

Fundación Profuturo

Audit report and
Annual Accounts
at December 31, 2021



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

Independent auditor's report on the annual accounts

To the trustees of Fundación Profuturo,

Opinion

We have audited the annual accounts of Fundación Profuturo (the Foundation), which comprise the balance sheet as at December 31, 2021, the income statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Foundation as at December 31, 2021, as well as its financial performance for the year then ended, in accordance with the applicable financial reporting framework (as identified in Note 2 to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Foundation in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p>Expenses relating to aid</p> <p>As detailed in Note 1 and 13 to the accompanying annual accounts, the activities of Fundación Profuturo focus on granting aid to certain Foundations and Bodies in order to carry out its activities aimed at promoting education in developing countries. This aid consists of both monetary contributions (funds) and non-monetary contributions (teaching material in digital format).</p> <p>As described in note 4h, expenses are recognised on an accruals basis. Specifically, in the case of monetary aid, the expense is taken to the income statement at the time the aid is approved for the amount agreed upon the signature of the contract and therefore the commitment to carry out the action covered by the aid is signed off on. In the case of non-monetary aid, the expense accrues once the material has been received by the entities for which it is earmarked, and the associated risk has been transferred.</p> <p>Of total expenses recognised by the Foundation at December 31, 2021, €19,852 thousand correspond to expenses relating to monetary and non-monetary aid, making up the most relevant expense item for Fundación Profuturo.</p> <p>We consider this area relevant given the significance of the value of these expenses in the income statement and the importance of assessing their existence and completeness.</p>	<p>We carried out audit procedures in relation to the recognition of expenses relating to aid, including:</p> <ul style="list-style-type: none"> • Understanding the accounting policies used by Fundación Profuturo to recognise expenses relating to aid and assessing them in light of applicable legislation. • Test of details, on a sampling basis, of the supporting documentation for expenses relating to monetary and non-monetary aid. • Analysing the correct classification and recognition of expenses relating to aid taken to the income statement. <p>Based on the procedures performed, we have not identified any matters warranting reporting.</p>

Responsibility of the Chair of the Board of Trustees in relation to the annual accounts

The Chair of the Board of Trustees is responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of Fundación Profuturo, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the Chair determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Chair of the Board of Trustees is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chair either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chair.
- Conclude on the appropriateness of the Chair's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.



Fundación Profuturo

We communicate with the Chair of the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Chair of the Board of Trustees, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are, therefore, considered to be the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure of the matter.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by Silvia Sánchez de Pablo García (21,876)

June 16, 2022

FUNDACIÓN PROFUTURO
Annual Accounts
December 31, 2021

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BALANCE SHEET AT DECEMBER 31, 2021 AND 2020 (Expressed in Euros)

	NOTE	2021	2020
A) NON-CURRENT ASSETS		101,780	1,399,264
I. Intangible assets	NOTE 5	78,169	1,372,012
II. Property, plant and equipment		23,611	27,252
B) CURRENT ASSETS		12,694,356	15,347,906
I. Inventories	NOTE 7	523,488	2,782,401
II. Users and other receivables relating to the organisation's own activity	NOTE 6	32,465	128,419
III. Trade and other receivables	NOTE 12	2,759	773
IV. Cash and cash equivalents	NOTE 8	12,135,644	12,436,313
TOTAL ASSETS (A+B)		12,796,136	16,747,170

A) EQUITY		8,083,719	11,472,780
A-1) Shareholders' equity	NOTE 9	1,209,408	924,596
I. Endowment capital/social fund		32,000	32,000
II. Reserves		892,596	121,125
III. Surplus for the year		284,812	771,471
A-2) Grants, donations and bequests received	NOTE 10	6,874,311	10,548,184
I. Donations and bequests		6,874,311	10,548,184
B) NON-CURRENT LIABILITIES		90,063	-
I. Non-current payables		90,063	
1. Employee benefit obligations		90,063	
C) CURRENT LIABILITIES		4,622,354	5,274,390
I. Current payables	NOTE 11	6,504	9,135
II. Beneficiaries – Creditors	NOTE 11	822,430	524,809
III. Trade and other payables		3,793,420	4,740,446
1. Sundry creditors	NOTE 11	3,103,851	4,133,138
2. Personnel	NOTE 11	437,491	370,234
3. Other payables with Public Administrations	NOTE 12	252,078	237,074
TOTAL EQUITY AND LIABILITIES (A+B)		12,796,136	16,747,170

Notes 1 to 21 to the accompanying accounts are an integral part of the balance sheet at December 31, 2021.

INCOME STATEMENT AT DECEMBER 31, 2021 AND 2020 (Expressed in euros)

	NOTE	2021	2020
A) Surplus for the year			
1. Revenue from the organisation's own activity	NOTE 13	32,758,685	41,612,506
a) Contributions from users		21,033	771,471
b) Donations and bequests taken to income in the year		32,473,873	40,840,712
c) Other revenues		263,779	323
2. Expenses relating to aid and other	NOTE 13	-19,852,353	-27,956,236
a) Monetary aid		-17,147,203	-23,536,601
b) Non-monetary aid		-2,705,150	-4,419,636
3. Supplies	NOTE 13	-375,869	-734,792
4. Personnel expenses	NOTE 13	-3,610,933	-3,400,591
a) Wages, salaries and sundry expenses		-2,597,693	-2,443,163
b) Employee benefit costs		-600,830	-573,645
b) Other benefit expenses		-412,410	-383,783
5. Other operating expenses	NOTE 13	-7,183,070	-6,896,412
6. Amortisation and depreciation	NOTE 5	-1,308,604	-1,722,199
A.1) Surplus from activity		427,856	902,276
7. Exchange differences	NOTE 13	-143,044	-130,805
A.2) Financial surplus		-143,044	-130,805
A.3) Surplus before tax		284,812	771,471
8. Income tax			
A.4) Change in equity recognised in surplus for the year		284,812	771,471
B) Income and expense recognised directly in equity	NOTE 10	28,800,000	40,103,780
9. Donations and bequests received		28,800,000	40,103,780
C) Reclassifications to surplus in the year	NOTE 10	-32,473,873	-40,840,712
10. Donations and bequests received		-32,473,873	-40,840,712
I) TOTAL SURPLUS, CHANGE IN EQUITY IN THE YEAR (A.4+B+C)		-3,389,061	34,539

Notes 1 to 21 to the accompanying accounts are an integral part of the income statement at December 31, 2021.

FUNDACIÓN PROFUTURO
DECEMBER 31, 2021
NOTES TO THE ANNUAL ACCOUNTS
(euros)

(1) Activity of the entity,

Fundación ProFuturo [the ProFuturo Foundation] (the “Foundation”) is a private, non-profit and permanent foundation of Spanish nationality whose assets, according to the will of its founders, are permanently allocated to pursuing the aims of general interest that are detailed in its By-laws. It was formally established through a public instrument on June 13, 2016.

The Foundation’s registered address, according to its by-laws, is established at calle Gran Vía, 28, CP 28013, in the Municipality of Madrid (Spain), and local offices or branches may be established in other areas of Spain or abroad following the pertinent resolution of the Board of Trustees. The Foundation may change its registered address within Spain.

The Foundation carries out its activities mainly in Spain and in any developing countries that it deems appropriate, particularly in Africa, Latin America, and Asia, either by itself or through other public or private entities, bodies, institutions, individuals or legal entities that may serve the purposes pursued.

For the purposes of the above, Fundación ProFuturo, with the prior agreement of the Board of Trustees, may set up foundations in other countries in accordance with the respective national legislation.

The Foundation has a separate legal personality and full legal capacity to act as from the date on which the Public Instrument of Foundation was entered in the Registry of Foundations on 28 November 2016 and it commenced operations on that date.

The general purpose of Fundación ProFuturo is to drive and foster the education and development of children, young people and persons belonging to the most disadvantaged sectors or those at risk of social exclusion in order to help promote and generate equal opportunities in society by encouraging digital and e-learning, specifically fostering the digital education of children and young people to allow them to acquire skills through technology.

Within this framework, the Foundation has the following aims:

1. Promoting the online digital education and training of underserved children and young people and of persons at risk of exclusion by fostering the use of new information technologies and placing the necessary means at their disposal.
2. Analysing and deciding on the proposals presented to expand digital literacy in children and young people in developing countries.
3. Facilitating the professional and intellectual training of people who are in need or who are in a situation of unemployment or social maladjustment through the use of digital technologies and digital upskilling through e-learning.

The Foundation determines strategies and actions targeted at the educational development of the groups that constitute its beneficiaries, thereby contributing to offering them a future with greater and better opportunities and possibilities, increasing their capacity for long-term vision, and giving them tools that facilitate professional performance and personal development.

The activities of general interest that the Foundation carries out in compliance with its foundational purposes (own) will be the following:

- a. The promotion and development of educational projects, in cooperation with public and private institutions and entities, designed to carry out actions that favour the fulfilment of the Foundation's purposes by providing financial or any other kind of assistance.
- b. The development of all kinds of digital education programmes, including the implementation thereof in public or private institutions.
- c. Promoting, collaborating on, and/or conducting educational research, mainly in the digital area,
- d. Financing teaching, social, or cultural activities by awarding grants for studies, subsidies, or other free benefits in favour of children and young people and other members of the beneficiary groups who lack sufficient means to obtain the benefits or results sought by the Foundation on their own; and the awarding of prizes to entities that, by virtue of their own merits, have stood out in carrying out the aims promoted by the Foundation.

(2) Basis of presentation.

