURE (4) | EXPLICIT COST (5)                 | REST (6)    | CANCELLED INTEREST (7) | ACCOUNTING VALUE (10) | RESULT (11)           | DEPRECIATED COST (12)=(1)+(3)-(4)+(6)+(8)-(10) | EXPLICIT INTEREST (13)=(2)+(5)-(7)+(9) |
| Loan €90 M (mt. 15/09/23)                          | 22,000,000.00         | 0.00                  | 0.00                  | 0.00            | 0.00                              | 0.00        | 0.00                   | 9,000,000.00          | 0.00                  | 13,000,000.00                                  | 0.00                                   |
| Loan €50 M Section €30 M (mt. 15/12/21)            | 30,000,000.00         | 33,373.33             | 0.00                  | 0.00            | 717,526.67                        | 0.00        | 750,900.00             | 30,000,000.00         | 0.00                  | 0.00   | 0.00                                   |
| Loan €50 M Section €20 M (mt. 15/12/22)            | 20,000,000.00         | 11,004.44             | 0.00                  | 0.00            | 247,600.00                        | 0.00        | 247,600.00             | 0.00                  | 0.00                  | 20,000,000.00                                  | 11,004.44                              |
| Loan €240 M (mt. 19/03/22)                         | 48,000,000.00         | 7,956.00              | 0.00                  | 0.00            | 134,347.99                        | 0.00        | 138,741.99             | 24,000,000.00         | 0.00                  | 24,000,000.00                                  | 3,562.00                               |
| Loan €50 M (mt. 20/12/32)                          | 40,000,000.01         | 36,776.67             | 0.00                  | 0.00            | 1,200,535.27                      | 0.00        | 1,303,900.00           | 3,333,333.33          | 0.00                  | 36,666,666.68                                  | 33,711.94                              |
| Loan €200 M Section €160 M (mt. 21/12/30)          | 160,000,000.00        | 65,244.44             | 0.00                  | 0.00            | 2,342,275.56                      | 0.00        | 2,348,800.00           | 16,000,000.00         | 0.00                  | 144,000,000.00                                 | 58,720.00                              |
| 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         | 1,024.92              | 0.00                  | 0.00            | 372,520.46                        | 0.00        | 372,587.84             | 0.00                  | 0.00                  | 73,500,000.00                                  | 957.54                                 |
| Loan €70 M (mt.31/12/29)                           | 70,000,000.00         | 976.11                | 0.00                  | 0.00            | 354,781.39                        | 0.00        | 354,845.56             | 0.00                  | 0.00                  | 70,000,000.00                                  | 911.94                                 |
| Loan €10 M (mt. 19/12/26)                          | 7,500,000.00          | 227.05                | 0.00                  | 0.00            | 6,165.76                          | 0.00        | 6,375.00               | 1,250,000.00          | 0.00                  | 6,250,000.00                                   | 17.81                                  |
| Loan €2.5 M (mt.22/12/26)                          | 1,875,000.00          | 123.28                | 0.00                  | 0.00            | 4,506.21                          | 0.00        | 4,546.68               | 312,500.00            | 0.00                  | 1,562,500.00                                   | 82.81                                  |
| Loan €15 M (mt.18/12/2027)                         | 11,666,666.68         | 3,286.11              | 0.00                  | 0.00            | 87,280.56                         | 0.00        | 87,750.00              | 1,666,666.66          | 0.00                  | 10,000,000.02                                  | 2,816.67                               |
| Loan €28.625 M (mt. 18/12/27)                      | 22,263,888.88         | 451.46                | 0.00                  | 0.00            | 155,835.08                        | 0.00        | 155,899.57             | 3,180,555.56          | 0.00                  | 19,083,333.32                                  | 386.97                                 |
| Loan €7.5 M (mt. 20/12/32)                         | 6,923,076.96          | 0.00                  | 0.00                  | 0.00            | 0.00                              | 0.00        | 0.00                   | 576,923.04            | 0.00                  | 6,346,153.88                                   | 0.00                                   |
| Schuldschein €60 M (mt. 21/09/29)                  | 60,000,000.00         | 880,273.98            | 0.00                  | 0.00            | 3,150,000.00                      | 0.00        | 3,150,000.00           | 0.00                  | 0.00                  | 60,000,000.00                                  | 880,273.98                             |
| Bond issue – Sustainable bonds €35 M (mt.20/12/27) | 35,000,000.00         | 22,104.66             | 0.00                  | 0.00            | 672,350.00                        | 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            | 582,625.00                        | 0.00        | 585,000.00             | 3846,153.85           | 0.00                  | 46,153,846.15                                  | 28,500.00                              |
| Loan €100 M Section €50 M (mt. 29/06/35)           | 50,000,000.00         | 805.56                | 0.00                  | 0.00            | 145,000.00                        | 0.00        | 145,000.00             | 0.00                  | 0.00                  | 50,000,000.00                                  | 805.56                                 |
| Loan €95 M SECTION €45 M (mt. 29/10/40)            | 45,000,000.00         | 0.00                  | 0.00                  | 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)                            | 6,000,000.00          | 382.50                | 0.00                  | 0.00            | 7,879.58                          | 0.00        | 8,100.00               | 0.00                  | 0.00                  | 6,000,000.00                                   | 162.08                                 |
| Loan €35 M (mt.17/12/30)                           | 35,000,000.00         | 0.00                  | 35,000,000.00         | 0.00            | 0.00                              | 0.00        | 0.00                   | 0.00                  | 0.00                  | 35,000,000.00                                  | 0.00                                   |
| Loan €25 M (mt. 17/12/28)                          | 25,000,000.00         | 0.00                  | 25,000,000.00         | 0.00            | 13,194.44                         | 0.00        | 12,798.61              | 0.00                  | 0.00                  | 25,000,000.00                                  | 395.83                                 |
| Loan €95 M TRAM €50 M (mt. 19/12/31)               | 50,000,000.00         | 0.00                  | 50,000,000.00         | 0.00            | 5,897.22                          | 0.00        | 0.00                   | 0.00                  | 0.00                  | 50,000,000.01                                  | 5,897.22                               |
| <b>TOTAL</b>                                       | <b>799,728,632.53</b> | <b>1,117,072.18</b>   | <b>110,000,000.00</b> | <b>0.00</b>     | <b>10,699,521.19</b>              | <b>0.00</b> | <b>10,744,095.25</b>   | <b>93,166,132.48</b>  | <b>0.00</b>           | <b>816,562,500.05</b>                          | <b>1,072,498.12</b>                    |



