Fundación Profuturo

Audit report and
Annual Accounts
At December 31, 2022

Fundación Profuturo

This version of our report is a free translation from 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, 2022, and 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, 2022, as well as its financial performance for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes 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
Expenses relating to aid and other	
As detailed in Notes 1 and 13 to the accompanying annual accounts, Fundación Profuturo's activity focuses 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). As described in note 4h, expenses are recognized on an accrual 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 signing the contract and therefore the commitment to carry out the action covered by the aid is signed off. 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. Of the total expenses recognized by the Foundation at December 31, 2022, 21,172,440 euros pertains to expenses relating to monetary and non-monetary aid, comprising the most relevant expense item for Fundación Profuturo. We consider this area relevant given the significance of the value of these expenses in the income statement, as well as because it is an area susceptible to material misstatement with respect to the correct accounting of these expenses.	We carried out audit procedures in relation to the recognition of expenses relating to aid and other, including: • Understanding the accounting policies used by Fundación Profuturo to recognize expenses relating to aid and assessing them in light of applicable legislation. • Tests of details, assessing the supporting documentation for a sample of expenses relating to monetary and non-monetary aid. • Analyzing the correct classification and recognition of expenses relating to monetary and non-monetary aid taken to the income statement. Based on the procedures carried out, no issues worth mentioning were identified.

Responsibility of the Chair of the Board of Trustees for 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 the Foundation, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned Chair of the Board of Trustees 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 of the Board of Trustees 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 of the Board of Trustees.

- Conclude on the appropriateness of the Chair of the Board of Trustees'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 auditor's 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.

We communicate with the entity's 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 entity's Chair of the Board of Trustees, we determine those risks 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 about the matter.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by Alberto Cocheteux Moldes (23,701)

June 15, 2023

FUNDACIÓN PROFUTURO
Annual Accounts
December 31, 2022

Contents of the annual accounts of Fundación Profuturo

Balance sheet at December 31, 2022 and 2021 (Expressed in euros)

	NOTE	2022	2021
A) NON-CURRENT ASSETS		**22,321**	**101,780**
I. Intangible assets	**NOTE 5**	-	78,169
II. Property, plant and equipment		22,321	23,611
B) CURRENT ASSETS		**9,124,383**	**12,694,356**
I. Inventories	**NOTE 7**	855,918	523,488
II. Trade and other receivables		27,861	35,224
1. Users and other receivables relating to the organisation's own activity	**NOTE 6**	27,674	32,465
2. Other amounts receivable from Public Administrations	**NOTE 12**	187	2,759
III. Cash and cash equivalents	**NOTE 8**	8,240,604	12,135,644
TOTAL ASSETS (A+B)		**9,146,704**	**12,796,136**

A) EQUITY		**4,673,043**	**8,083,719**
A-1) Shareholders' equity	**NOTE 9**	**1,259,335**	**1,209,408**
I. Endowment capital/social fund		**32,000**	**32,000**
II. Reserves		1,177,408	892,596
III. Surplus for the year		49,927	284,812
A-2) Grants, donations and bequests received	**NOTE 10**	**3,413,708**	**6,874,311**
I. Donations and bequests		**3,413,708**	**6,874,311**
B) NON-CURRENT LIABILITIES		**104,856**	**90,063**
I. Non-current payables		**104,856**	**90,063**
1. Non-current employee benefit obligations		104,856	90,063
C) CURRENT LIABILITIES		**4,368,805**	**4,622,354**
I. Current payables	**NOTE 11**	10,047	6,504
II. Beneficiaries – Creditors	**NOTE 11**	279,896	822,430
III. Trade and other payables		4,078,862	3,793,420
1. Sundry creditors	**NOTE 11**	3,269,646	3,103,851
2. Personnel	**NOTE 11**	524,401	437,491
3. Other amounts payable to Public Administrations	**NOTE 12**	284,815	252,078
TOTAL EQUITY AND LIABILITIES (A+B)		**9,146,704**	**12,796,136**

Notes 1 to 21 to the accompanying accounts are an integral part of the balance sheet at December 31, 2022.

Income statement at 31 December 2022 and 2021 (Expressed in euros)

	NOTE	2022	2021
A) Surplus for the year			
1. Revenue from the organisation's own activity	**NOTE 13 a**	**34,021,591**	**32,494,906**
a) Contributions from users		20,988	21,033
b) Donations and bequests taken to income in the year		34,000,603	32,473,873
2. Other revenues		**28,938**	**263,779**
3. Expenses relating to aid and other	**NOTE 13 b/c**	**(21,172,440)**	**(19,852,354)**
a) Monetary aid		(20,560,577)	(17,147,203)
b) Non-monetary aid		(611,863)	(2,705,150)
4. Supplies	**NOTE 13 d**	**(405,577)**	**(375,869)**
5. Personnel expenses	**NOTE 13 e**	**(3,989,361)**	**(3,610,932)**
a) Wages, salaries and sundry expenses		(2,954,863)	(2,597,693)
b) Employee benefit costs		(645,731)	(600,830)
b) Other benefit expenses		(388,767)	(412,410)
6. Other operating expenses	**NOTE 13 f**	**(8,133,051)**	**(7,183,070)**
7. Amortisation and depreciation	**NOTE 5**	**(90,768)**	**(1,308,604)**
A.1) Surplus from activity		**259,332**	**427,856**
8. Exchange differences	**NOTE 13 g**	**(237,074)**	**(143,044)**
9. Financial income		**27,669**	**-**
A.2) Financial surplus		**(209,405)**	**(143,044)**
A.3) Surplus before tax		**49,927**	**284,812**
10. Income tax			
A.4) Change in equity recognised in surplus for the year		**49,927**	**284,812**
B) Income and expense recognised directly in equity	**NOTE 10**	**30,540,000**	**28,800,000**
9. Donations and bequests received		**30,540,000**	**28,800,000**
C) Reclassifications to surplus for the year	**NOTE 10**	**(34,000,603)**	**(32,473,873)**
10. Donations and bequests received		**(34,000,603)**	**(32,473,873)**
I) TOTAL RESULTS, CHANGE IN EQUITY FOR THE YEAR (A.4+B+C)		**(3,410,676)**	**(3,389,061)**

Notes 1 to 21 to the accompanying accounts are an integral part of the income statement at December 31, 2022.