(a) Financial reporting framework applicable to the Foundation:

These financial statements have been prepared by the President of Fundación ProFuturo in accordance with the regulatory financial reporting framework applicable to the Foundation, which is set forth in the following:

- Commerce Code and other mercantile legislation.
- Law 50/2002, of December 26, 2002, on Foundations and Royal Decree 1337/2005, of November 11, 2005, approving the Regulation of Foundations of State Competence, as well as the amendments introduced by Royal Decree 1611/2007.
- Resolution of March 26, 2013, of the Accounting and Auditing Institute, approving the Accounting Plan for non-profit entities. This resolution includes and compiles in its entirety with the provisions of Royal Decree 1491/2011, of October 24, and for all matters not specifically modified in said decree, the provisions of the General Accounting Plan.
- Royal Decree 1/2021, of January 12, amending the General Accounting Plan approved by Royal Decree 1514/2007, of November 16; the General Accounting Plan for Small and Medium-Sized Companies approved by Royal Decree 1515/2007, of November 16; the Rules for the Preparation of Consolidated Financial Statements approved by Royal Decree 1159/2010, of September 17; and the rules for the adaptation of the General Accounting Plan to non-profit entities approved by Royal Decree 1491/2011, of October 24.
- The mandatory rules approved by the Accounting and Auditing Institute in the development of the General Accounting Plan and its complementary rules.
- All other applicable Spanish legislation.

(b) True and fair view

These annual accounts have been obtained from the accounting records of Fundación ProFuturo and are presented in accordance with the regulatory framework applicable to them and, in particular, the principles and criteria contained therein, so as to present a true and fair view of the Foundation's net worth, financial situation at December 31, 2021, and changes in equity, as well as the activity carried out for the year ended on that date.

The annual accounts will be submitted for approval by the Board of Trustees of Fundación ProFuturo. The Management of the Foundation considers that these annual accounts will be approved without any modification.

(c) Comparability

The annual accounts for the year ended December 31, 2021 have been prepared in accordance with Royal Decree 1/2021, of January 12, which amends certain aspects of the General Accounting Plan for non-profit entities approved by Royal Decree 1491/2011, of October 24.

The information for financial year 2020 contained in these annual accounts is presented solely and exclusively for comparative purposes with the information relating to 2021.

As a result, the classification of financial investments for 2020 presented in these annual accounts for the financial year 2021 does not agree with that included in the annual accounts for the financial year 2020 prepared by the President of the Foundation. The changes made are detailed in section f) of this Note.

(d) Functional and presentation currency:

The financial statements are presented in euros, which is the Foundation's functional and presentation currency.

(f) Changes in accounting criteria:

On January 30, 2021, Royal Decree 1/2021, dated January 12, 2021, was published in the Official State Gazette, amending the General Accounting Plan approved by Royal Decree 1514/2007, dated November 16, 2007, and the Rules for the Adaptation of the General Accounting Plan to non-profit entities approved by Royal Decree 1491/2011, dated October 24, 2011. The content of the Royal Decree is applicable for fiscal years beginning on or after January 1, 2021.

The main amendments of the aforementioned Royal Decree 1/2021 include the adaptation of the General Accounting Plan to International Financial Reporting Standards (IFRS-EU), specifically, to IFRS 9. Financial Instruments and IFRS 15. Revenue recognition.

Financial instruments are now classified according to the management or business model for managing financial assets and the contractual terms of their cash flows. In the case of the Foundation, it is affected with respect to the following category:

Amortised cost: the former portfolio of "Loans and receivables" is integrated in this category to the extent that it is held for the purpose of receiving cash flows arising from the performance of the contract, and the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

The classification of the Entity's financial liabilities is included in the following category:

Amortised cost: this category includes all financial liabilities except those that must be measured at fair value through profit or loss. Therefore, it includes the previous portfolio of "Loans and payables".

On the date of initial application of RD 1/2021, January 1, 2021, the Entity opted to apply Transitional Provision 2 and include comparative information without restating the items for 2020 to show the balances for that year adjusted to the new presentation criteria. Therefore, the Entity has applied the new categories of financial instruments in accordance with RD 1/2021 for the year ended December 31, 2021, and has applied the new categories, for presentation purposes only, for the comparative year ended December 31, 2020. Consequently, the main effects of this reclassification as of January 1, 2021 are as follows:

	Financial assets	Financial liabilities
Categories of RD 1514/2007	Loans and receivables	Short-term payables and accounts payable
Categories of RD 1/2021	Financial assets at amortised cost	Financial liabilities at amortised cost
Closing balance December 31, 2020 - RD 1514/2007	128.419	5.037.316
Opening balance January 1, 2021 - RD 1/2021	128.419	5.037.316

The Entity has performed an analysis of the impact of the aforementioned regulations on its financial statements, and there has been no equity impact as of January 1, 2021.

(3) Appropriation/Application of Surplus,

The application of the surplus for the year ended December 31, 2020, approved by the Foundation's Board of Trustees on May 26, 2021, was as follows:

	Euros
<u>Basis of appropriation</u>	
Surplus for the year	771,471
<u>Appropriation</u>	
Voluntary reserves	771,471

The proposed application of the Foundation's surplus for the year ended December 31, 2021 to be submitted to the Board of Trustees is as follows:

	Euros
<u>Basis of appropriation</u>	
Surplus for the year	284,812
<u>Appropriation</u>	
Voluntary reserves	284,812

In accordance with article 27 of the Foundations Act 50/2002, dated December 26, at least 70 percent of income or any other net revenue obtained by the Foundation, after taxes, must be allocated to the fulfilment of the Foundation's purposes; the remainder, after deducting expenses incurred in obtaining said revenue and income, must be used to increase endowment capital or reserves. The funds must be used for that purpose within a period of four years of being obtained.

(4) Accounting Policies Applied.

The Foundation mainly uses the following accounting policies to draw up its annual accounts:

(a) Intangible assets

Intangible assets are initially measured at acquisition cost and subsequently measured at cost less accumulated amortisation calculated on the basis of their useful life and any impairment adjustments made.

Software:

This includes the cost of acquiring software for the Foundation's data processing systems. Maintenance costs are taken to expenses when they are incurred. Amortisation is charged on a straight-line basis over an estimated useful life of four years.

Useful life and amortisation:

The Foundation reviews the residual value, useful life and amortisation of intangible assets at the end of each financial year. Any changes to the initially established criteria are recognised as a change in estimates and would be made prospectively.

Asset impairment:

The Foundation regularly assesses and, where appropriate, determines impairment adjustments and reversals of impairment adjustments in intangible assets (see section (b)).

(b) Impairment in non-cash generating assets

All intangible assets are non-cash generating as their purpose is not to generate a commercial return but a collective benefit, in terms of either social benefit or potential for service.

The Foundation only tests these assets for impairment when there are indications of impairment, not based on commercial indicators but rather on the potential for service that they generate.

In any case, the events or circumstances that might be an indication of impairment must be significant and they must have long-term effects.

If there are indications of impairment, the recoverable value is the higher of fair value less costs to sell and value in use. Value in use is the present value of the asset maintaining its potential for service and is determined by reference to the depreciated replacement cost.

The impairment of non-cash generating assets is determined specifically for individual assets, unless it is not easy to identify their service potential, in which case the recoverable amount is determined at the level of the operating unit or service to which it belongs.

Impairment losses or reversals are recognised by applying the impairment criteria applicable to other non-current assets.

(c) Inventories

Inventories are initially measured at acquisition price or production cost. In the case of inventories received at no cost, they are measured at fair value.

All inventories are non-cash generating as their purpose is not to generate a commercial return but for a collective benefit, in terms of either social benefit or potential for service.

The Foundation recognises impairment adjustments in those cases in which the realisable value of inventories is lower than their carrying amount. Since these inventories do not generate cash flows, the net recoverable amount to be considered in determining any valuation adjustment is the higher of net realisable value and replacement cost.

The Foundation uses the weighted average cost to assign value to inventories.

The Foundation makes the necessary valuation adjustments, recognising them as an expense in the income statement, when the acquisition cost (or production cost) of inventories exceeds the net realisable value.

(d) Cash and cash equivalents

Cash and cash equivalents include cash in current accounts.

(e) Grants, donations and bequests

Grants, donations and bequests are initially recognised as income and are directly taken to equity when there is an individual agreement for awarding the grants, donations or bequests to the Foundation, the conditions established for such an award have been fulfilled and there are no reasonable doubts regarding the receipt of the award. They are recognised in the income statement as income on a systematic and rational basis in a manner correlated with the expenses derived from the grants, donations and bequests which the Foundation awards to third parties.

Grants, donations and bequests awarded by members, founders or trustees are recognised as such, unless they are awarded as endowment capital or social funds, in which case they are recognised directly in the Foundation's equity. Contributions by third parties to endowment capital are also recognised directly in equity.

Grants, donations and bequests that are monetary in nature are measured at the fair value of the amount allocated and those that are non-monetary or in-kind in nature are measured at the fair value of the item received, the value of both being determined at the time of their recognition.

Grants, donations and bequests received without being assigned to a specific purpose are recognised as income in the year in which their award is approved.

(f) Financial instruments

(i) Classification and separation of financial instruments

Financial instruments are classified upon initial recognition as a financial asset, a financial liability or equity instrument, according to the substance of the contract and the definitions of financial asset, financial liability and equity instrument.

The Foundation classifies financial instruments in the various categories based on the characteristics and intentions of management at the time of their initial recognition.

(ii) Financial assets

f.ii.1) Classification and measurement:

The financial assets held by the Foundation are included in the following category:

1. Financial assets at amortised cost.

This category includes financial assets, including those admitted to trading on an organised market, in which the Entity holds the investment with the objective of receiving the cash flows arising from the performance of the contract, and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

This category includes trade receivables and non-trade receivables:

a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in connection with the company's ordinary course of business for which payment is deferred; and

b) Non-trade receivables: financial assets that are not equity instruments or derivatives and are not of a commercial origin and collections of which is for a fixed or determinable amount and which arise from loans or credit operations granted by the company.