Barcelona City Council maintains current accounting hedges for a total amount of 60,000 thousand euros as of 31 December 2021. 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 defined by the ICAL are met, the interest rate hedging instruments that the Barcelona City Council maintains in force on 31 December 2021 are valued with the same criterion as the covered item, which is that of value at amortised cost.

The City Council does not maintain financial liabilities at fair value on the balance sheet, nor has it recorded operations during the financial year that should have been recorded at fair value

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          |
| <b>TOTAL</b>                                    | <b>165,372,416.55</b>          | <b>8,529,230.16</b> | <b>173,901,646.71</b> |

The details of the other debts held by the City Council at the end of the financial year valued at amortised cost are as follows:

| CONCEPT  | DEBT 31/12/2020       | CREATIONS             | REDUCTIONS            | DEBT 31/12/2021       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Long-term debt with the Spanish Central Government   | 156,089,394.84        | 0.00                  | 15,608,939.76         | 140,480,455.08        |
| Long-term deposits and guarantees                    | 36,766,202.85         | 4,873,012.03          | 2,027,406.16          | 39,611,808.72         |
| Short-term debts with the Spanish Central Government | 15,608,940.14         | 15,608,939.76         | 15,608,939.76         | 15,608,940.14         |
| Short-term guarantees and deposits                   | 30,135,127.00         | 11,295,579.46         | 4,144,806.84          | 37,285,899.62         |
| Other budgetary liabilities                          | 50,461,650.01         | 271,783,202.36        | 235,885,364.53        | 86,359,487.84         |
| Urban development fees                               | 69,260,026.41         | 4,499,578.28          | 147,417.66            | 73,612,187.03         |
| Short-term accounts payable                          | 13,800,528.54         | 3,720,300.51          | 143,545.03            | 17,377,284.02         |
| Other  | 118,653.43            | 10,151,667.51         | 0.00                  | 10,270,320.94         |
| <b>TOTAL</b>   | <b>372,240,523.22</b> | <b>321,932,279.91</b> | <b>273,566,419.74</b> | <b>420,606,383.39</b> |



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 2022 financial year is entered in the accounts under the "Other short-term debts" caption.

On 29 July 2021, the final settlement corresponding to the 2019 financial year was received with a net balance in favour of the City Council of 29,534,966.63 euros.

| <b>Share in Spanish Central Government Taxes</b> |                       |
|--|-----------------------|
| Final settlement 2008 (long-term)                | 27,716,231.26         |
| Final settlement 2009 (long-term)                | 112,764,223.82        |
| 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                  |
| <b>TOTAL</b>                                     | <b>156,089,395.22</b> |



**Note 19 – Net equity**

| Net equity   | Initial Balance          | Increases             | Transfers       | Reductions             | Final Balance            |
|--|--------------------------|-----------------------|-----------------|------------------------|--------------------------|
| I. Equity contributed  | 7,855,222,920.31         | 6,430,976.26          | 0.00            | 0.00                   | 7,861,653,896.57         |
| II. Equity created   | 4,460,747,011.65         | 207,306,633.12        | 0.00            | -85,515,005.63         | 4,582,538,639.14         |
| 1. Reservations  | 969,804,418.30           | 0.00                  | 0.00            | -103,191,310.90        | 866,613,107.40           |
| Parent entity's reserves   | 0.00                     | 0.00                  | 0.00            | 0.00                   | 0.00                     |
| Reserves in consolidated entities  | 472,860,093.29           | 0.00                  | 0.00            | -91,735,001.86         | 381,125,091.43           |
| Reserves in entities under the equity method                                     | 496,944,325.01           | 0.00                  | 0.00            | -11,456,309.04         | 485,488,015.97           |
| 2. Profit (loss) brought forward   | 3,335,259,574.72         | 0.00                  | 155,683,018.63  | 17,676,305.27          | 3,508,618,898.62         |
| 3. Financial year's results allocated to parent entity                           | 155,683,018.63           | 207,306,633.12        | -155,683,018.63 | 0.00                   | 207,306,633.12           |
| III. Adjustments for changes in value  | 23,145,346.00            | 0.00                  | 0.00            | -23,698,400.00         | -553,054.00              |
| IV. Other increases in equity pending recognition in the profit and loss account | 872,250,686.59           | 62,534,254.42         | 0.00            | -26,737,259.77         | 908,047,681.24           |
| V. External shareholders   | 872,250,686.59           | 0.00                  | 0.00            | 5,183,769.00           | 86,598,042.00            |
| <b>TOTAL</b>   | <b>13,292,780,237.55</b> | <b>276,271,863.80</b> | <b>0.00</b>     | <b>-117,993,996.61</b> | <b>13,438,285,204.95</b> |