FUNDACIÓN PROFUTURO
DECEMBER 31, 2022
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 calle Gran Vía, 28, CP 28013, 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 activities) 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 study grants, 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 excelled in the pursuit of the aims promoted by the Foundation.

(2) Basis of presentation

(a) <u>Financial reporting regulatory framework applicable to the Foundation:</u>

These financial statements have been prepared by the Chairman 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 Regulations for National Foundations, 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 complies fully with the provisions of Royal Decree 1491/2011, of October 24, and for all matters not specifically amended by said decree, the provisions of the Chart of Accounts.
- Royal Decree 1/2021, of January 12, amending the Chart of Accounts approved by Royal Decree 1514/2007, of November 16; the Chart of Accounts for Small and Medium-Sized Companies approved by Royal Decree 1515/2007, of November 16; the Standards on the Preparation of Consolidated Financial Statements approved by Royal Decree 1159/2010, of September 17; and the Standards on the adaptation of the Chart of Accounts 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 Chart of Accounts and its supplementary standards.
- All other applicable Spanish legislation.

(b) <u>True and fair view</u>

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, 2022, and changes in equity, as well as the activity carried out during 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 changes.

(c) Comparability

The information for financial year 2021 contained in these annual accounts is presented solely and exclusively for comparative purposes with the information relating to 2022.

(d) Functional and presentation currency:

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

(3) Appropriation/Application of Surplus

The application of the surplus for the year ended December 31, 2021, approved by the Foundation's Board of Trustees on June 29, 2022, was as follows:

	Euros
Basis of appropriation	
Surplus for the year	284,812
Appropriation	
Voluntary reserves	284,812

The proposed application of the Foundation's surplus for the year ended December 31, 2022 to be submitted to the Board of Trustees is as follows:

	Euros
Basis of appropriation	
Surplus for the year	49,927
Appropriation	
Voluntary reserves	49,927

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 would be 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 to intangible assets (see section (b)).

(b) Impairment of 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, 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 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 measurement adjustment is the higher of net realisable value and replacement cost.

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

The Foundation makes the necessary measurement 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 taken directly to equity when there is an individual agreement awarding the grants, donations or bequests to the Foundation, the conditions established for such award have been fulfilled and there are no reasonable doubts regarding collection. They are released to the income statement on a systematic and rational basis in a manner that matches 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 the 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 an 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 entity'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, are collected in fixed or determinable amounts and arise from loans or credit granted by the entity.

Initial measurement

Financial assets classified in this category are initially measured at fair value, which, barring 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 income statement using the effective interest method. However, receivables maturing in less than one year that are initially measured at nominal value will continue to be measured at nominal value unless they become 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 recognises 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 from loans or credit received by the entity.

Initial measurement

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

Subsequent measurement

Financial liabilities included in this category are measured at amortised cost. Accrued interest is recognised in the income statement 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 contribution 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 to reduce 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.:

i) 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 April 2022 approved the implementation of a new global incentive purchase plan for Telefónica, S.A. shares aimed at the Group's employees. Under this Plan, employees are offered the possibility of acquiring shares in Telefónica, S.A. for a period of twelve months and the Company commits to delivering a certain number of shares to the plan participants, free of charge, 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. Likewise, to commemorate the 100th anniversary of the founding of Telefónica, each employee may receive up to 100 additional Telefónica shares free of charge, provided that the established requirements are met.

The purchase period began in October 2022.

The accumulated cost at the 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.

ii) "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 50% on compliance with the target total shareholder return (TSR) on Telefónica shares and another 50% on free cash flow (FCF) generation.

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 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 by Rule 18 of Section Five of the standards 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, income obtained in exempt economic operations and 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 or sporting nature, promotion of 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 economic operations not covered by the statutory aim or purpose. This requirement will be considered to be fulfilled if net income for the year corresponding to all non-exempt economic operations 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 competition law 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 nor 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 assets as current and non-current

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 to be realised 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, 2022 and 2021 are as follows:

	31.12.21	**Additions**	**31.12.22**
Software	6,835,520	-	6,835,520
Total cost	**6,835,520**	**-**	**6,835,520**
Amortisation of software	(6,757,351)	(78,170)	(6,835,520)
Accumulated amortisation	**(6,757,351)**	**(78,170)**	**(6,835,520)**
Total assets	**78,169**	**-**	**-**

	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**

At year-end 2022, 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 indefinite useful life, and neither has it capitalised any financial expenses.

At December 31, 2022 and 2021, the Foundation had no purchase commitments in relation to intangible assets.
At December 31, 2022, there are intangible assets still in use, and fully amortised with a book cost of 6,835,520 euros (6,757,351 euros as of December 31, 2021)

(6) Current financial assets by category.

Details of this balance sheet heading at December 31, 2022 and 2021 are as follows:

	31.12.22	**31.12.21**
Financial assets at amortised cost:		

Users and other receivables relating to the organisation's own activity	27,674	32,465
Total	**27,674**	**32,465**

The heading "Users and other receivables relating to the organisation's own activity" on the accompanying balance sheet includes receivables 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:

	31.12.21	Additions	Disposals	31.12.22
Users and other receivables relating to the organisation's own activity	32,465	-	4,791	27,674

	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

No impairment adjustments were made in 2022 or 2021.

(7) Inventories

At December 31, 2022 and 2021, 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:

	31.12.22	31.12.21
Assets used in the activity	855,918	523,488
Total	**855,918**	**523,488**

At December 31, 2022 and 2021, 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 value of inventories.

There were no impairment adjustments to inventories at 31 December 2022 or 2021.

(8) Cash and cash equivalents

Details of this balance sheet heading at December 31, 2022 and 2021 are as follows:

	31.12.22	31.12.21
Banks	8,240,604	12,135,644
Total cash and cash equivalents	**8,240,604**	**12,135,644**

This heading includes cash deposited in the Foundation's current accounts. In 2022 and 2021, the Foundation did not make any current asset investments, and kept all monetary contributions received in its current account.