Initial measurement

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs.

Subsequent measurement

Financial assets included in this category are measured at amortised cost.

Accrued interest is recognised in the profit and loss account using the effective interest method. However, receivables maturing in less than one year that are initially measured at nominal value shall continue to be measured at nominal value unless they are impaired.

(iii) Impairment of financial assets

A financial asset or a group of financial assets is impaired, and impairment losses are recognised, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Foundation follows the criteria of recognising the pertinent impairment losses on loans and receivables and debt instruments when debtor insolvency has prompted a reduction or delay in estimated future cash flows.

(iv) Financial liabilities

f.ivi.1) Classification and measurement:

The financial liabilities held by the Foundation are classified as financial liabilities at amortised cost.

In general, this category includes trade payables and non-trade payables:

- a) Trade payables: these are financial liabilities arising from the purchase of goods and services in connection with business transactions for which payment is deferred; and
- b) Non-trade payables: financial liabilities that are not derivative instruments and do not arise from business transactions, but arise from loans or credits received by the company.

Initial measurement

Financial liabilities included in this category are initially measured at fair value, which is the transaction price, which is equal to the fair value of the consideration received adjusted for directly attributable transaction costs.

Subsequent measurement

Financial liabilities included in this category are measured at amortized cost. Accrued interest is recognised in the profit and loss account using the effective interest method.

The Foundation derecognises financial liabilities when the obligations giving rise to them are extinguished. It also derecognises the financial liabilities that it acquires, even if it intends to reposition them in the future.

(g) Contributions on behalf of employees

The Foundation recognises contributions to defined benefit pension schemes as the employees provide their services. The amount of accrued contributions is recognised as a personnel remuneration expense and as a liability once any amount paid has been deducted. If the amounts paid exceed the accrued expense, the related assets are only recognised to the extent that they may be applied in reducing future payments or lead to a cash reimbursement.

The Foundation has outsourced these pension schemes.

The Foundation currently has a remuneration system indexed to the price of shares in Telefónica, S.A.:

a) Global plan for the incentive purchase of Telefónica, S.A. shares for employees of the ProFuturo Foundation.

The General Shareholders' Meeting of Telefónica, S.A. held on 8 June 2018 approved the implementation of a new global incentive purchase plan for Telefónica, S.A. shares aimed at the employees of the group. Under this Plan, employees are offered the possibility of acquiring shares in Telefónica, S.A., during a period of twelve months, and the Company commits to delivering to the plan participants, free of charge, a certain number of shares, as long as certain requirements are met.

The maximum amount that each employee can invest is 1,800 euros. Employees who remain in the Telefónica Group and hold the shares for an additional year after the purchase period (holding period) secure the right to receive one free share for every two shares acquired and held until the end of the holding period.

The purchase period began in August 2019.

The accumulated cost at year-end is accounted for as a personnel expense. The total cost of the plan that Telefónica, S.A. re-invoices to the ProFuturo Foundation will be the estimated fair value of the instruments delivered, calculated on the award date, based on the estimated number of shares to be delivered at the end of the validity period of each cycle. Once calculated, the unit fair value does not change during the cycle or on maturity.

b) "Performance Share Plan" (PSP) 2018:

At the June 8, 2018 General Shareholders' Meeting of Telefónica, S.A., the shareholders approved the launch of a new edition of the long-term incentive plan consisting of the delivery of shares based on the achievement of objectives established for each of the cycles into which the plan is divided, called the "Performance Share Plan", which is aimed at certain senior executives and members of the Telefónica Group's management team.

In the first two cycles of the plan, the number of shares to be delivered will depend on 50% compliance with the target total shareholder return (TSR) on Telefónica shares and another 50% on the generation of free cash flow (FCF).

The Plan has a total duration of 5 years and is divided into three three-year cycles. The first cycle began in 2018 and ended in December 2020, with the delivery of the corresponding shares in 2021. The second cycle of the plan began in 2019 and ended on December 31, 2021, with delivery of the corresponding shares in 2022. The third cycle of the plan began in 2020 and will end on December 31, 2022, with delivery of the corresponding shares in 2023.

(h) Income and expenses

Expenses

Expenses are recorded on an accrual's basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. In particular, expenses deriving from monetary and non-monetary aid granted to foundations and bodies for the Foundation's activities, pursuant to Royal Decree 1491/2011, of October 24, concerning accounting principles for non-profit entities, are taken to the income statement at the time their grant is approved in the amount agreed when the contract is executed and the commitment to perform a specific action is therefore approved, as provided under Rule 18 of Section Five of the regulations for adapting the Chart of Accounts pursuant to the aforementioned Royal Decree.

Expenses for services rendered are recognised at acquisition cost including non-deductible input VAT paid.

Income

Founder contributions relating to the performance of the Foundation's purpose are recognised as income in the year in which they are received, provided they relate to the expense for the year and to the Foundation's purpose.

Income from sponsors and collaborators arranged through Collaboration Agreements in the Foundation's favour is recognised in the year in which the monetary aid granted by the Foundation to the beneficiary body to perform the foundational activity is arranged. The relevant contract is thus signed with said beneficiary body to execute the action to which it refers, together with the commitment to perform a specific action, at which time the expense is recognised, as provided in the measurement standard for expenses deriving from monetary aid.

(i) Corporate income tax and value added tax

Non-deductible input VAT is included in the acquisition price of capital goods or working capital, and of services involving operations subject to said tax.

The Foundation is subject to the provisions of Foundations Act 50/2002, of December 26 and Law 49/2002, of December 23, concerning the tax framework for non-profit entities, including, among others, those registered with the Registry of Foundations. Accordingly, foundations complying with the requirements set forth below will be exempt from corporate income tax on income deriving from non-exchange transactions, from the Foundation's real estate and other assets, such as dividends, interest, fees and rent, from acquisitions or transfers under any title of goods or rights, that obtained in exempt economic operations, and, that income which, pursuant to tax law, must be attributed or allocated to non-profit entities. The requirements under said Law are as follows:

Pursue general interest aims of a social, civic, cultural, sporting nature, in connection with fostering social volunteering, etc.

Use at least 70 percent of net income and other revenue obtained in any other manner in the performance of said aims, deducting, where applicable, the relevant taxes, within a period of four years after being obtained.

The activity performed may not consist of performing economic operations other than the statutory aim or purpose. This requirement will be considered to be fulfilled if net income for the year corresponding to the non-exempt economic operations as a whole not associated with the Foundation's statutory purpose or aim does not exceed 40 percent of the Foundation's total income, provided that the performance of these non-exempt economic operations does not breach the regulatory rules on competition in relation to companies performing the same activity.

The founders, members, trustees, statutory representatives, members of the governing bodies and their spouses or relatives to the fourth degree are not the main recipients of the activities performed by the entities or benefit from special conditions for using their services.

Report annually to the relevant supervisory body.

Apply its assets, in the event of dissolution, to purposes in the general interest like those of its foundational activity, in accordance with the provisions of the Foundation's bylaws.

Trustee positions are not remunerated, although trustees may be reimbursed for duly justified expenses incurred in performing their functions.

The accounting obligations provided in the applicable regulations must be fulfilled.

A financial report must be compiled annually.

The Foundation is compliant with all the above-mentioned requirements which are set out in its by-laws.

(j) Classification of current and non-current assets

In the balance sheet, the Foundation classifies assets and liabilities as either current or non-current. In this connection, current assets and liabilities are those that meet the following criteria:

Assets are classified as current when they are expected or intended to be sold or consumed after the normal operating cycle of the Foundation, they are held primarily for trading purposes and are expected to be realised within twelve months of the balance date or are cash or cash equivalents, except where they cannot be exchanged or used to settle a liability, at least within twelve months of the balance date.

Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Foundation, they are held primarily for trading, they must be settled within twelve months of the year-end, or the Foundation does not have the unconditional right to defer settlement of the liabilities within twelve months of the year-end.

Financial liabilities are classified as current when they must be settled within twelve months of the balance date, even if the original period exceeds twelve months and there is a refinancing agreement or long-term payment restructuring arrangement which has expired after the balance sheet date and before the annual accounts are authorised for issue.

(k) Foreign currency transactions, balances and flows

Foreign currency transactions are translated to the presentation currency using the exchange rates valid on the transaction dates.

Monetary assets and liabilities denominated in foreign currency are translated to euros applying the year-end exchange rate, while non-monetary assets and liabilities measured at historical cost are translated by applying the exchange rate on the date on which the transactions took place.

The foreign currency gains and losses resulting from settling these transactions and translation at closing exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(5) Intangible assets

Details of this balance sheet heading at December 31, 2021 and 2020 are as follows:

	31.12.20	Additions	31.12.21
Software	6,835,520		6,835,520
Total cost	6,835,520		6,835,520
Amortisation of software	-5,463,508	-1,293,843	-6,757,351
Accumulated amortisation	-5,463,508	-1,293,843	-6,757,351
Total assets	1,372,012		78,169

	31.12.19	Additions	31.12.20
Software	6,835,520		6,835,520
Total cost	6,835,520		6,835,520
Amortisation of software	-3,754,628	-1,708,880	-5,463,508
Accumulated amortisation	-3,754,628	-1,708,880	-5,463,508
Total assets	3,080,892		1,372,012

At year-end 2021, the Foundation's intangible assets comprise digital content developed by third parties for inclusion in the ProFuturo technological solution.

The Foundation has not recognised any intangible assets with an undefined useful life, and neither has it capitalised any financial expenses.

At December 31, 2021 and 2020, the Foundation had no purchase commitments in relation to intangible assets.

(6) Current financial assets by category.