**Note 20 – Provisions and contingencies**
**20.1 Provisions**

| Caption                             | Balance as at 31.12.20 |                      | (+/-) Increases      |                      | (+/-) Transfers |               | (-) Decreases         |                       | Balance as at 31.12.21 |                      |
|-------------------------------------|------------------------|----------------------|----------------------|----------------------|-----------------|---------------|-----------------------|-----------------------|------------------------|----------------------|
|                                     | Long-term              | Short-term           | Long-term            | Short-term           | Long-term       | Short-term    | Long-term             | Short-term            | Long-term              | Short-term           |
| Different contingencies             | 25,592,491.78          | 16,014,799.21        | 17,113,458.36        | 3,981,268.63         | 0.00            | 3,667,225.39  | -16,576,513.90        | -9,293,425.82         | 26,129,436.24          | 18,037,092.80        |
| Provision for consortium            | 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)             | 5,500,000.00           | 6,000,000.00         | 6,960,000.00         | 12,650,000.00        | 0.00            | -215,000.00   | 0.00                  | 0.00                  | 18,435,000.00          | 0.00                 |
| Provision for taxes                 | 5,115,737.40           | 0.00                 | 0.00                 | 5,115,737.30         | 0.00            | 215,000.00    | -5,115,737.30         | 0.00                  | 12,460,000.00          | 345,165.56           |
| Extra salary payment 2012           | 509,549.16             | 0.00                 | 153,577.68           | 0.00                 | 0.00            | 114,103.09    | -220,163.94           | 0.00                  | 442,962.90             | 114,103.09           |
| 208/2012                            | 936,443.59             | 0.00                 | 0.00                 | 320,967.32           | 0.00            | 114,103.09    | -254,388.04           | 0.00                  | 682,055.55             | 206,863.42           |
| Provision for environmental actions | 1,822,559.00           | 301,300.00           | -369,530.00          | 1,387,009.98         | 0.00            | 0.81          | 0.00                  | -68,102.85            | 1,453,029.00           | 1,620,207.94         |
| Provision for staff remunerations   | 0.00                   | 221,673.10           | 0.00                 | 0.00                 | 0.00            | 0.00          | 0.00                  | -221,673.10           | 0.00                   | 0.00                 |
| Provisions for upkeep and repair    | 15,000.00              | 437,348.39           | 618,880.89           | 556,398.71           | 0.00            | -3,667,225.39 | 0.00                  | -455,685.14           | 633,880.89             | -6,796,388.82        |
| Other provisions                    |                        |                      |                      |                      |                 |               |                       |                       |                        |                      |
| <b>TOTAL</b>                        | <b>39,491,780.93</b>   | <b>22,975,120.70</b> | <b>24,476,386.93</b> | <b>24,011,381.94</b> | <b>0.00</b>     | <b>0.00</b>   | <b>-22,166,803.18</b> | <b>-15,024,458.65</b> | <b>41,801,364.68</b>   | <b>31,962,043.99</b> |

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:

- cases that the City Council has open in the courts and tribunals, and of which the legal services have qualified as probable with an assessment of responsibility. The increase for an amount of 17.68 million euros basically corresponds to six registrations this year, the most relevant being a claim of 5.1 million in the form of IAE Liquidation, condominium cancellation request of 4.5 million and liquidation fees for use of soil, subsoil and rubble for 2.1 million.

As for the decreases (12.7 million euros), they basically correspond to litigations that have ended the procedure due to the withdrawal of the plaintiff, and others that have changed their amount.





- The lawsuits before the social courts held by the municipal company Informació i Comunicació de Barcelona, SA. This fact entails, at the discretion of the auditors, a process of control, monitoring and evaluation of the demands presented involves the exercise of judgements by the management and the administrators with the aim of estimating their evolution, and the probability of that being resolved against the interests of the company and its economic impact
- The amount of other provisionals in the consolidated accounts of BSM corresponding mainly to the provision registered by the company Mercado de Abastacimientos de Barcelona S for Social contingencies that may arise due to the closure of the slaughterhouse.

Resolved cases correspond to legal proceedings that have received final judgements and others that have changed their occurrence classification, and are now not probable. In relation to Barcelona City Council regarding the reductions (12.7 million euros), they basically correspond to litigations that have ended the procedure due to the withdrawal of the plaintiff, and others that have modified their amount.

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.

The Constitutional Court, on 26 October 2021, issued a judgement declaring the unconstitutionality and nullity of articles 107.1 paragraph 2, 107.2.a) and 107.4 of the TRLHL.

On 10 November 2021, RD Law 26/2021 entered into force, which restores the system for calculating the taxable base, as well as expressly regulating the subjection to the IIVTNU on the basis of transmissions in which the non-existence of increase in value is authorised.