(9) Shareholders' equity

The breakdown of "Shareholders' equity" at December 31, 2022 and 2021 is as follows:

	Endowment capital	Reserves	Surplus for the year	Total
Balance at 31.12.21	**32,000**	**892,596**	**284,812**	**1,209,408**
Application of 2021 surplus	-	284,812	(284,812)	-
Surplus for 2022	-	-	49,927	**49,927**
Balance at 31.12.22	**32,000**	**1,177,408**	**49,927**	**1,259,335**

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

(a) Endowment capital

At December 31, 2022 and 2021, endowment capital comprised initial monetary contributions of 15,000 euros from Fundación Bancaria "La Caixa", 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, 2022, reserves include an amount of 1,177,408 euros corresponding to voluntary reserves from the surpluses for 2016 through 2021.

(10) Grants, donations and bequests received,

Details and movements during the years ended December 31, 2022 and 2021 are as follows:

	31.12.21	Additions	Recognition in income statement	31.12.22
Monetary donations for specific projects	**6,874,311**	**30,540,000**	**(34,000,603)**	**3,413,708**
Fundación Telefónica	-	20,200,000	-	-

Fundación Bancaria "La Caixa"	-	10,340,000	-	-
Fixed asset donations	-	-	-	-
Fundación Telefónica		-	-	-
Total	**6,874,311**	**30,540,000**	**(34,000,603)**	**3,413,708**

	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	-	-
Fundación Bancaria "La Caixa"	-	9,800,000	-	-
Fixed asset donations	**581,052**		**(581,052)**	
Fundación Telefónica	581,052	-	(581,052)	
Total	**10,548,184**	**28,800,000**	**(32,473,873)**	**6,874,311**

Monetary donations for specific projects include donations from Fundación Telefónica and Fundación Bancaria "La Caixa". 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 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, 2022 and 2021 are as follows:

	31.12.22	31.12.21
Financial liabilities at amortised cost:		
Current payables	**10,047**	**6,504**
Fixed asset suppliers	10,047	6,504
Beneficiaries – Creditors	**279,896**	**822,430**
Trade and other payables	**3,794,047**	**3,541,342**
Sundry creditors	3,269,646	3,103,851
Accrued wages and salaries	524,401	437,491
TOTAL	**4,083,990**	**4,370,276**

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, Additional Provision Three 'Duty of Information' of Law 15/2010, of July 5."

The following are the details of the disclosures required by Additional Provision Three of Law 15/2010, of July 5 (amended by Final Provision Two of Law 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 period for payment to Spanish suppliers in commercial transactions.

The breakdown is as follows:

	2022 (days)	2021 (days)
Average supplier payment period	**37,8**	**39,6**
Ratio of transactions paid	38,8	42,3
Ratio of transactions pending payment	30,7	26,8

	2022 (thousand euros)	2021 (thousand euros)
Total payments made	**(10,765)**	**(8,438)**
Total payments pending	**(1,482)**	**(1,775)**

For reasons of efficiency and in line with usual management practices, the Foundation has established a supplier payment calendar by virtue of which payments are made on fixed days. Invoices whose due date occurs between two payment days are paid on the next payment date set in the calendar. Payments made to Spanish suppliers in 2022 that exceeded the established legal term are attributable to circumstances or incidents unrelated to the established payment policy, including delays in the issuance of invoices (legal obligation of the supplier), the closing of agreements with suppliers in the delivery of goods or provision of the service, or specific processing issues.

On October 19, 2022, Law 18/2022, of September 28, on the creation and growth of companies, came into force, which modifies the Additional Provision Three of Law 15/2010. The new standard establishes the obligation to publish in annual accounts, in addition to the information already required, the monetary volume and number of invoices paid in a shorter period than the maximum established in the delinquency regulations, and the percentage they represent of the total number of invoices and on the total monetary payments to suppliers. This information for the 2022 financial year is shown below:

	2022

Monetary volume of invoices paid in a period shorter than the maximum established in regulations	(5,536)
Percentage of total payments made	51%

For the exclusive purposes of providing the disclosures envisaged in the 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 supplier payment period" 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 Public Administrations at December 31, 2022 and 2021 are as follows:

	31.12.22	31.12.21
Assets	**187**	**2,759**
Other amounts receivable from Public Administrations	187	2,759
Liabilities	**284,815**	**252,078**
Social Security contributions payable	63,956	59,832
Tax withholdings and other items payable	202,962	183,291
VAT payable	17,897	8,955

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. 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 income: donations and grants received to collaborate in the Foundation's aims and economic aid received by virtue of 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 Foundation's 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, a foundation's corporate income tax base will only include income from non-exempt economic operations.

The ProFuturo Foundation has opted to apply the special tax scheme provided by Title II of Law 49/2002 of 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 regulations on the application of the tax scheme for non-profit entities and tax incentives for patronage (Royal Decree 1270/2003, of October 10), we identify below the Foundation's income that is exempt from corporate income tax at December 31, 2022 and December 31, 2021, indicating revenue and expenses.

Income	**31.12.22**	**31.12.21**	**Articles of Law 49/2002**
Donations received during the year	34,000,603	32,473,873	6.1º a)
Income from sponsors and collaborators	20,988	21,033	6.1º a)
Financial income and exchange gains	146,058	64,439	6.2º
Other income	28,938	263,779	
Total exempt income	**34,196,587**	**32,823,124**	

Expenses	**31.12.22**	**31.12.21**
Monetary aid and other	(21,172,440)	(19,852,353)
Supplies	(405,577)	(375,869)
Personnel expenses	(3,989,361)	(3,610,933)
Fixed asset depreciation/amortisation charge	(90,768)	(1,308,604)
Other operating expenses	(8,133,051)	(7,183,070)
Changes in fair value of financial instruments	-	-
Financial expense and exchange losses	(355,463)	(207,483)
Total expenses attributable to exempt income	**(34,146,660)**	**(32,538,312)**

The Foundation did not perform non-exempt activities in 2022 or 2021.

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 results differ from the tax base. The reconciliation of reported results for the years ended December 31, 2022 and 2021 and the related taxable results is set out below:

	31.12.22	**31.12.21**
Reported results before income tax	49,927	284,812
Decreases in reported results	(34,196,587)	(32,823,124)
Increases in reported results	34,146,660	32,538,312
Taxable income	-	-
Corporate income tax expense	-	-
Withholdings and prepayments	-	-
Tax payable 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, 2022 and 2021 is as follows:

Revenue	31.12.22	31.12.21
Donations received in the year	34,000,603	32,473,873
Income from sponsors and collaborators	20,988	21,033
Finance income and exchange gains	146,058	64,439
Other income	28,938	263,779
Total exempt income	**34,196,587**	**32,823,124**

In 2022 and 2021, Fundación ProFuturo did not subscribe or receive any revenue under business collaboration agreements for general interest activities.