Details of this balance sheet heading at December 31, 2021 and 2020 are as follows:

	31.12.21	31.12.20
<i>Current loans and receivables:</i>		
Users and other receivables relating to the organisation's own activity	32,465	128,419
Total	32,465	128,419

The heading "Users and other receivables relating to the organisation's own activity" on the accompanying balance sheet includes collection rights due in less than one year as well as the advances paid by the Foundation to certain employees.

The movement in this heading is as follows:

	31.12.20	Additions	Disposals	31.12.21
Users and other receivables relating to the organisation's own activity	128,419	-	95,954	32,465

	31.12.19	Additions	Disposals	31.12.20
Users and other receivables relating to the organisation's own activity	129,973	-	1.554	128,419

In 2021 and 2020, no impairment adjustments were made.

(7) Inventories

At December 31, 2021 and 2020, the Foundation recognised under Inventories on the balance sheet the assets used to conduct its own activity, mainly tablets and computers in which educational content is installed.

The breakdown of this heading is as follows:

	31.12.21	31.12.20
Assets used in the activity	523,488	2,782,401
Total	523,488	2,782,401

At December 31, 2021 and 2020, there are no firm sale and purchase commitments or future or options contracts relating to inventories. Neither are there any litigations or attachments that might affect the ownership, availability or valuation of inventories.

At December 31, 2021 and 2020 there were no impairment adjustments in inventories.

(8) Cash and cash equivalents

Details of this balance sheet heading at December 31, 2021 and 2020 are as follows:

	31.12.21	31.12.19
Banks	12,135,644	12,436,313
Total cash and cash equivalents	12,135,644	12,436,313

This heading includes cash deposited in the Foundation's current accounts, In 2021 and 2020, the Foundation did not make any temporary financial Investments, and kept all monetary contributions received in its current account.

(9) Shareholders' equity

The breakdown of "Shareholders' equity" at December 31, 2021 and 2020 is as follows:

	Endowment capital	Reserves	Surplus for the year	Total
Balance at 31.12.20	32,000	121,125	771,471	924,596
Application of the surplus in 2020	-	771,471	-771,471	-
Surplus in 2021	-	-	284,812	284,812
Balance at 31.12.21	32,000	892,596	284,812	1,209,408

	Endowment capital	Reserves	Surplus for the year	Total
Balance at 31.12.19	32,000	80,411	40,714	153,125
Application of the surplus in 2019	-	40,714	-40,714	-
Surplus in 2020	-	-	771,471	771,471
Balance at 31.12.20	32,000	121,125	771,471	924,596

(a) Endowment capital

At December 31, 2021 and 2020, endowment capital comprised initial monetary contributions of 15,000 euros from "La Caixa" Bank Foundation, 15,000 euros from Fundación Telefónica and 2,000 euros from Telefónica S.A. At the end of both financial years, endowment capital amounted to 32,000 euros.

(b) Reserves

At December 31, 2021, reserves include an amount of 892,596 euros corresponding to voluntary reserves from the surplus for 2016, 2017, 2018 and 2019.

(10) Grants, donations and bequests received,

Details and movements in the years ended December 31, 2021 and 2020 are as follows:

	31.12.20	Additions	Recognition in income statement	31.12.21
Monetary donations for specific projects	9,967,132	28,800,000	-31,892,821	6,874,311
Fundación Telefónica	-	19,000,000	-	-
"La Caixa" Bank Foundation	-	9,800,000	-	-
Donations – assets	581,052	-	-581,052	
Fundación Telefónica	581,052	-	-581,052	
Total	10,548,184	28,800,000	-32,473,873	6,874,311

	31.12.19	Additions	Recognition in income	31.12.20
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	statement			
Monetary donations for specific projects	9,707,975	40,103,780	-39,844,623	9,967,132
Fundación Telefónica	-	26,600,389	-	-
"La Caixa" Bank Foundation	-	13,503,391	-	-
Donations – assets	1,577,141	-	-996,089	581,052
Fundación Telefónica	1,577,141	-	-996,089	581,052
Total	11,285,116	40,103,780	-40,840,712	10,548,184

Monetary donations for specific projects include donations from Fundación Telefónica and "La Caixa" Bank Foundation. These donations are legally documented in the collaboration agreements signed with the two foundations, which include the financing for the development of the ProFuturo programme. The contributions from the two entities are paid into a single account for executing the ProFuturo programme, with no distinction in terms of the use of funds according to the donor.

Donations of inventories include the value of equipment donated by the two foundations, which ProFuturo has subsequently given to collaborating entities along with the equipment purchased by ProFuturo.

Donations of fixed assets comprise assets donated by Fundación Telefónica. These relate to a series of content developed specifically to implement the ProFuturo programme.

(11) Current financial liabilities by category

Details of this balance heading at December 31, 2021 and 2020 are as follows:

	31.12.21	31.12.20
<i>Current creditors and payables:</i>		
Current payables	6,504	9,135
Fixed asset suppliers	6,504	9,135
Beneficiaries – Creditors	822,430	524,809
Trade and other payables	3,541,342	4,503,372
Sundry creditors	3,103,851	413,313
Accrued wages and salaries	437,491	370,234
TOTAL	4,370,276	5,037,316

The heading "Current payables" includes the amounts pending payment to fixed asset suppliers as a result of the acquisition of IT equipment.

The heading "Beneficiaries – Creditors" includes monetary donations pledged to entities collaborating with the ProFuturo Foundation and pending disbursement.

Furthermore, the heading "Sundry creditors" includes amounts pending payment for services rendered to the Foundation.

“Disclosures on Deferred Payments to Suppliers, Third Additional Provision ‘Duty of Information’ of Law 15/2010, of December 3.”

The following are the details of the disclosures required by Additional Provision Three of Law 5/2010, of July 5 (amended by Final Provision Two of Act 31/2014, of December 3) prepared in accordance with the ICAC Resolution of January 29, 2016, on the disclosures to be included in the notes to the individual annual accounts in relation to the average payment period to Spanish suppliers for commercial transactions.

The breakdown is as follows:

	2021 (days)	2020 (days)
Average payment period to suppliers	39.6	45.3
Ratio of transactions paid	42.3	46.4
Ratio of outstanding payment transactions	26.8	34.5

	2021 (thousand euros)	2020 (thousand euros)
Total payments made	-8,438	-13,475
Total payments outstanding	-1,775	-1,396

For the exclusive purposes of providing the disclosures envisaged in this Resolution, suppliers are deemed to be trade creditors recording debts for the supply of goods or services, included under Trade and other payables in current liabilities on the balance sheet.

“Average payment period to suppliers” means the period between the delivery of the goods or the rendering of services by the supplier and the material payment of the transaction.

(12) Taxation

The details of balances with the Public Administrations at December 31, 2021 and 2020 are as follows:

	31.12.21	31.12.20
Assets	2,759	773
Public Administrations, other	2,759	773
Liabilities	252,078	237,074
Social Security payable	59,832	52,578
Tax withholdings payable	192,246	184,496
Total	254,837	237,847

In accordance with legislation in force, the Foundation’s tax filings may not be considered definitive until they have been inspected by the tax authorities or after the four-year statute of limitations has elapsed. At December 31, 2021, the returns for the taxes applicable to the Foundation since its formation are open to inspection. The members of the Foundation’s Board of Trustees do not expect any significant additional liabilities to arise in the event of an inspection.

(a) Income tax

In accordance with Title II of Law 49/2002 of December 23, 2002 on the tax regime for non-profit organisations, foundations are exempt from corporate income tax on the following income, among other, donations and grants received to collaborate in the Foundation's aims and economic aid received by virtue of the business collaboration agreements regulated by article 25 of that Law; grants, except those awarded to finance the performance of non-exempt economic operations; income from the Foundations' real estate and other assets, such as dividends, interest, fees and rent; and income obtained from the performance of the exempt economic operations listed in article 7 of that Law. Accordingly, the taxable amount of foundations will only include income from non-exempt economic operations.

The ProFuturo Foundation has opted to apply the special tax framework of Title II of Law 49/2002, dated December 23, which it duly reported to the Tax Authority on February 14, 2017.

Moreover, in compliance with the provisions of article 3,1,a) of the regulation for the application of the tax framework for non-profit entities and tax incentives for patronage (Royal Decree 1270/2003, of October 10), we identify below which of the Foundation's income is exempt from corporate income tax at December 31, 2021 and December 31, 2020, indicating revenue and expenses.

Income	31.12.21	31.12.20	Articles of Law 49/2002
Donations received in the year	32,473,873	40,840,712	6.1º a)
Income from sponsors and collaborators	21,033	771,471	6.1º a)
Financial income and exchange gains	64,439	127,791	6.2º
Other income	263,779	323	
Total exempt income	32,823,124	41,740,297	

Expenses	31.12.21	31.12.20
Monetary aid and other	-19,852,353	-27,956,236
Supplies	-375,869	-734,792
Personnel expenses	-3,610,933	-3,400,591
Provisions for fixed asset depreciation and amortisation	-1,308,604	-1,722,199
Other operating expenses	-7,183,070	-6,896,412
Changes in the fair value of financial instruments	-	-
Financial expense and exchange losses	-207,483	-258,595
Total expenses attributable to exempt income	-32,538,312	-40,968,825

The Foundation did not perform non-exempt activities in 2021 or 2020.

Withholdings from income from capital are considered payments on account of corporate income tax. The Foundation may therefore request that they be refunded when the amount owed for said tax is lower than the amount withheld.