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 (2022/2023). Based on the above, it was considered probable that the City Council would have to spend resources in the following cases:

- Forecast 2022 (administrative route / contentious route) 18,650,000,-
- Forecast 2023 (administrative route / contentious route) 12,460,000,-



## 20.2. Contingent liabilities

### Barcelona City Council

We will break it down into two concepts:

a) Contingent liabilities related to various contingencies.

The City Council has an open litigation that probably generates 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.

Likewise, there are also seven contentious matters pending in the courts and tribunals that qualify as possible risk. The sum of the amount of the matters in which it has been possible to reliably estimate the amount comes to a total of 81,711 thousand euros. Among these, it is necessary to highlight three matters that correspond to a claim of 55,150 thousand euros in terms of liquidation of a concession contract; another for the amount of 17,103 thousand euros due to an order to cease the activity carried out by a company when carrying out an activity other than the authorised one and the third matter, for 6,672 thousand euros, which has its origin in a claim for damages for cessation of residential activity.

a) Contingent liabilities related to the IIVNTU provision.

Likewise, provisions have not been made for those claims in which a possible risk of occurrence against the municipal interests has been estimated, in this case the estimated resolutions of the requests and appeals for decrease in value as well as all those situations in which there is an increase in value without the possibility of recalculating the tax quota paid in accordance with RD 26/2021, which would represent an amount of 29,900 thousand euros.

### Women's

#### Municipal Institute of Parks and Gardens

The existing balances as of 31 December 2021 are primarily intended to cover the probable contingencies of sanctions for possible violations considered probable and for the return of penalties imposed by the Institute for violations of beach licences and that have been appealed by the awardees

There is a provision for environmental actions motivated by the need to proceed with the recovery of the subsoil of the building at Passegi Taulat 223-225 and its surroundings as a result of overdrainage.

Other provisions of the entity are motivated by other possible claims of a labour nature



Barcelona Institute of Culture

The entity's provisions derive mainly from labour claims and tax contingencies derived from collaboration agreements

Municipal Institute of Urban Planning

The entity's provisions derive mainly from labour claims

Information and Communication Barcelona

The entity's provisions derive mainly from labour claims

Barcelona Activa

Provisions to cover probable contingencies associated with personnel demands.

**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 AT 31 DECEMBER |
|---------------------|---|--|--|-----------------------|-------------|-----------------------|--|
| Chapter 1           | Staff expenses                            | 352,080.60                                 | 2,554.15                                       | 349,526.45            | 0.00        | 349,526.45            | 0.00   |
| Chapter 2           | Expenditure on current goods and services | 189,944,050.52                             | 21,056.42                                      | 189,922,994.10        | 0.00        | 189,778,055.75        | 144,938.35                                   |
| Chapter 3           | Financial expenditure                     | 1,360,267.66                               | 0.00   | 1,360,267.66          | 0.00        | 1,360,267.66          | 0.00   |
| Chapter 4           | Current transfers                         | 307,048,871.16                             | 601,434.87                                     | 306,428,750.57        | 0.00        | 297,101,790.24        | 9,326,959.73                                 |
| Chapter 5           | Contingency funds                         | 0.00                                       | 0.00   | 0.00                  | 0.00        | 0.00                  | 0.00   |
| Chapter 6           | Property investments                      | 189,786,766.05                             | 0.00   | 189,786,766.05        | 0.00        | 162,909,307.53        | 26,877,458.52                                |
| Chapter 7           | Capital transfers                         | 96,062,428.84                              | 13,107,098.92                                  | 82,955,329.92         | 0.00        | 60,171,592.80         | 22,783,737.12                                |
| Chapter 8           | Financial assets                          | 0.00                                       | 0.00   | 0.00                  | 0.00        | 0.00                  | 0.00   |
| Chapter 9           | Financial liabilities                     | 83,084.43                                  | 0.00   | 83,084.43             | 0.00        | 73,686.69             | 9,397.74                                     |
| <b>TOTAL</b>        |   | <b>784,637,549.26</b>                      | <b>13,732,144.36</b>                           | <b>770,886,719.18</b> | <b>0.00</b> | <b>711,744,227.12</b> | <b>59,142,491.46</b>                         |

Consolidated annual accounts for the 2021 financial year

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

Aggregated data

| FINANCIAL STRUCTURE | DESCRIPTION                               | EXPENDITURE COMMITMENTS ACQUIRED AND CHARGED TO THE FINANCIAL YEAR |                       |                       |                       |            |                            |      |
|---------------------|---|--|-----------------------|-----------------------|-----------------------|------------|----------------------------|------|
|                     |   | 2021 FINANCIAL YEAR  | 2022 FINANCIAL YEAR   | 2023 FINANCIAL YEAR   | 2024 FINANCIAL YEAR   | COLLECTION | SUCCESSIVE FINANCIAL YEARS |      |
| Chapter 1           | Staff expenses                            | 578,030.28   | 0.00                  | 0.00                  | 0.00                  | 0.00       | 0.00                       | 0.00 |
| Chapter 2           | Expenditure on current goods and services | 795,978,520.95   | 500,051,495.35        | 382,467,926.75        | 334,924,271.97        |            | 1,389,983,046.44           |      |
| Chapter 4           | Current transfers                         | 61,059,233.34  | 33,622,011.45         | 23,582,969.94         | 645,734.27            |            | 425,137.36                 |      |
| Chapter 6           | Property income                           | 28,541,501.33  | 7,454,661.85          | 3,342,012.20          | 0.00                  |            | 0.00                       |      |
| Chapter 7           | Capital transfers                         | 12,091,003.09  | 8,438,236.09          | 7,638,236.09          | 7,638,236.09          |            | 0.00                       |      |
| Chapter 8           | Financial assets                          | 14,709,089.95  | 24,306,859.58         | 23,181,816.58         | 0.00                  |            | 0.00                       |      |
| <b>TOTAL</b>        |   | <b>912,957,378.94</b>  | <b>573,873,264.32</b> | <b>440,212,961.56</b> | <b>343,208,242.33</b> |            | <b>1,390,408,183.80</b>    |      |