The heading "Other income" includes the income obtained from the recovery of the Digital Fee paid by the Foundation on purchases of tablets and laptops, since, according to the provisions of Royal Decree-Law 12/2017, of July 3, which amends the consolidated text of the Intellectual Property Law approved by Royal Legislative Decree 1/1996 of April 12, the Foundation is entitled to a refund of these amounts

(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, 2022 and 2021 are as follows:

	31.12.22	31.12.21
Monetary aid	(20,560,577)	(17,147,203)
TOTAL	**(20,560,577)**	**(17,147,203)**

(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:

	31.12.22	31.12.21
Non-monetary aid	(611,863)	(2,705,150)
TOTAL	**(611,863)**	**(2,705,150)**

(d) Supplies

The breakdown of "Supplies" in the income statement at December 31, 2022 and 2021 is as follows:

	31.12.22	31.12.21
Supplies	(405,577)	(375,869)
TOTAL	**(405,577)**	**(375,869)**

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 on purchases of tablets and laptops, as established in the Intellectual Property Law. As in 2022, with respect to the amounts paid for this item in previous years, the Foundation will request a refund 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, 2022 and 2021 is as follows:

	31.12.22	31.12.21
Wages, salaries and similar remuneration	(2,954,863)	(2,597,693)
Employer's Social Security contributions	(645,731)	(600,830)
Other welfare expenses	(388,767)	(412,410)
Total	**(3,989,361)**	**(3,610,933)**

The breakdown of "Other welfare expenses" at December 31, 2022 and 2021 is as follows:

	31.12.22	31.12.21
Contribution to supplementary pension scheme	(141,453)	(131,447)
Health insurance	(110,766)	(101,858)
Luncheon vouchers and other	(133,687)	(164,987)
Training	(2,861)	(14,118)
Total	**(388,767)**	**(412,410)**

The supplementary pension system comprises a pension scheme called "Plan de Pensiones Empleados de Fundación ProFuturo ("ProFuturo Foundation Employee Pension Plan)", which forms part of the Fonditel B Pension Fund managed by "Fonditel Pensiones, Entidad Gestora de Fondos de Pensiones, S.A.". It was set up by the ProFuturo Foundation and its participants are the Foundation's serving employees on open-ended contracts.

This pension scheme is a private, voluntary arrangement supplementing the public social security system, and forms part of the employment system, through the defined contribution obligations stipulated, not affording any guarantees to participants or beneficiaries.

(f) Other operating expenses,

Details of this income statement heading at December 31, 2022 and 2021 are as follows:

	31.12.22	31.12.21
Rentals and licence fees	(331,786)	(480,249)
Independent professional services	(5,043,849)	(3,312,970)
Banking fees	(6,001)	(6,060)
Advertising and publicity	(920,974)	(1,229,712)
Utilities	(77,409)	(47,678)
Other services	(1,753,032)	(2,106,401)
Total	**(8,133,051)**	**(7,183,070)**

(g) Exchange differences

Details of this income statement heading at December 31, 2022 and 2021 are as follows:

	31.12.22	31.12.21
Exchange gains	118,389	64,439
Exchange losses	(355,463)	(207,483)
Total	**(237,074)**	**(143,044)**

(14) Operating leases

Operating leases recognised in 2022 and 2021 as expenses total 127,867 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 at Gran Vía 28, Madrid (under an operating lease).

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

	2022	2021
Up to one year	127,867	262,353
TOTAL	**127,867**	**262,353**

(15) Environmental Information

At December 31, 2022 and 2021, 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 relating to environmental protection and improvement, and they do not consider it necessary to establish any provision for environmental risks and charges at December 31, 2022 and 2021.

(16) Other information

(a) Personnel

At December 31, 2022 and 2021, the number of employees, distributed by category and gender, was as follows:

	31.12.22		**31.12.21**	
	Women	Men	Women	Men
Management	2	1	2	1
Graduates	25	14	24	13
Administrative staff	2	0	2	-
Total	**29**	**15**	**28**	**14**

At December 31, 2022 and 2021, the average number of employees, distributed by category and gender, was as follows:

	2022		**2021**	
	Women	Men	Women	Men
Management	2	1	2	1
Graduates	25	13	21	14
Administrative staff	2	0	2	-
Total	**29**	**14**	**25**	**15**

The Foundation did not have any employees with a disability rating of more than 33% at December 31, 2022 or December 31, 2021.

At December 31, 2022, the Foundation has five trustees, all of whom are men.

(b) Remuneration and balances of trustees and senior management

The office of trustee is not remunerated and the trustees did not therefore receive any remuneration in 2022 or 2021. The trustees do not have any outstanding balances with respect to the Foundation at December 31, 2022 or December 31, 2021, and neither has the Foundation arranged pension plans or insurance policies on their behalf.

The Foundation does not have senior management, as the Board of Trustees 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, including taxes, at December 31, 2022 and 2021:

	31.12.22	31.12.21
For audit services	(27,899)	(26,448)
For other assurance services	(31,247)	(30,250)
TOTAL	**(59,146)**	**(56,698)**

The above amounts include all fees relating to services provided in 2022 and 2021, regardless of when they were invoiced.

(d) Foreign currency balances and transactions

Foreign currency balances

The breakdown of monetary financial assets and liabilities denominated in foreign currency at December 31, 2022 and 2021 is as follows:

2022	US dollar	Tanzanian shilling	Chilean peso	Sol	Other	Total
Current payables	-	-	-	-	-	-
Beneficiaries – Creditors	200,760	225,657	-	-	57,017	483,434
Trade and other payables	390	-	-	-	-	390
Total current financial liabilities	**201,150**	**225,657**	**-**	**-**	**57,017**	**483,824**

2021	US dollar	Brazilian real	Chilean peso	Sol	Other	Total
Current payables	-	-	-	-	-	-
Beneficiaries – Creditors	339,109	92,025	158,253	-	104,406	693,793
Trade and other payables	1,404	-	-	5,255	-	6,659
Total current financial liabilities	**340,513**	**92,025**	**158,253**	**5,255**	**104,406**	**700,452**

Foreign currency transactions

The details of income and expenses denominated in foreign currency at December 31, 2022 and 2021 are as follows:

	2022	2021
Expenses:		
Monetary aid to entities	19,205,907	16,498,845
Other	2,063	61,084
Total expenses	**19,207,970**	**16,559,929**

(e) Changes to governing, management and representation bodies

In 2022, there were no changes to the Foundation's governing bodies.