Due to the above-mentioned specific circumstances in relation to the tax treatment of foundations, accounting income/loss differs from the taxable amount. A reconciliation of the accounting income for the years ended December 31, 2021 and 2020 and the related tax amount is also presented:

	31.12.21	31.12.20
Accounting income before income tax	284,812	771,471
Decreases in accounting income	-32,823,124	-
Increases in accounting income	32,538,312	41,740,297
Taxable income	-	-
Corporate income tax expense	-	-
Withholdings and prepayments	-	-
Tax receivable or refundable	-	-

(13) Income and Expenses

(a) Revenue from the organisation's own activity

The breakdown of "Revenue from the organisation's own activity" in the income statement at December 31, 2021 and 2020 is as follows:

Income	31.12.21	31.12.20
Donations received in the year	32,473,873	40,840,712
Income from sponsors and collaborators	21,033	771,471
Finance income and exchange gains	64,439	127,791
Other Incomes	263,779	323
Total exempt income	32,823,124	41,740,297

In 2021 and 2020, Fundación ProFuturo did not subscribe or receive any revenue under business collaboration agreements in general interest activities.

(b) Monetary aid

Monetary aid relates to the monetary contributions made to entities in compliance with the Foundation's purpose. This monetary aid enables collaborating entities to cover the expenses resulting from the programme's execution. Details of this Income Statement heading at December 31, 2021 and 2020 are as follows:

	31.12.21	31.12.20
Monetary aid	-17,147,203	-23,536,601
TOTAL	-17,147,203	-23,536,601

(c) Non-monetary aid

Non-monetary aid consists of the donations in kind made to entities in compliance with the Foundation's purpose. This non-monetary aid relates mainly to technological equipment. The breakdown of this heading is as follows:

	31.12.21	31.12.20
Non-monetary aid	-2,705,150	-4,419,636
TOTAL	-2,705,150	-4,419,636

(d) Supplies

The breakdown of "Supplies" in the income statement at December 31, 2021 and 2020 is as follows:

	31.12.21	31.12.20
Supplies	-375,869	-734,792
TOTAL	-375,869	-734,792

The heading "Supplies" mainly includes the expenses relating to logistics services provided by third parties to the Foundation. We also include under this heading the amount paid by the Foundation as a Digital Fee in the purchase of Tablets and Laptops, as established in the Intellectual Property Law. As we have done in fiscal year 2021 for the amounts paid for this item in previous years, the Foundation will request a refund of this amount based on the provisions of *Royal Decree Law 12/2017 of July 3, which amended the revised text of the Intellectual Property Law, approved by Royal Decree Law 1/1996 of April 12*, given that these devices are intended for training purposes outside of the European Union.

(e) Personnel expenses

The breakdown of "Personnel expenses" in the income statement at December 31, 2021 and 2020 is as follows:

	31.12.21	31.12.20
Salaries and wages	-2,597,693	-2,443,163
Social Security contributions	-600,830	-573,645
Other benefit expenses	-412,410	-383,783
Total	-3,610,933	-3,400,591

The breakdown of "Other benefit expenses" at December 31, 2021 and 2020 is as follows:

	31.12.21	31.12.20
Contribution to supplementary pension scheme	-131,447	-86,421
Health insurance	-101,858	-93,482
Luncheon vouchers and other	-164,986	-177,014
Training	-14,118	-26,866
Total	-412,410	-383,783

The supplementary pension system comprises a pension scheme called “Plan de Pensiones Empleados de Fundación ProFuturo (“ProFuturo Foundation Employee Pension Plan)”, that belongs to the Fonditel B Pension Fund, which is managed by “Fonditel Pensiones, Entidad Gestora de Fondos de Pensiones, S.A.”. It is sponsored by the ProFuturo Foundation and its members are the Foundation's serving employees on open-ended contracts. This pension scheme is set up as a private, voluntary benefits institution, supplementing the public Social Security system, and forms part of the employment system, through the defined contribution obligations stipulated, not affording any guarantees to members or beneficiaries.

(f) Other operating expenses,

Details of this income statement heading at December 31, 2021 and 2020 are as follows:

	31.12.21	31.12.20
Rentals and licence fees	-480,249	-310,574
Independent professional services	-3,312,970	-3,304,650
Banking fees	-6,060	-18,209
Advertising and publicity	-1,229,712	-1,240,366
Utilities	-47,678	-79,181
Other services	-2,106,401	-1,943,431
Total	-7,183,070	-6,896,412

(g) Exchange differences

Details of this Income Statement heading at December 31, 2021 and 2020 are as follows:

	31.12.21	31.12.20
Exchange gains	64,439	127,791
Exchange losses	-207,483	-258,595
Total	-143,044	-130,805

(14) Operating leases

Operating leases recognised in 2021 and 2020 as expenses total 262,353 euros and 262,353 euros, respectively.

These leases are primarily for the rent of the Foundation's headquarters, which consists of office space leased from Telefónica S.A. on the seventh floor of the building located in Gran Vía 28, Madrid (under an operating lease).

Future minimum payments, including VAT, for non-cancellable operating leases are as follows:

	2021	2020
Up to one year	262,353	262,353
TOTAL	262,353	262,353

(15) Environmental Information

At December 31, 2021 and 2020, there are no significant assets linked to protecting and improving the environment, and neither were material environmental expenses incurred during the year.

The Foundation's management considers that there are no significant contingencies linked to environmental protection and improvement, and they do not consider it necessary to establish any provision for environmental risks and charges at December 31, 2021 and 2020.

(16) Other information

(a) Personnel

At December 31, 2021 and 2020, the number of employees, distributed by category and gender, was as follows:

	31.12.21		31.12.20	
	Women	Men	Women	Men
Management	2	1	2	1
Graduates	24	13	21	14
Administrative staff	2	0	2	-
Total	28	14	25	15

At December 31, 2021 and 2020, the average number of employees, distributed by category and gender, was as follows:

	2021		2020	
	Women	Men	Women	Men
Management	2	2	2	1
Graduates	21	21	21	14
Administrative staff	2	2	2	0
Total	25	25	25	15

The Foundation did not have any employees with a disability rating of more than 33% at December 31, 2021 or December 31, 2020.

At December 31, 2021, the Foundation has five trustees, all of whom are men.

(b) Remuneration and balances with members of the Board of Trustees and Senior Management

The position of trustee is not remunerated, and the trustees have therefore not received remuneration in connection with any item in 2021 and 2020. The trustees do not have any outstanding balances with respect to the Foundation at December 31, 2021 and December 31, 2020, and neither has the Foundation arranged pension plans or insurance policies on their behalf.

The Foundation does not have Senior Management as it is its Board of Trustees that plans, manages and controls its activities directly through the Chair and Vice-Chair.

(c) Audit fees

The auditor of the Group's annual financial statements (PricewaterhouseCoopers Auditores, S.L.) invoiced the following fees and expenses for professional services at December 31, 2021 and 2020 :

	31.12.21	31.12.20
For audit services	-26,448	-26,464
For other verification services	-30,250	-30,250
TOTAL	-56,698	-56,714

The above amount includes all fees relating to services provided in 2021 and 2020, regardless of when they were invoiced.

(d) Foreign currency balances and transactions

Foreign currency balances

The breakdown of financial assets and liabilities denominated in foreign currency at December 31, 2021 and 2020 is as follows:

2021	US dollar	Brazilian real	Chilean peso	Sol	Other	Total
Current payables	-	-	-	-	-	-
Beneficiaries – Creditors	339,109	-	158,253	-	196,431	693,793
Trade and other payables	1,404	-	-	5.255	-	6,659
Total current financial liabilities	340,513	-	158,253	5.255	196,431	700,452

2020	US dollar	Brazilian real	Chilean peso	Sol	Other	Total
Current payables	-	-	-	-	-	-
Beneficiaries – Creditors	53.022	471,787	-	-	-	524.809
Trade and other payables	420.675	-	-	5.255	166.477	592.407
Total current financial liabilities	473.697	471,787	-	5.255	166,477	1.117.217

Foreign currency transactions

The details of income and expenses denominated in foreign currency at December 31, 2021 and 2020 are as follows:

	2021	2020
Expenses:		
Monetary aid to entities	16,498,845	23,136,433
Other	61,085	333,889
Total expenses	16,559,929	23.470.322

(e) Changes to governing management and representation bodies

In 2021, there were no changes to the Foundation's governing bodies.

(17) Activity of the entity, Application of assets for own purposes, Administration expenses

Identification of activity

1. PRODUCT DEVELOPMENT:

Type: Own

Sector: Education

Purpose: Cooperation

Location of activity: Spain, Angola, Argentina, Bahamas, Barbados, Brazil, Belize, Chile, Colombia, Costa Rica, Benin, Ecuador, El Salvador, Ethiopia, French Guiana, Guatemala, Guinea, Jordan, Kenya, Lebanon, Liberia, Madagascar, Malawi, Mexico, Morocco, Nicaragua, Nigeria, Panama, Peru, Philippines, Rwanda, Saint Lucia, Senegal, Sierra Leone, South African Republic, Zimbabwe, Spain, Swaziland, Uganda, Tanzania, Uruguay and Venezuela

Detailed description of the activity: The PRODUCT DEVELOPMENT activity includes the work carried out for the design, development and maintenance of the solution ProFuturo, composed of an educational platform and a series of digital resources that are made available to the schools involved in the project, for the training of teachers and children in Primary Education. The ProFuturo Solution also includes a kit of technological equipment that is donated to ProFuturo's collaborating entities in the field, so that teachers and children from the schools participating in the program can use the educational platform and digital resources. This technological kit is designed to function as an "offline digital classroom" and is composed of:

- 1 computer that acts as a server, where the platform and the digital resources are included, used by the teacher in the preparation and development of the classes.
- Tablets so that the children can access the classes designed by the teachers.
- Wi-Fi router, which establishes the connection between the tablets and the server.
- Projector and screen that can be used by the teacher as part of the class.
- Other components (cables, cases, load concentrators...) that facilitate the storage and loading of the components.