### 21.3) Entitlements pending collection from closed budgets

Aggregated data

| FINANCIAL STRUCTURE | DESCRIPTION                  | ENTITLEMENTS PENDING COLLECTION AS AT 1 JANUARY | CHANGE TO INITIAL BALANCE | REVOKED COLLECTION RIGHTS | CANCELLED COLLECTION RIGHTS | COLLECTION            | ENTITLEMENTS PENDING AS AT 31 DECEMBER |
|---------------------|------------------------------|---|---------------------------|---------------------------|-----------------------------|-----------------------|--|
|                     |                              |   |                           |                           |                             |                       |  |
| Chapter 2           | Indirect taxes               | 8,948,714.72                                    | 1,161,966.68              | 1,425,426.18              | 50,348.12                   | 3,048,038.11          | 5,586,868.99                           |
| Chapter 3           | Charges and other revenue    | 499,508,360.16                                  | 3,366,967.72              | 33,956,099.63             | 7,353,308.27                | 71,653,747.92         | 389,912,172.06                         |
| Chapter 4           | Current transfers            | 143,081,421.27                                  | -13,123.97                | 2,200,000.00              | 0.00                        | 138,383,437.86        | 2,484,859.44                           |
| Chapter 5           | Equity revenue               | 36,470,221.40                                   | -18,615.67                | 13,343,925.48             | 29,474.31                   | 14,757,107.51         | 8,321,098.43                           |
| Chapter 6           | Sale of property investments | 27,712,560.11                                   | 0.00                      | 0.00                      | 0.00                        | 22,134,679.66         | 5,577,880.45                           |
| Chapter 7           | Capital transfers            | 1,001,640.98                                    | 0.00                      | 0.00                      | 0.00                        | 913,920.30            | 187,720.68                             |
| <b>TOTAL</b>        |                              | <b>1,007,791,542.66</b>                         | <b>13,614,190.80</b>      | <b>86,642,914.80</b>      | <b>10,270,644.06</b>        | <b>286,154,212.91</b> | <b>638,437,961.69</b>                  |