(17) Activity of the entity. Use of assets for own purposes. Administration expenses

(A) The Foundation's activity

1. PRODUCT DEVELOPMENT:
Type: Own products
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, Nicaragua, Nigeria, Panama, Peru, Philippines, Rwanda, Saint Lucia, Senegal, Sierra Leone, South African Republic, Zimbabwe, 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, a flexible, modular solution to respond to different educational needs. It comprises an educational platform and a series of digital resources that are made available to the schools and teachers for the training of teachers and children. The ProFuturo Solution also includes a kit of technological equipment that can be donated to ProFuturo's collaborating entities in the field for use with 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 teaching of 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 during the class.
- Other components (cables, cases, load concentrators...) that facilitate the storage and loading of the components.

This activity also includes monitoring and assessing the impact of the ProFuturo programme using an advanced data analytics system, leading to the detection of adjustments and improvements to the programme, both through the development of new functionalities in the platform or new digital resources, and in training and accompaniment methods.

Human resources used in the activity

TYPE OF STAFF	FORECAST NUMBER	ACTUAL NUMBER	FORECAST NO. OF HOURS/YEAR	ACTUAL NO. OF HOURS/YEAR
Staff on payroll	16	17	1,672	1,672
Staff on services contract	1	1	1,672	1,672

Beneficiaries and/or users of the activity

BENEFICIARIES OR USERS	FORECAST NUMBER	ACTUAL NUMBER
Natural persons	9,721,569	7,854,138

Financial resources used in the activity

RESOURCES	FORECAST 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	(757,100)	(611,863)	-	(611,863)
a) Monetary aid	-	-	-	-
b) Non-monetary aid	(757,100)	(611,863)	-	(611,863)
c) Expenses relating to collaborations and governing bodies	-	-	-	-
Change in inventories of finished goods and work in progress	-	-	-	-
Supplies	-	-	-	-
Personnel expenses	(1,497,718)	(1,544,126)	-	(1,544,126)
Other expenses relating to the activity	(5,373,728)	(4,955,638)	-	(4,955,638)
Project operating costs	(1,235,713)	(1,006,608)	-	(1,006,608)
Development of technological solutions	(3,786,015)	(3,812,170)	-	(3,812,170)
Impact monitoring and measurement	(352,000)	(136,860)	-	(136,860)
Fixed asset depreciation/amortisation	(96,127)	(83,119)	-	(83,199)
Impairment and gains/losses on disposal of fixed assets	-	-	-	-
Other gains/losses (Expenses)	-	-	-	-
Financial expense	-	-	-	-
Changes in the fair value of financial instruments	-	-	-	-
Exchange differences	-	-	-	-
Impairment and gains/(losses) on disposal of financial instruments	-	-	-	-
Income tax	-	-	-	-
Total expenses	**(7,724,674)**	**(7,194,746)**	**-**	**(7,194,746)**
Investments				
Asset acquisitions (except items of Historical Heritage)	-	-	-	-
Acquisition of items of Historical Heritage	-	-	-	-
Cancellation of non-trade payable	-	-	-	-
Total investments	**-**	**-**	**-**	**-**
TOTAL RESOURCES USED	**7,724,674**	**7,194,746**	**-**	**7,194,746**

Goals and performance indicators of the activity.

GOAL	INDICATOR	FORECAST AMOUNT	ACTUAL AMOUNT INCURRED
Promoting access to universal and quality education to help create equal opportunities for children from vulnerable groups.	ProFuturo beneficiary children	9,189,930	7,443,069
Fostering educational innovation, by promoting the use of new technologies in teaching.	Teachers receiving training and giving classes using the ProFuturo platform	531,639	411,069

2. DEPLOYMENT AND SUPPORT:
Type: Own resources
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, Nicaragua, Nigeria, Panama, Peru, Philippines, Rwanda, Saint Lucia, Senegal, Sierra Leone, South African Republic, Zimbabwe, Swaziland, Uganda, Tanzania, Uruguay and Venezuela

Detailed description of the activity: In DEPLOYMENT AND SUPPORT we include all the activities undertaken 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 for the schools in the programme.

Human resources used in the activity

TYPE OF STAFF	FORECAST NUMBER	ACTUAL NUMBER	FORECAST NO. OF HOURS/YEAR	ACTUAL NO. OF HOURS/YEAR
Staff on payroll	28	27	1,672	1,672
Staff with services contract	2	1	1,672	1,672

Beneficiaries and/or users of the activity

BENEFICIARIES OR USERS	FORECAST NUMBER	ACTUAL NUMBER
Natural persons	9,721,569	7,854,138

Financial resources used in the activity

RESOURCES	FORECAST AMOUNT	ACTUAL SPECIFIC AMOUNT INCURRED IN THE ACTIVITY	ACTUAL SHARED AMOUNT INCURRED	ACTUAL TOTAL AMOUNT INCURRED IN THE ACTIVITY

			IN THE ACTIVITY	
Expenses				
Monetary aid and other management expenses	(20,921,988)	(20,560,577)	-	(20,560,577)
a) Monetary aid	(20,921,988)	(20,560,577)	-	(20,560,577)
b) Non-monetary aid	-	-	-	-
c) Expenses relating to collaborations and governing bodies	-	-	-	-
Change in inventories of finished goods and work in progress	-	-	-	-
Supplies	(409,629)	(405,577)	-	(405,577)
Personnel expenses	(2,546,121)	(2,379,222)	-	(2,379,222)
Other expenses relating to the activity	(4,783,714)	(3,177,413)	-	(3,177,413)
Project operating costs	(2,130,286)	(1,545,548)	-	(1,545,548)
Project support	(2,653,427)	(1,631,865)	-	(1,631,865)
Logistics	-	-	-	-
Fixed asset depreciation/amortisation	-	(7,649)	-	(7,649)
Impairment and gains/losses on disposal of fixed assets	-	-	-	-
Other gains/losses (Expenses)	-	-	-	-
Financial expense	-	-	-	-
Changes in the fair value of financial instruments	-	-	-	-
Exchange differences	-	-	-	-
Impairment and gains/(losses) on disposal of financial instruments	-	-	-	-
Income tax	-	-	-	-
Total expenses	**(28,661,452)**	**(26,885,901)**	-	**(26,885,901)**
Investments				
Total investments	-	-	-	-
TOTAL RESOURCES USED	**28,661,452**	**26,885,901**	-	**26,885,901**