This activity also includes the performance of work to evaluate the impact of the ProFuturo program, evaluations from which adjustments and improvements to the Solution are made, such as the development of new functionalities in the platform or new digital resources, for example.

Human resources used in the activity

TYPE OF STAFF	ESTIMATED NUMBER	ACTUAL NUMBER	ESTIMATED NO. OF HOURS/YEAR	ACTUAL NO. OF HOURS/YEAR
Staff on payroll	14	14	1,665	1,665
Staff on services contract	3	3	1,665	1,665

Beneficiaries and/or users of the activity

BENEFICIARIES OR USERS	ESTIMATED NUMBER	ACTUAL NUMBER
Natural persons	10,100,916	7,784,354

D. Financial resources used in the activity

RESOURCES	ESTIMATED AMOUNT	ACTUAL SPECIFIC AMOUNT INCURRED IN THE ACTIVITY	ACTUAL SHARED AMOUNT INCURRED IN THE ACTIVITY	ACTUAL TOTAL AMOUNT INCURRED IN THE ACTIVITY
Expenses				
Monetary aid and other management expenses	-1,128,500.00	-2,705,150.00	0.00	-2,705,150.00
a) Monetary aid	0.00	0.00	0.00	0.00
b) Non-monetary aid	-1,128,500.00	-2,705,150.00	0.00	-2,705,150.00
c) Expenses relating to collaborations and governing bodies	0.00	0.00	0.00	0.00
Change in inventories of finished goods and work in progress	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00
Personnel expenses	-1,273,183.00	-1,227,149.00	0.00	-1,227,149.00
Other expenses relating to the activity	-5,277,041.00	-4,182,589.00	0.00	-4,182,589.00
Project operating costs	-1,154,005.00	-882,000.00	0.00	-882,000.00
Development of technological solutions	-3,882,386.00	-3,007,568.00	0.00	-3,007,568.00
Impact monitoring and assessment	-240,650.00	-293,021.00	0.00	-293,021.00
Depreciation and amortisation	-1,305,258.00	-1,308,604.00	0.00	-1,308,604.00
Impairment and gains/losses on disposal of fixed assets	0.00	0.00	0.00	0.00
Other gains/losses (Expenses)	0.00	0.00	0.00	0.00
Financial expense	0.00	0.00	0.00	0.00
Changes in the fair value of financial instruments	0.00	0.00	0.00	0.00
Exchange differences	0.00	0.00	0.00	0.00
Impairment and gains/(losses) on disposal of financial instruments	0.00	0.00	0.00	0.00
Income tax	0.00	0.00	0.00	0.00
Total expenses	-8,983,982.00	-9,423,492.00	0.00	-9,423,492.00
Investments				

Asset acquisitions (except items of Historical Heritage)	0.00	0.00	0.00	0.00
Acquisition of items of Historical Heritage	0.00	0.00	0.00	0.00
Cancellation of non-trade payable	0.00	0.00	0.00	0.00
Total investments	0.00	0.00	0.00	0.00
TOTAL RESOURCES USED	8,983,982.00	9,423,492.00	0,00	9,423,492.00

Goals and performance indicators of the activity.

OBJECTIVE	INDICATOR	ESTIMATED AMOUNT	ACTUAL AMOUNT INCURRED
Promoting access to universal and quality education to help create equal opportunities for children from vulnerable groups.	ProFuturo beneficiary children	9,709,813	7,340,295
Fostering educational innovation, by promoting the use of new technologies in teaching practice.	Teachers receiving training and giving classes using the ProFuturo platform	391,103	444,059

2. DEPLOYMENT AND SUPPORT:

Type: Own

Sector: Education

Purpose: Cooperation

Location of activity: Spain, Angola, Argentina, Bahamas, Barbados, Brazil, Belize, Chile, Colombia, Costa Rica, Benin, Ecuador, El Salvador, Ethiopia, French Guiana, Guatemala, Guinea, Jordan, Kenya, Lebanon, Liberia, Madagascar, Malawi, Mexico, Morocco, Nicaragua, Nigeria, Panama, Peru, Philippines, Rwanda, Saint Lucia, Senegal, Sierra Leone, South African Republic, Zimbabwe, Spain, Swaziland, Uganda, Tanzania, Uruguay and Venezuela

Detailed description of the activity: In DEPLOYMENT AND SUPPORT include all the activity developed for the selection and monitoring of the schools, the training of teachers, coordinators and directors in situ, the organization and development of the on-line teacher training calls, with or without tutoring, as well as the rest of the actions carried out during the year for the correct implementation of the project in the different countries, mainly accompanying and on-site support to the schools in the program.

Human resources used in the activity

TYPE OF STAFF	ESTIMATED NUMBER	ACTUAL NUMBER	ESTIMATED NO. OF HOURS/YEAR	ACTUAL NO. OF HOURS/YEAR
Staff on payroll	28	28	1,665	1,665
Staff with services contract	4	6	1,665	1,665

Beneficiaries and/or users of the activity

BENEFICIARIES OR USERS	ESTIMATED NUMBER	ACTUAL NUMBER
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Natural persons	10,100,916	7,784,354
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Financial resources used in the activity

RESOURCES	ESTIMATED AMOUNT	ACTUAL SPECIFIC AMOUNT INCURRED IN THE ACTIVITY	ACTUAL SHARED AMOUNT INCURRED IN THE ACTIVITY	ACTUAL TOTAL AMOUNT INCURRED IN THE ACTIVITY
Expenses				
Monetary aid and other management expenses	-22,853,224.00	-17,147,203.00	0,00	-17,147,203.00
a) Monetary aid	-22,853,224.00	-17,147,203.00	0,00	-17,147,203.00
b) Non-monetary aid	0.00	0.00	0,00	0.00
c) Expenses relating to collaborations and governing bodies	0.00	0.00	0,00	0.00
Change in inventories of finished goods and work in progress	0.00	0.00	0,00	0.00
Supplies	0.00	-375,869.00	0,00	-375,869.00
Personnel expenses	-2,546,365.00	-2,383,784.00	0,00	-2,383,784.00
Other expenses relating to the activity	-5,171,909.00	-3,000,481.00	0,00	-3,000,481.00
Project operating costs	-2,276,453.00	-1,713,076.00	0,00	-1,713,076.00
Project support	-2,706,831.00	-1,287,405.00	0,00	-1,287,405.00
Logistics	-188,625.00	0.00	0,00	0.00
Depreciation and amortisation	0.00	0.00	0,00	0.00
Impairment and gains/losses on disposal of fixed assets	0.00	0.00	0,00	0.00
Other gains/losses (Expenses)	0.00	0.00	0,00	0.00
Financial expense	0.00	0.00	0,00	0.00
Changes in the fair value of financial instruments	0.00	0.00	0,00	0.00
Exchange differences	0.00	-207,483.00	0,00	-207,483.00
Impairment and gains/(losses) on disposal of financial instruments	0.00	0.00	0,00	0.00
Income tax	0.00	0.00	0,00	0.00
Total expenses	-30,571,498.00	-23,114,820.00	0,00	-23,114,820.00
Investments				
Asset acquisitions (except items of Historical Heritage)	0.00	0.00	0.00	0.00
Acquisition of items of Historical Heritage	0.00	0.00	0.00	0.00
Cancellation of non-trade payable	0.00	0.00	0.00	0.00
Total investments	0.00	0.00	0.00	0.00
TOTAL RESOURCES USED	30,571,498.00	23,114,820.00	0,00	23,114,820.00

Goals and performance indicators of the activity

OBJECTIVE	INDICATOR	ESTIMATED AMOUNT	ACTUAL AMOUNT INCURRED
Promoting access to universal and quality education to help create equal opportunities for children from vulnerable groups.	ProFuturo beneficiary children	9,709,813	7,340,295
Fostering educational innovation, by promoting the use of new technologies in teaching practice.	Teachers receiving training and giving classes using the ProFuturo platform	391,103	444,059

II. FINANCIAL RESOURCES USED BY THE ENTITY

RESOURCES	ACTIVITY 1	ACTIVITY 2
Expenses		
Monetary aid and other management expenses	-2,705,150.00	-17,147,203.00
a) Monetary aid	0.00	-17,147,203.00
b) Non-monetary aid	-2,705,150.00	0.00
c) Expenses relating to collaborations and governing bodies	0.00	0.00
Change in inventories of finished goods and work in progress	0.00	0.00
Supplies	0.00	-375,869.00
Personnel expenses	-1,227,149.00	-2,383,784.00
Other expenses relating to the activity	-4,182,589.00	-3,000,481.00
Project operating costs	-882,000.00	-1,713,076.00
Development of technological solutions	-3,007,568.00	0.00
Impact monitoring and assessment	-293,021.00	0.00
Project support	0.00	-1,287,405.00
Depreciation and amortisation	-1,308,604.00	0.00
Other gains/losses (Expenses)	0.00	0.00
Financial expense	0.00	0.00
Changes in the fair value of financial instruments	0.00	0.00
Exchange differences	0.00	0.00
Impairment and gains/(losses) on disposal of financial instruments	0.00	0.00
Income tax	0.00	0.00
Total expenses	-9,423,492.00	-23,114,819.00
Investments		
Asset acquisitions (except items of Historical Heritage)	0.00	0.00
Acquisition of items of Historical Heritage	0.00	0.00
Cancellation of non-trade payable	0.00	0.00
Total investments	0.00	0.00
TOTAL RESOURCES USED	9,423,492.00	23,114,819.00