**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.   | 321,319,855.05       | 314,187,593.45       | 7,132,261.60         |
| 2. Variation in inventories of finished products and products in the process of being manufactured. | - 10000.00           | - 33096.61           | 23,096.61            |
| 3. Tasks performed by the company for its assets.   | -                    | -                    | -                    |
| 4. Supplies.  | - 87402783.90        | - 102505593.76       | 15,102,809.86        |
| a) Consumption of goods.  | - 25602277.54        | - 39617102.77        | 14,014,825.23        |
| b) Consumption of raw materials and other consumables.  | - 5248643.43         | - 8380207.81         | 3,131,564.38         |
| c) Work performed for other companies.  | - 56551862.93        | - 54508283.18        | - 2043579.75         |
| d) Impairment loss in goods, raw materials and other supplies.                                      | -                    | -                    | -                    |
| 5. Other operating income.  | 330,122,771.01       | 351,913,980.83       | - 21791209.82        |
| a) Accessory income and other current management revenue.   | 159,021,885.31       | 32,474,284.11        | 126,547,601.20       |
| b) Operational subsidies incorporated into the financial year's results.                            | 171,100,885.70       | 319,439,696.72       | - 148338811.02       |
| 6. Staff expenditure.   | - 235833875.04       | - 244322772.37       | 8,488,897.33         |
| a) Wages, salaries and similar expenses   | - 183804846.10       | - 180598655.35       | - 3206190.75         |
| b) Social security contributions.   | - 51243055.01        | - 62762086.16        | 11,519,031.15        |
| c) Provisions.  | - 785973.93          | - 962030.86          | 176,056.93           |
| 7. Other operational expenses.  | - 213159175.77       | - 213411092.76       | 251,916.99           |
| a) External services.   | - 186357849.56       | - 187526056.34       | 1,168,206.78         |
| b) Taxes.   | - 7591882.82         | - 6043081.76         | - 1548801.06         |
| c) Losses, impairment and variation provisions for commercial transactions.                         | - 2039634.30         | - 1159540.57         | - 880093.73          |
| d) Other current management expenses.   | - 17169809.09        | - 18682414.09        | 1,512,605.00         |
| 8. Fixed-asset depreciation.  | - 46436319.39        | - 40749402.41        | - 5686916.98         |
| a) Intangible fixed-asset depreciation.   | - 4165413.86         | - 4502684.10         | 337,270.24           |
| b) Fixed-asset depreciation.  | - 42270905.53        | - 36238274.34        | - 6032631.19         |
| c) Property investment depreciation.  | -                    | - 8444.07            | 8,444.07             |
| 9. Allocation of non-financial fixed-asset subsidies.   | 5,401,333.74         | 5,375,422.16         | 25,911.58            |
| 10. Provision surpluses.  | -                    | 618,780.33           | - 618780.33          |
| 11. Impairment and results for the alienation of fixed assets.                                      | - 426500.00          | - 275181.21          | - 151318.79          |
| a) Impairment and losses.   | - 426500.00          | - 273971.08          | - 152528.92          |
| Intangible fixed assets   | - 199500.00          | -                    | - 199500.00          |
| Tangible fixed assets   | - 227000.00          | - 273971.08          | 46,971.08            |
| Financial investments   | -                    | -                    | -                    |
| b) Results for alienation and other things.   | -                    | - 1210.13            | 1,210.13             |
| Intangible fixed assets   | -                    | - 14.62              | 14.62                |
| Tangible fixed assets   | -                    | - 1195.51            | 1,195.51             |
| 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   | - 66309653.85        | - 75313872.98        | 9,004,219.13         |
| - to the local administrative public sector   | - 45336611.00        | - 53042910.81        | 7,706,299.81         |
| - to the local corporate or foundation public sector  | - 11642239.85        | - 14127724.65        | 2,485,484.80         |
| - to others   | - 9330803.00         | - 8143237.52         | - 1187565.48         |
| 13. Other results   | - 882783.82          | - 980267.48          | 97,483.66            |
| Exceptional expenditure   | - 905487.00          | - 1772592.31         | 867,105.31           |
| Exceptional income  | 22,703.18            | 792,324.83           | - 769621.65          |
| <b>A1) OPERATIONAL RESULTS (1+2+3+4+5+6+7+8+9+10+11+12+12a+13)</b>                                  | <b>72,692,521.88</b> | <b>- 5495502.81</b>  | <b>78,188,024.69</b> |
| 14. Financial income.   | 2,187,047.76         | 3,198,551.65         | - 1011503.89         |
| a) From holdings in equity instruments.   | 1,003,000.00         | 542,762.00           | 460,238.00           |
| b) From negotiable securities and other financial instruments.                                      | 1,184,047.76         | 2,655,789.65         | - 1471741.89         |
| c) Allocation of financial subsidies, donations and financial legacies.                             | -                    | -                    | -                    |
| 15. Financial expenditure.  | - 5894050.14         | - 3471169.29         | - 2422880.85         |
| a) For debts with the group and associate companies.  | - 160217.00          | -                    | - 160217.00          |
| b) For debts with third parties.  | - 5688833.14         | - 3471169.29         | - 2217663.85         |
| c) For updating provisions.   | - 45000.00           | -                    | - 45000.00           |
| 16. Variation in fair value in financial instruments.   | -                    | 27,144,031.73        | - 27144031.73        |
| 17. Exchange differences.   | - 160.00             | - 68.88              | - 91.12              |
| 18. Impairment and result for alienation of financial instruments.                                  | -                    | - 348687.72          | 348,687.72           |
| 19. Other financial income and expenditure  | - 850.71             | 605,668.17           | - 606518.88          |
| <b>A.2) FINANCIAL RESULTS (14+15+16+17+18+19).</b>  | <b>- 3707162.38</b>  | <b>27,128,325.66</b> | <b>- 30835488.04</b> |
| A.3) RESULT BEFORE TAXES (A.1+A.2)  | 68,985,359.50        | 21,632,822.85        | 47,352,536.65        |
| 20. Income tax.   | - 266174.53          | - 5818560.97         | 5,552,386.44         |
| <b>A.4) RESULTS OF THE FINANCIAL YEAR FROM ONGOING OPERATIONS (A.3+20)</b>                          | <b>68,719,184.97</b> | <b>15,814,261.88</b> | <b>52,904,923.09</b> |
| B) DISCONTINUED TRANSACTIONS  | -                    | -                    | -                    |
| 21. Results from financial year arising from discontinued transactions net of taxes                 | -                    | -                    | -                    |
| <b>A.5) RESULTS OF THE FINANCIAL YEAR (A.4+21)</b>  | <b>68,719,184.97</b> | <b>15,814,261.88</b> | <b>52,904,923.09</b> |