Goals and performance indicators of the activity

GOAL	INDICATOR	FORECAST AMOUNT	ACTUAL AMOUNT INCURRED
Promoting access to universal and quality education to help create equal opportunities for children from vulnerable groups.	ProFuturo beneficiary children	9,189,930	7,443,069
Fostering educational innovation, by promoting the use of new technologies in teaching.	Teachers receiving training and giving classes using the ProFuturo platform	531,639	411,069

(B) Financial resources used by the entity

RESOURCES	ACTIVITY 1	ACTIVITY 2
Expenses		
Monetary aid and other management expenses	(611,863)	(20,560,577)
a) Monetary aid	-	(20,560,577)
b) Non-monetary aid	(611,863)	-
c) Expenses relating to collaborations and governing bodies	-	-
Change in inventories of finished goods and work in progress	-	-
Supplies	-	(405,577)
Personnel expenses	(1,544,126)	(2,379,222)
Other expenses relating to the activity	(4,955,638)	(3,177,413)
Project operating costs	(1,006,608)	(1,545,548)
Development of technological solutions	(3,812,170)	-
Impact monitoring and assessment	(136,860)	-
Project support	-	(1,631,865)
Fixed asset depreciation/amortisation	(83,119)	(7,649)
Impairment and gains/losses on disposal of fixed assets	-	-
Other gains/losses (Expenses)	-	-
Financial expense	-	-
Changes in the fair value of financial instruments	-	-
Exchange differences	-	(355,463)
Impairment and gains/(losses) on disposal of financial instruments	-	-
Income tax	-	-
Total expenses	(7,194,746)	(26,885,901)
Investments		
Total investments	-	-
TOTAL RESOURCES USED	**(7,194,746)**	**(26,885,901)**

RESOURCES	FORECAST AMOUNT	EXECUTED ACTIVITIES	NOT ALLOCATED TO ACTIVITIES	TOTAL ACTUALLY EXECUTED
Expenses				
Monetary aid and other management expenses	(21,679,088)	(21,172,440)	-	(21,172,440)
a) Monetary aid	(20,921,988)	(20,560,577)	-	(20,560,577)
b) Non-monetary aid	(757,100)	(611,863)	-	(611,863)
c) Expenses relating to collaborations and governing bodies	-	-	-	-

Change in inventories of finished goods and work in progress	-	-	-	-
Supplies	(409,629)	(405,577)	-	(405,577)
Personnel expenses	(4,043,840)	(3,923,348)	(66.013)	(3,989,361)
Other expenses relating to the activity	(10,157,442)	(8,133,051)	-	(8,133,051)
Project operating costs	(3,365,999)	(2,552,156)	-	(2,552,156)
Development of technological solutions	(3,786,015)	(3,812,170)	-	(3,812,170)
Impact monitoring and assessment	(352,000)	(136,860)	-	(136,860)
Project support	(2,653,427)	(1,631,865)	-	(1,631,865)
Fixed asset depreciation/amortisation	(96,127)	(90,768)	-	(90,768)
Impairment and gains/losses on disposal of fixed assets	-	-	-	-
Other gains/losses (Expenses)	-	-	-	-
Financial expense	-	-	-	-
Changes in the fair value of financial instruments	-	-	-	-
Exchange differences	-	(355,463)	-	(355,463)
Impairment and gains/(losses) on disposal of financial instruments	-	-	-	-
Income tax	-	-	-	-
Total expenses	(36,386,127)	(34,080,647)	(66,013)	(34,146,660)
Investments	-	-	-	-
Total investments	-	-	-	-
TOTAL RESOURCES USED	36,386,127	34,080,647	66,013	34,146,660

(c) Financial resources obtained by the entity

Revenues obtained by the entity

RESOURCES	FORECAST	ACTUALLY EXECUTED
Income and other returns on equity	1,000,000	0.00
	-	-
	-	-
	-	-
Private contributions	35,290,000	30,560,988
Other income	-	28,938
TOTAL REVENUES OBTAINED	**36,290,000**	**30,589,926**