RESOURCES	ESTIMATED AMOUNT	EXECUTED ACTIVITIES	NOT ALLOCATED TO ACTIVITIES	TOTAL ACTUALLY EXECUTED
Expenses				
Monetary aid and other management expenses	-23,981,724.00	-19,852,353.00	0.00	-19,852,353.00
a) Monetary aid	-22,853,224.00	-17,147,203.00	0.00	-17,147,203.00
b) Non-monetary aid	-1,128,500.00	-2,705,150.00	0.00	-2,705,150.00
c) Expenses relating to collaborations and governing bodies	0.00	0.00	0.00	0.00
Change in inventories of finished goods and work in progress	0.00	0.00	0.00	0.00
Supplies	0.00	-375,869.00	0.00	-375,869.00
Personnel expenses	-3,819,548.00	-3,610,933.00	0.00	-3,610,933.00
Other expenses relating to the activity	-10,448,950.00	-7,183,070.00	0.00	-7,183,070.00
Project operating costs	-3,430,458.00	-2,595,076.00	0.00	-2,595,076.00
Development of technological solutions	-3,882,386.00	-3,007,568.00	0.00	-3,007,568.00
Impact monitoring and assessment	-240,650.00	-293,021.00	0.00	-293,021.00
Project support	-2,706,831.00	-1,287,405.00	0.00	-1,287,405.00
Logistics	-188,625.00	0.00	0.00	0.00
Depreciation and amortisation	-1,305,258.00	-1,305,258.00	0.00	-1,305,258.00
Impairment and gains/losses on disposal of fixed assets	0.00	0.00	0.00	0.00
Other gains/losses (Expenses)	0.00	0.00	0.00	0.00
Financial expense	0.00	0.00	0.00	0.00
Changes in the fair value of financial instruments	0.00	0.00	0.00	0.00
Exchange differences	0.00	-207,483.00	0.00	-207,483.00
Impairment and gains/(losses) on disposal of financial instruments	0.00	0.00	0.00	0.00
Income tax	0.00	0.00	0.00	0.00
Total expenses	-39,555,480.00	-32,538,312.00	0.00	-32,538,312.00
Investments				
Asset acquisitions (except items of Historical Heritage)	0.00	0.00	0.00	0.00
Acquisition of items of Historical Heritage	0.00	0.00	0.00	0.00
Cancellation of non-trade payable	0.00	0.00	0.00	0.00
Total investments	0.00	0.00	0.00	0.00
TOTAL RESOURCES USED	39,555,480.00	32,538,312.00	0.00	32,538,312.00

(c) FINANCIAL RESOURCES OBTAINED BY THE ENTITY

Revenues obtained by the entity

RESOURCES	ESTIMATED	ACTUALLY EXECUTED
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Income from capital and other revenue from assets	450,222.00	0.00
Trade receivables for sales and services from own activities	0.00	0.00
Sales and other revenue from trading activities	0.00	0.00
Public sector grants	0.00	0.00
Private contributions	37,800,000.00	28,821,033.00
Other kinds of revenue	0.00	263,779.00
TOTAL REVENUES OBTAINED	38,250,222.00	29,084,812.00

COLLABORATION AGREEMENTS WITH OTHER ENTITIES

ENTITY	AGREEMENT	INCOME	EXPENSES
Fundación Telefónica Brasil	Collaboration Agreement	0.00	3,778,260
Fundación World Vision	Collaboration Agreement	0.00	2,585,525
Fundación Telefónica del Perú	Collaboration Agreement	0.00	1,961,375
Fundación Telefónica Mexico	Collaboration Agreement	0.00	1,174,146
Fundación Telefónica Uruguay	Collaboration Agreement	0.00	965,942
Fundación Telefónica Colombia	Collaboration Agreement	0.00	884,325
Fundación Telefónica Chile	Collaboration Agreement	0.00	859,780
Fundación Telefónica Argentina	Collaboration Agreement	0.00	178,050
Fundación Telefónica Ecuador	Collaboration Agreement	0.00	548,498
Fundación Telefónica Venezuela	Collaboration Agreement	0.00	68,018
Conferencia Episcopal Argentina	Collaboration Agreement	0.00	44,895
FUSAL	Collaboration Agreement	0.00	332,199
Fundación Gabriel Lewis Galindo	Collaboration Agreement	0.00	986,191
Fabretto	Collaboration Agreement	0.00	149,781
INPRHU	Collaboration Agreement	0.00	215,719
Fundación Padre Arrupe	Collaboration Agreement	0.00	76,086
DECA	Collaboration Agreement	0.00	454,869
Omar Dengo	Collaboration Agreement	0.00	202,369
OEA	Collaboration Agreement	0.00	312,457
American University of Beirut	Collaboration Agreement	0.00	24,133
Kayani Foundation	Collaboration Agreement	0.00	65,285
Ayala Foundation	Collaboration Agreement	0.00	213,272
Ministerio de educación de Filipinas	Collaboration Agreement	0.00	442,021
Archidiócesis de Antsirana	Collaboration Agreement	0.00	12,149
Fundación Agua de Coco	Collaboration Agreement	0.00	6,990
Archidiócesis de Cotonú	Collaboration Agreement	0.00	34,483
AES Senegal	Collaboration Agreement	0.00	44,434
Mensajeros de la Paz	Collaboration Agreement	0.00	24,009
Centros Católicos de Guinea	Collaboration Agreement	0.00	168,538
Conferencia Episcopal de Angola	Collaboration Agreement	0.00	153,879
Diócesis de Kitui	Collaboration Agreement	0.00	47,025
Teach for Kenya	Collaboration Agreement	0.00	66,999
Kenia Salesianos Don Bosco	Collaboration Agreement	0.00	86,106
Diócesis de Manzini	Collaboration Agreement	0.00	41,601
Freres Des Ecoles Chretie	Collaboration Agreement	0.00	51,150
ACNUR	Collaboration Agreement	0.00	639,066
Ruanda Salesianos Don Bosco	Collaboration Agreement	0.00	91,395
Fundación Entreculturas	Collaboration Agreement	0.00	121,782
Fundación Save The Children	Collaboration Agreement	0.00	265,530
Kukah Center	Collaboration Agreement	0.00	132,127

Uganda Salesianos Don Bosco	Collaboration Agreement	0.00	27,690
Tanzania Salesianos Don Bosco	Collaboration Agreement	0.00	240,276
Thabo Mbeki	Collaboration Agreement	0.00	411,817
Teach For Nation	Collaboration Agreement	0.00	114,097
Teach For Liberia	Collaboration Agreement	0.00	- 39,000
Teach For Zimbwe	Collaboration Agreement	0.00	74,353
Teach For Sierra Leona	Collaboration Agreement	0.00	318,326
CIEB	Collaboration Agreement	0.00	18,277
Universidad Pontifica de Salamanca	Collaboration Agreement	0.00	49,883
Educación para Compartir	Collaboration Agreement	0.00	5,781
Meducation Alliance	Collaboration Agreement	0.00	5,000
Organización de Estados Iberoamericanos	Collaboration Agreement	0.00	14,400
Other	Collaboration Agreement	0.00	33,888
Fundación Empieza por Educar	Collaboration Agreement	0.00	67,107
Fundación Bancaria "La Caixa"	Collaboration Agreement	9,800,000	-
Fundación Telefónica	Collaboration Agreement	19,000,000	-
TOTAL		28,800,000	19,852,353

4. DIFFERENCES BETWEEN ACTION PLAN AND ACTUAL DATA

Compared to the Action Plan proposed by Fundación ProFuturo of 39,555,480.00 euros, the value executed during 2021 was 32,538,311.00 euros.

The main differences in Activity 1 are found in:

- Non-monetary aid, forecast value 1,128,500.00 euros compared to the 2,705,150.00 euros executed at year-end 2021. A higher expenditure was incurred compared to the Action Plan, as equipment was donated during 2021 that was initially planned to have been donated in 2020 and whose shipment was delayed until early 2021.
- Development of the Technological Solution, actual expense of 3,007,568.00 euros compared to the amount initially foreseen for financial year 2021 of 3,882,386.00 euros. This lower level of execution is due to some activities being postponed until 2022, especially those related to the review of digital contents developed during the previous years.
- On the other hand, expenses in Monitoring and Impact Evaluation show an amount slightly over the initial budget, 293,021.00 euros compared to 240,650.00 euros, due to the promotion of activities related to the monitoring of all projects, starting up a complete system for it.

The main differences in Activity 2 are to be found in the following areas:

- Monetary aid, the planned amount was 22,853,224.00 euros compared to the 17,147,203.00 euros finally executed during 2021. This difference still reflects the impact of COVID 19 in a year when full recovery of activity in the schools, financed with these aids, was expected. Schools have remained closed during most of the year in the countries involved. New projects had also been planned, especially in Refugee camps that were finally postponed until 2022. For all these reasons, the level of beneficiaries has also been affected and is lower than initially foreseen.
- Supplies-Logistics: Under the Plan presented, logistics expenditure was included under the heading "Other Expenses" for an amount of 188,625.00 euros; the actual figure of 375,869.00 euros is included

under the heading "Supplies" and exceeds the planned amount derived from the shipments completed in 2021 and initially scheduled for 2020.

In both activities, there have been savings in overheads also derived from the impact of the pandemic on the level and speed of deployment of the different projects.