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

|   | Budget                 | Amount realised        | Absolute variance     |
|---|------------------------|------------------------|-----------------------|
| <b>I. CASH FLOWS FROM MANAGEMENT ACTIVITIES (Per PBE and PLC)</b>           |                        |                        |                       |
| <b>Financial year pre-tax results</b>                                       | 1,997,779.33           | 20,102,850.00          | - 18105070.67         |
| Adjustments to the results  | 28,651,398.93          | 6,999,714.08           | 21,651,684.85         |
| Fixed-asset depreciation  | 45,100,206.16          | 40,894,249.26          | 4,205,956.90          |
| Valuation corrections for impairment  | - 56500.00             | -                      | - 56500.00            |
| Variations in provision   | - 1701138.83           | 924,706.08             | - 2625844.91          |
| Allocation of subsidies   | - 10295961.60          | - 8766128.47           | - 1529833.13          |
| Results for write-offs and disposal of fixed assets                         | 66,455.22              | 258,726.36             | - 192271.14           |
| Results for write-offs and disposal of financial instruments                | -                      | - 27144032.00          | 27,144,032.00         |
| Financial income  | - 2268867.26           | - 3198550.57           | 929,683.31            |
| Financial expenditure   | 5,647,523.47           | 3,245,111.76           | 2,402,411.71          |
| Exchange differences  | - 150.00               | 25.99                  | - 175.99              |
| Valuation corrections for impairment  | -                      | 305,778.00             | - 305778.00           |
| Other income and expenses   | - 7840168.22           | 94,989.67              | - 7935157.89          |
| Share in profits (losses) of entities under the equity method               | -                      | 384,838.00             | - 384838.00           |
| Changes in the current capital  | - 24799683.01          | - 26188751.48          | 1,389,068.47          |
| Inventories   | - 19215323.40          | - 13751470.67          | - 5463852.73          |
| Receivables and other accounts receivable                                   | 5,219,946.77           | 16,333,735.01          | - 11113788.24         |
| Other current assets  | 5,780,462.68           | 1,776,470.94           | 4,003,991.74          |
| Short term creditors and other accounts payable                             | 15,200,090.23          | 28,322,668.93          | - 13122578.70         |
| Other fixed assets and liabilities  | 596,002.20             | 7,019,305.14           | - 6423302.94          |
| Other current liabilities   | - 32380861.49          | - 65889460.83          | 33,508,599.34         |
| Other cash flows from operational activities                                | 2,165,477.61           | - 2448070.12           | 4,613,547.73          |
| Interest payments   | - 5833564.35           | - 3146143.40           | - 2687420.95          |
| Interest collections  | 1,245,356.00           | 2,655,777.31           | - 1410421.31          |
| Income tax payment (collection)   | - 693834.54            | - 2500466.03           | 1,806,631.49          |
| Dividend collections  | 1,003,000.00           | 542,762.00             | 460,238.00            |
| Other payments  | 6,444,520.50           | -                      | 6,444,520.50          |
| <b>Cash flows from operational activities</b>                               | <b>8,014,972.86</b>    | <b>-1,534,257.52</b>   | <b>9,549,230.38</b>   |
| <b>II. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>                            |                        |                        |                       |
| C) Receipts:  | 20,590,209.19          | 41,782,916.37          | - 21192707.18         |
| 1. Sale of property investments   | - 1169573.37           | 40,721.00              | - 1210294.37          |
| 2. Sale of financial assets   | -                      | 992,969.88             | - 992969.88           |
| 3. Other receipts from investment activities                                | 21,759,782.56          | 40,692,423.38          | - 18932640.82         |
| D) Payments:  | - 172584513.95         | - 180090682.29         | 7,506,168.34          |
| 4. Purchase of property investments   | - 155635243.23         | - 173180582.16         | 17,545,338.93         |
| 5. Purchase of financial assets   | -                      | - 6823867.28           | 6,823,867.28          |
| 6. Other payments from investment activities                                | - 16949270.72          | - 86232.85             | - 16863037.87         |
| <b>Net cash flows through investment activities</b>                         | <b>-151,994,304.76</b> | <b>-138,307,765.92</b> | <b>-13,686,538.84</b> |
| <b>III. CASH FLOWS FROM FUNDING ACTIVITIES</b>                              |                        |                        |                       |
| E) Receivables to the owner entity or entities                              | 10,182,811.11          | 34,262,534.98          | - 24079723.87         |
| 1. Sale of external members' shareholdings                                  | -                      | -                      | -                     |
| 2. Other receivables to owner entity or entities                            | 10,182,811.11          | 34,223,582.52          | - 24040771.41         |
| F) Payments to the owner entity or entities                                 | -                      | - 877426.00            | 877,426.00            |
| 3. Acquisition of external members' shareholdings                           | -                      | -                      | -                     |
| 4. Other payments to owner entity or entities                               | -                      | - 877426.00            | 877,426.00            |
| G) Receipts for issuing financial liabilities:                              | 112,230,229.22         | 71,631,536.21          | 40,598,693.01         |
| 5. Debentures and other marketable securities                               | -                      | -                      | -                     |
| 6. Loans received   | 79,599,894.84          | 81,781,991.79          | - 2182096.95          |
| 7. Other debts  | 32,630,334.38          | - 10150455.58          | 42,780,789.96         |
| H) Payments for financial liability redemptions                             | - 29738842.89          | 20,718,804.65          | - 50457647.54         |
| 8. Debentures and other marketable securities                               | -                      | -                      | -                     |
| 9. Loans received   | - 8170656.74           | - 9676316.63           | 1,505,659.89          |
| 10. Other debts   | - 21568186.15          | 30,395,121.28          | - 51963307.43         |
| <b>Net cash flows through management activities</b>                         | <b>92,674,197.44</b>   | <b>125,735,449.84</b>  | <b>-33,061,252.40</b> |
| <b>IV. CASH FLOWS PENDING CLASSIFICATION</b>                                |                        |                        |                       |
| I) Receipts pending   | -                      | -                      | -                     |
| J) Payments pending   | -                      | -                      | -                     |
| <b>Net cash flows pending classification</b>                                | <b>0.00</b>            | <b>0.00</b>            | <b>0.00</b>           |
| <b>V. EFFECT OF VARIATIONS IN EXCHANGE RATES</b>                            |                        |                        |                       |
|   | -                      | 0.01                   | - 0.01                |
| <b>VI. NET INCREASE/REDUCTION IN CASH AND CASH-EQUIVALENT LIQUID ASSETS</b> | <b>-51,305,134.46</b>  | <b>-14,106,573.59</b>  | <b>-37,198,560.87</b> |
| Cash and cash equivalent liquid assets at the start of the financial year   | 139,083,120.08         | 148,921,976.61         | - 9838856.53          |
| Cash and cash-equivalent liquid assets at the end of the financial year     | 87,777,985.62          | 134,815,403.02         | - 47037417.40         |