COLLABORATION AGREEMENTS WITH OTHER ENTITIES

ENTITY	AGREEMENT	INCOME	EXPENSES
Fundación Telefónica Brazil	Collaboration Agreement	0.00	4,527,611
Fundación World Vision	Collaboration Agreement	0.00	2,016,566
Fundación Telefónica del Perú	Collaboration Agreement	0.00	1,939,691
Fundación Telefónica Mexico	Collaboration Agreement	0.00	1,245,900
Fundación Telefónica Uruguay	Collaboration Agreement	0.00	1,133,435
Fundacion Telefónica Colombia	Collaboration Agreement	0.00	1,073,499
Fundación Telefónica Chile.	Collaboration Agreement	0.00	804,766
Fundación Telefónica Argentina	Collaboration Agreement	0.00	187,605
Fundación Telefónica Ecuador	Collaboration Agreement	0.00	773,676
Fundación Telefónica Venezuela	Collaboration Agreement	0.00	87,496
Conferencia Episcopal Argentina	Collaboration Agreement	0.00	3,984
FUSAL	Collaboration Agreement	0.00	304,920
Fundación Gabriel Lewis Galindo	Collaboration Agreement	0.00	517,429
Fabretto	Collaboration Agreement	0.00	15,087
INPRHU	Collaboration Agreement	0.00	239,907
Fundación Padre Arrupe	Collaboration Agreement	0.00	73,467
DECA	Collaboration Agreement	0.00	451,118
Omar Dengo	Collaboration Agreement	0.00	164,409
OEA	Collaboration Agreement	0.00	376,882
American University of Beirut	Collaboration Agreement	0.00	24,334
Kayani Foundation	Collaboration Agreement	0.00	161,293
Ayala Foundation	Collaboration Agreement	0.00	210,429
Archidiocesis de Antsiranana	Collaboration Agreement	0.00	-545
Fundación Agua de Coco	Collaboration Agreement	0.00	78,685
Archidiocesis de Cotonú	Collaboration Agreement	0.00	150,398
AES Senegal	Collaboration Agreement	0.00	192,540
Mensajeros de la Paz	Collaboration Agreement	0.00	41,503
Centros Católicos de Guinea	Collaboration Agreement	0.00	178,863
Conferencia Episcopal de Angola	Collaboration Agreement	0.00	373,777
Diocesis de Kitui	Collaboration Agreement	0.00	39,206
Kenia Salesianos Don Bosco	Collaboration Agreement	0.00	86,073
Diocesis de Manzini	Collaboration Agreement	0.00	73,672
Freres Des Ecoles Chretie	Collaboration Agreement	0.00	59,189
ACNUR	Collaboration Agreement	0.00	1,174,838
Ruanda Salesianos Don Bosco	Collaboration Agreement	0.00	111,568
Fundación Entreculturas	Collaboration Agreement	0.00	77,626
Fundación Save The Children	Collaboration Agreement	0.00	457,389
Kukah Center	Collaboration Agreement	0.00	229,070
Uganda Salesianos Don Bosco	Collaboration Agreement	0.00	77,306
Tanzania Salesianos Don Bosco	Collaboration Agreement	0.00	140,664
Thabo Mbeki	Collaboration Agreement	0.00	145,789
Teach For Nation	Collaboration Agreement	0.00	150,264
Teach For Kenia	Collaboration Agreement	0.00	65,725
Teach For Zimbwe	Collaboration Agreement	-	96,008
Teach For Sierra Leona	Collaboration Agreement	-	290,318
U.Pontifica de Salamanca	Collaboration Agreement	-	50,000
Educación para Compartir	Collaboration Agreement	-	29,795
Meducation Alliance	Collaboration Agreement	-	10,119
Organización de Estados Iberoamericanos	Collaboration Agreement	-	56,600
Fundación Empieza por Educar	Collaboration Agreement	-	75,904
Fundación Bancaria "La Caixa"	Collaboration Agreement	10,340,000	-
Fundación Telefónica	Collaboration Agreement	20,200,000	-
IRC	Collaboration Agreement	-	119,615
Nasco	Collaboration Agreement	-	23,301

Teach For Sierra Nigeria	Collaboration Agreement	-	184,676
TOTAL		**30,540,000**	**21,173,440**

4. Differences between action plan and actual data

Compared to the Action Plan proposed by Fundación ProFuturo in the amount of 36,386,127.84 euros, the value executed during 2022 was 34,146,660.00 euros.

The main differences in Activity 1 are found in:

- Non-monetary aid, forecast value 757,100.00 euros for the purchase of equipment to donate during the year that has not finally been carried out, only 611,863.00 being purchased.

- Development of the Technological Solution, actual expense of 3,812,170.00 euros compared to the amount initially foreseen for 2022 of 3,786,015.60 euros, reflecting the performance of certain activities initially planned in the previous year, mainly related to the review of digital content developed in previous years.

- Conversely, monitoring and impact assessment expenses were lower than initially expected at 136,860.00 euros compared to 352,000.00 euros, due to the delay of on-site evaluations, which will finally be carried out in 2023.

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

- Monetary aid, the actual value, 20,560,577.00 euros, is very similar to the forecast of 20,921,988.12 euros, reflecting the expected recovery of activities once the effect of COVID 19 has been overcome, being somewhat lower because of some new projects whose launch was postponed until 2023.

- Project Support, compared to a budget of 2,653,427.78 euros, a total of 1,631,865.00 euros has been executed, generating savings mainly due to a lower level of trips and field training activities, with a greater weight of virtual and remote activities.

5. Use of assets for own purposes

Determination of the calculation base and income to be used during the year: 01/01/2022 to 31/12/2022

RESOURCES	AMOUNT
Reported results	**49,927**
Adjustments (+) to reported results	
Depreciation/amortisation charges and impairment losses on fixed assets used in own activities	90,768

Common expenses and those specific to the set of activities implemented in compliance with aims (except for fixed asset depreciation/amortisation and impairment losses)	33,989,879
Results recognised directly in equity as a result of changes in accounting policies or correction of errors	-
Total adjustments (+)	**34,080,647**
Adjustments (-) to reported results	
NON-COMPUTABLE REVENUES: Proceeds from the sale of properties in which own activities are performed and goods and rights considered part of endowment capital	-
Profit and loss recognised directly in equity as a result of changes in accounting policies or correction of errors	-
Total adjustments (-)	**-**
DIFFERENCE: CALCULATION BASE	**34,130,574**
Percentage	**100**
Income earmarked	**34,130,574**

Resources applied in the year to fulfilling aims

RESOURCES	AMOUNT
Expenses from own activity accrued during the year (includes those common to own activity)	33,989,879
Investments made in own activity during the year	-
TOTAL RESOURCES USED IN THE YEAR	**33,989,879**

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 National Foundations, approved by Royal Decree 1337/2005, of November 11.

6. Degree of compliance in the use of income and revenues

Determination of the degree of compliance in the use of income and revenues

FINANCIAL YEAR	SURPLUS FOR THE YEAR	POSITIVE ADJUSTMENTS	NEGATIVE ADJUSTMENTS	CALCULATION BASE	INCOME EARMARKED	PERCENTAGE EARMARKED	RESOURCES EARMARKED FOR AIMS
01/01/2018 - 31/12/2018	40,592	52,637,730	-	52,678,322	52,678,322	100	51,321,592
01/01/2019 - 31/12/2019	40,714	50,929,505	-	50,970,219	50,970,219	100	49,222,376
01/01/2020 - 31/12/2020	771,471	40,968,825	-	41,740,297	41,740,297	100	39,266,827
01/01/2021 - 31/12/2021	284,812	32,538,312	-	32,823,124	32,823,124	100	31,229,708
01/01/2022 - 31/12/2022	49,927	34,080,647	-	34,130,574	34,130,574	100	33,989,879

Application of resources to fulfil aims.