5. APPLICATION OF ASSETS FOR OWN PURPOSES

Determination of the calculation base and income to be used in the year

RESOURCES	AMOUNT
Book results	284,812.00
Adjustments (+) to book results	
Amortisation and depreciation and impairment losses on assets relating to own activities	1,308,604.00
Common expenses and those specific to the set of activities implemented in compliance with aims (except A&D and impairment losses)	31,229,708.00
Profit and loss recognised directly in equity as a result of changes in accounting policies or correction of errors	0.00
Total adjustments (+)	32,538,312.00
Adjustments (-) to book results	
NON-COMPUTABLE REVENUES: Proceeds from the sale of property in which own activity is performed and goods and rights considered part of endowment capital	0.00
Profit and loss recognised directly in equity as a result of changes in accounting policies or correction of errors	0.00
Total adjustments (-)	0.00
DIFFERENCE: CALCULATION BASE	32,823,124.00
Percentage	100.00
Income earmarked	32,823,124.00

Resources applied in the year to fulfilling aims

RESOURCES	AMOUNT
Expenses from own activity accrued during the year (includes those common to own activity)	31,229,708.00
Investments made in own activity during the year	0.00
TOTAL RESOURCES USED IN THE YEAR	31,229,708.00

Administration expenses

According to the figures disclosed by the Foundation, there are no administration expenses of those specified in article 33 of the Regulations for Foundations under the Competency of the State, approved by Royal Decree 1337/2005, of December 11.

6. DEGREE OF COMPLIANCE OF THE USE OF REVENUE AND INCOME

Determination of the degree of compliance of the use of revenue and income

FINANCIAL YEAR	SURPLUS FOR THE YEAR	POSITIVE ADJUSTMENTS	NEGATIVE ADJUSTMENTS	CALCULATION BASE	INCOME EARMARKED	PERCENTAGE EARMARKED	RESOURCES EARMARKED FOR AIMS
01/01/2017 - 31/12/2017	34,827.00	27,531,065.00	0.00	27,565,892.00	27,565,892.00	100.00	33,655,593.00
01/01/2018 - 31/12/2018	40,592.00	52,637,730.00	0.00	52,678,322.00	52,678,322.00	100.00	51,321,592.00
01/01/2019 - 31/12/2019	40,714.00	50,929,505.00	0.00	50,970,219.00	50,970,219.00	100.00	49,222,376.00
01/01/2020 - 31/12/2020	771,472.00	40,968,825.00	0.00	41,740,297.00	41,740,297.00	100.00	39,266,827.11
01/01/2021 - 31/12/2021	284,812.00	32,538,312.00	0.00	32,823,124.00	32,823,124.00	100.00	31,229,708.00

Application of resources to fulfil aims.

FINANCIAL YEAR	N-4	N-3	N-2	N-1	N	TOTAL	AMOUNT PENDING
01/01/2016 - 31/12/2016	33,652,098.94	0.00	0.00	0.00	0.00	33,652,098.94	0.00
01/01/2017 - 31/12/2017		51,321,592.00	1,356,730.00	0.00	0.00	33,652,098.94	0.00
01/01/2018 - 31/12/2018			47,865,646.00	3,104,573.00	0.00	52,678,322.00	0.00
01/01/2019 - 31/12/2019				36,162,254.11	5,578,042.89	41,740,297.00	0.00
01/01/2020 - 31/12/2020					25,651,664.11	25,651,664.11	-7,171,458.89

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8. Resources applied in the year

	SHAREHOLDERS' EQUITY	GRANTS, DONATIONS AND BEQUESTS	DEBT	TOTAL
1. Expenses for fulfilling aims				31,229,708.00
2. Investment in fulfilling aims				0.00
a) Performed with equity in the year	0.00			
b) Debts incurred in previous years and cancelled during the year			0.00	
c) Grants, donations and bequests from previous years released to income		0.00		
TOTAL (1+2)				31,229,708.00

Positive adjustments to accounting result

AMORTISATION AND DEPRECIATION IN RELATION TO ACTIVITIES FOR FULFILLING AIMS

ITEM OF INCOME STATEMENT	ACCOUNT No.	DETAILS OF THE ASSET ITEM RELATED TO THE ACTIVITY TO FULFIL AIMS	AMORTISATION/DEPRECIATION OF THE ASSET ITEM	TOTAL AMOUNT OF ASSET ITEM AMORTISED/DEPRECIATED
10. Depreciation and amortisation	681	Software	1,293,843.00	6,757,350.00
10. Depreciation and amortisation	681	Data processing equipment	14,761.00	39,751.00
		TOTAL	1,308,604.00	6,797,101.00

COMMON EXPENSES AND THOSE SPECIFIC TO THE SET OF ACTIVITIES IMPLEMENTED TO FULFIL AIMS (except A&D and impairment losses)

ITEM OF PROFIT/LOSS	ACCOUNT No.	BREAKDOWN OF EXPENSES	CRITERION FOR ALLOCATION TO OWN ACTIVITY	AMOUNT
3. Expenses from aid and other	2	Monetary and non-monetary aid	Monetary and non-monetary donations	-19,852,353.00
6. Supplies	3	Logistics services and other supplies	Logistics services	-375,869.00
8. Personnel expenses	4	Personnel expenses	Personnel expenses	-3,610,933.00
9. Other expenses relating to the activity	5	Other expenses relating to the activity	Other expenses	-7,183,070.00
17. Exchange differences	7	Exchange differences	Exchange differences	-207,483.00
		TOTAL		-31,229,708.00

(18) Inventories

Assets and rights

Intangible assets

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	IMPAIRMENT, AMORTISATION AND OTHER COMPENSATORY ITEMS	SCOPE
206 Software	AVANZO	01/06/2017	62,062.16	62,062.16	Aims
206 Software	TEKMAN	01/06/2017	1,448,263.52	1,418,091.95	Aims
206 Software	NETEX	01/06/2017	139,585.60	133,769.53	Aims
206 Software	ELESAPIENS	01/06/2017	559,232.97	524,280.91	Aims
206 Software	CINEX	01/06/2017	115,668.78	108,439.48	Aims
206 Software	TED N-1	01/06/2017	526,350.00	526,350.00	Aims
206 Software	TED	31/07/2017	3,984,357.42	3,984,357.42	Aims
	TOTAL		6,835,520.45	6,757,351.45	

Property, plant and equipment

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	IMPAIRMENT, DEPRECIATION AND OTHER COMPENSATORY ITEMS	SCOPE
217 Data processing equipment	Data processing equipment	01/01/2018	63,362.00	39,751.00	Aims
	TOTAL		63,362.00	39,751.00	

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	SCOPE
30 Items used in the activity	TABLET	01/07/2017	272.637.70	Aims
30 Items used in the activity	BAGS	01/07/2017	91.464.41	Aims
30 Items used in the activity	MULTI-PORT CHARGER	01/07/2017	14.249.32	Aims
30 Items used in the activity	LAPTOP	01/07/2017	15.492.50	Aims
30 Items used in the activity	PROJECTORS	01/07/2017	76.885.67	Aims
30 Items used in the activity	UPS	01/07/2017	12.846.00	Aims
30 Items used in the activity	ROUTERS	01/07/2017	22.375.15	Aims
30 Items used in the activity	POWER STRIP	01/07/2017	703.35	Aims
30 Items used in the activity	ANCILLARY	01/07/2017	16.833.90	Aims
	TOTAL		523.488.00	

(19) Statement of cash flows

	2021	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	-28,946,504	-43,225,048
Surplus for the year before tax	284,812	771,472
Total adjustments	-31,932,162	-38,987,709
Depreciation and amortisation	1,308,604	1,722,199
Grants released to income	-32,473,873	-40,840,712
Exchange differences	143,044	130,805
Changes in working capital	1,790,908	-5,008,811
Trade and other receivables	93,968	-6,599
Inventories	2,258,914	-2,085,988
Trade and other payables	-652,037	-2,916,224
Other non-current assets and liabilities	90,063	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	-11,120	-20,201
Payments due to investments	-11,120	-20,201
Property, plant and equipment	-11,120	-20,201
Intangible assets	-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	28,800,000	40,103,780
Proceeds from and payments for financial liabilities	28,800,000	40,103,780
Proceeds from and payments for equity instruments:	28,800,000	40,103,780
Grants, gifts and bequests received,	28,800,000	40,103,780
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS	-143,044	-130,805
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	-300,669	912,900
Cash and cash equivalents at beginning of period	12,436,313	11,523,413
Cash and cash equivalents at end of period	12,135,644	12,436,313

(20) Information on compliance with the Code of Conduct on Short-Term Investments

On 20 February 2019, the Board of the National Securities Market Commission approved a code of conduct for investments by non-profit organisations.

In accordance with the provisions of Article 4,2 of this Code, a literal transcription of the agreements reached by the Board of Trustees of Fundación ProFuturo is provided in order to produce a written record evidence of their publication and adopt the measures conducive to following its principles and recommendations.

MINUTES TO THE MEETING OF THE BOARD OF TRUSTEES OF THE FUNDACIÓN PROFUTURO HELD ON 17 DECEMBER 2019

Agreements submitted for the approval of the Board of Trustees, approved by written vote and without a meeting:

Firstly, to take note of the publication of the new Code of Conduct relating to investments by non-profit organisations, approved pursuant to the agreement of 20 February 2019 of the Board of the National Securities Market Commission, in accordance with the provisions of article 4,2, of said Code of Conduct.

Secondly, in order to adapt the internal regulations of Fundación ProFuturo to the aforementioned new Code of Conduct relating to investments by non-profit organisations, to approve a new "Policy for short-term financial investments of Fundación ProFuturo", which replaces the Policy for making short-term financial investments approved at a meeting of the Board of Trustees on 31 May 2017.

(21) Subsequent events

Subsequent to year-end 2021 to the date of issue of these annual accounts, no significant events for the Foundation took place.

SIGNATURE PAGE:

AUTHORISATION OF ACCOUNTS FOR ISSUE

In accordance with applicable regulations, the Chair of the Board of Trustees of the ProFuturo Foundation authorises for issue the annual accounts for the year ended December 31, 2021, comprising the pages appended hereto numbered 1 to 42,

Madrid, 30 March 2022

The Chair of the Board of Trustees



Mr César Alierta Izuel