**Note 22 – Other information affecting the consolidated annual accounts**

**a) Accrued liabilities expenditure**

The movement of the long term accrual adjustments heading in the 2021 was as follows:

|   |                       |
|---|-----------------------|
| <b>Balance as at 31 December 2020</b>       | <b>407,716,928.98</b> |
| Financial year's added entries              | 0.00                  |
| Updating                                    | 30,875.36             |
| Short-term transfers to accrued expenditure | -21,537,660.92        |
| Allocation to results                       | -174,269.70           |
| Other reductions                            | -348,638.65           |
| <b>Balance as of 31 December 2021</b>       | <b>385,687,235.07</b> |

By nature, 383,805 thousand euros correspond to income advanced for the right to use property owned by the municipality and 1,882 thousand euros to income from the provision of various 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 2021 financial year presents the following variations:

|  |                       |
|--|-----------------------|
| <b>Balance as of 31 December 2020</b>      | <b>141,605,173.67</b> |
| Financial year's added entries             | 56,854,206.51         |
| Updating                                   | 0.00                  |
| Long-term transfers to accrued expenditure | 3,039,674.88          |
| Allocation to results                      | -26,308,953.75        |
| Reductions in awards and other items       | -5,016,420.54         |
| Other reductions                           | -58,325,312.64        |
| <b>Balance as of 31 December 2021</b>      | <b>111,848,368.13</b> |





**b) 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 2021 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.

**c) 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.

**d) Guarantees**

On 31 December 2021, guarantees granted by the group to cover credit operations amount to €383,537.14

**Note 23 – Financial and equity indicators**

- Immediate liquidity:

$$\frac{\text{Liquid funds}}{\text{Current liabilities}} = 0.76$$

- Short-term liquidity:

$$\frac{\text{Liquid funds} + \text{Entitlements pending collections}}{\text{Current liabilities}} = 1.12$$

- General liquidity:

$$\frac{\text{Current assets}}{\text{Current liabilities}} = 1.23$$

- Debt per resident:

$$\frac{\text{Liabilities}}{\text{Number of residents}} = 1,641.50 \text{ euros}$$



- Debt:

$$\frac{\text{Liabilities}}{\text{Liabilities} + \text{Net Equity}} = 0.17$$

- Debt ratio:

$$\frac{\text{Current liabilities}}{\text{Fixed liabilities}} = 0.69$$

- Cash flow:

$$\frac{\text{Liabilities}}{\text{New management flows}} = 7,90$$

- Income structure

| INCOME FROM DAY-TO-DAY MANAGEMENT (IFDM) |              |             |                     |
|--|--------------|-------------|---------------------|
| INC. TAX/IFDM                            | TRANSFR/IFDM | S & PS/IFDM | Remaining IFDM/IFDM |
| 44.76%                                   | 40.19%       | 8.82%       | 6.24%               |

- Expenditure structure

| DAY-TO-DAY MANAGEMENT EXPENSES (EFDM) |              |           |                   |
|---------------------------------------|--------------|-----------|-------------------|
| EXPENDITURE PERS. / EFDM              | TRANSFG/EFDM | SUPP/EFDM | Rest of EFDM/EFDM |
| 29.22%                                | 23.67%       | 2.70%     | 44.41%            |

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

$$\frac{\text{Day – to – day management expenses}}{\text{Day – to – day management income}} = 91.87\%$$



**Note 24 – Events subsequent to the close**

On 21 March of this year, the Superior Court of Justice of Catalonia (TSJC) issued judgement no. 970/2022 where it favourably resolved the appeals filed against the ordinance, approved by the Plenary of 20 December 2019, relating to the restriction of the circulation of certain vehicles in the city, known as the regulation of the low emission zone (LEZ). This judgement declares said ordinance null and void.

The City Council has presented the corresponding appeals against this judgement, the resolution of which is pending by the Supreme Court.

The Directorate of Legal Services considers a resolution contrary to municipal interests likely. The risk for the City Council, faced with this situation, would be to deal with the possible claims made by citizens sanctioned for violations of the LEZ ordinance which, despite the TSJC ruling, is still in force.

With respect to these claims, on 7 September of this year, their impact on the economic situation of the City Council was assessed at 12.7 million euros for fines pending collection that were not provisioned and at 5.6 million euros for the collected fines liable to be returned.

The municipal manager of Barcelona City Council, in compliance with the requirements established in Article 64 of Law 1/2006 that regulates the special regime of Barcelona, proceeds to formulate the consolidated annual accounts included in this document, from pages 1 to 66, corresponding to the annual financial year ended on 31 December 2021.

Chief Executive