FINANCIAL YEAR	N-4	N-3	N-2	N-1	N	TOTAL	AMOUNT PENDING
01/01/2018 - 31/12/2018	51,321,592	1,356,730	-	-	-	52,678,322	-
01/01/2019 - 31/12/2019		47,865,646	3,104,573	-	-	50,970,219	-
01/01/2020 - 31/12/2020			36,162,254	5,578,042	-	41,740,297	-
01/01/2021 - 31/12/2021				25,651,665	7,171,458	32,823,124	-
01/01/2022 - 31/12/2022					26,818,420	26,818,420	(7,312,153)

8. Resources applied in the year

	SHARE-HOLDERS' EQUITY	GRANTS, DONATIONS AND BEQUESTS	DEBT	TOTAL
1. Expenses for fulfilling aims				33,989,879
2. Investment in fulfilling aims				-
a) Performed with equity in the year	-			
b) Debts incurred in previous years and settled during the year			-	
c) Grants, donations and bequests from previous years released to income		-		
TOTAL (1+2)				**33,989,879**

Positive adjustments to reported results

Depreciation/amortisation charge on fixed assets used in activities to fulfil aims

RESULTS ITEM	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. Fixed asset depreciation/amortisation	681	Amortisation of intangible assets (software)	78,170	6,835,520
10. Fixed asset depreciation/amortisation	681	Depreciation of property, plant and equipment (data-processing equipment)	12,598	52,349
		TOTAL	**90,768**	**6,887,869**

Common activities and those specific to the set of activities undertaken to fulfil aims (except for fixed asset depreciation/amortisation and impairment losses)

RESULTS ITEM	ACCOUNT No.	BREAKDOWN OF EXPENSES	CRITERION FOR ALLOCATION TO OWN ACTIVITY	AMOUNT
3. Expenses from aid and other	6	Monetary and non-monetary aid	Monetary and non-monetary donations	(21,172,440)
6. Supplies	6	Logistics services and other supplies	Logistics services and other supplies	(405,577)
8. Personnel expenses	6	Personnel expenses	Personnel expenses	(3,923,348)
9. Other expenses relating to the activity	6	Other expenses relating to the activity	Other expenses incurred in activities	(8,133,051)
17. Exchange differences	6	Exchange differences	Exchange differences	(355,463)
		TOTAL		(33,989,879)

(18) Inventory

Assets and rights

Intangible assets

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	IMPAIRMENT, AMORTISATION	USE
206 Software	AVANZO	01/06/2017	62,062	62,062	Aims
206 Software	TEKMAN	01/06/2017	1,448,263	1,448,263	Aims
206 Software	NETEX	01/06/2017	139,585	139,585	Aims
206 Software	ELESAPIENS	01/06/2017	559,232	559,232	Aims
206 Software	CINEX	01/06/2017	115,668	115,668	Aims
206 Software	TED N-1	01/06/2017	526,353	526,353	Aims
206 Software	TED	31/07/2017	3,984,357	3,984,357	Aims
	TOTAL		**6,835,520**	**6,835,520**	

Property, plant and equipment

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	IMPAIRMENT, DEPRECIATION	USE
217 Data-processing equipment	Data-processing equipment	01/01/2018	63,362	39,751	Aims
	TOTAL		**63,362**	**39,751**	

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	USE
30 Items used in the activity	TABLET	01/07/2017	592,173	Aims
30 Items used in the activity	BAGS	01/07/2017	57,555	Aims
30 Items used in the activity	MULTI-PORT CHARGER	01/07/2017	20,214	Aims
30 Items used in the activity	LAPTOP	01/07/2017	98,658	Aims
30 Items used in the activity	PROJECTORS	01/07/2017	44,695	Aims
30 Items used in the activity	UPS	01/07/2017	16,356	Aims
30 Items used in the activity	ROUTERS	01/07/2017	15,828	Aims
30 Items used in the activity	POWER STRIP	01/07/2017	1,091	Aims
30 Items used in the activity	ANCILLARY (CABLES, ADAPTERS, PROJECTOR SCREEN)	01/07/2017	9,348	Aims
	TOTAL		**855,918**	

(19) Statement of cash flows

	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**(34,186,659)**	**(28,946,504)**
Surplus for the year before tax	**49,927**	**284,812**
Adjustments to results	**(33,672,760)**	**(31,932,162)**
Fixed asset depreciation/amortisation	90,768	1,308,604
Grants released to income	(34,000,603)	(32,473,873)
Exchange differences	237,074	143,044
Changes in working capital	**(563,826)**	**1,790,908**
Trade and other receivables	7,362	93,968
Inventories	(332,430)	2,258,914
Trade and other payables	(253,549)	(652,037)
Other non-current assets and liabilities	14,792	90,063
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**(11,309)**	**(11,120)**
Payments due to investments	**(11,309)**	**(11,120)**
Property, plant and equipment	(11,309)	(11,120)
Intangible assets	-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**30,540,000**	**28,800,000**
Proceeds from and payments for financial liabilities	**30,540,000**	**28,800,000**
Proceeds from and payments for equity instruments	30,540,000	28,800,000
Grants, gifts and bequests received	30,540,000	28,800,000
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS	**(237,074)**	**(143,044)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**(3,895,042)**	**(300,669)**
Cash and cash equivalents at beginning of period	12,135,644	12,436,313
Cash and cash equivalents at end of period	8,240,602	12,135,644

(20) Information on compliance with the Code of Conduct on current asset 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 of publication and adopt measures conducive to following its principles and recommendations.

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

Agreements submitted for the approval of the Board of Trustees, approved by written vote 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 current asset investments of Fundación ProFuturo", which replaces the Policy for making current asset investments approved during the meeting of the Board of Trustees held on 31 May 2017.

(21) Subsequent events

Subsequent to year-end 2022 to the date of issue of these annual accounts, no significant events for the Foundation took place.

SIGNATURE PAGE:

AUTHORISATION FOR ISSUE OF THE ACCOUNTS

In accordance with applicable regulations, the Chair of the Board of Trustees of Fundación ProFuturo authorises for issue the annual accounts for the year ended December 31, 2022, comprising the pages appended hereto, numbered 1 to 42.

Madrid, March 30, 2023

The Chair of the Board of Trustees

Mr César Alierta Izuel