

2019 ANNUAL ACCOUNTS

MEDCITIES AND/OR MEDCITÉS ASSOCIATION

Barcelona, 31 June 2020.

BALANCE SHEET AS AT 31/12/2019

<i>Assets</i>	<i>2019</i>	<i>2018</i>
A) NON-CURRENT ASSETS	80.83	164.16
II. Tangible assets	80.83	164.16
B) CURRENT ASSETS	858,216.26	379,850.12
II. Trade debtors and other accounts receivable		
	392,874.04	379,105.33
1. Trade receivables for sales and services	25,223.00	0
3. Other debtors	367,651.04	379,105.33
VI. Cash and cash equivalents	465,342.22	744.79
TOTAL ASSETS	858,297.09	380,014.28

<i>Liabilities</i>	<i>2019</i>	<i>2018</i>
A) NET EQUITY	148,213.42	112,607.07
A-1) Share capital	148,213.42	112,607.07
III. Reserves	35,065.87	35,065.87
2. Other reserves	35,065.87	35,065.87
V. Profit/loss from previous years	81,735.20	76,656.58
VII. Profit/loss for the year	31,412.35	884.62
C) CURRENT LIABILITIES	710,083.67	267,407.21
I. Short-term provisions	8,408.00	0
II. Short-term debts	645,941.92	154,857.29
1. Debts with credit institutions	122,478.76	78,200.00
3. Other short-term debts	523,463.16	76,657.29
IV. Trade creditors and other accounts payable	55,733.75	112,549.92
2. Other creditors	55,733.75	112,549.92
TOTAL NET EQUITY AND LIABILITIES	858,297.09	380,014.28

The President
Municipality of Tetouan
Mr Mohamed Idaomar

The Secretary
Barcelona Metropolitan Area
Mr Ernest Maragall i Mira

General Secretariat

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2019 PROFIT AND LOSS ACCOUNT

<i>Profit and Loss Account</i>	2019	2018
1. Net turnover	25,223.00	0
70500000 PROVISION OF SERVICES	25,223.00	0
4. Procurements	-158,651.70	-165,058.47
60700000 WORK BY OTHER ENTITIES	-158,651.70	-165,058.47
5. Other operating income	702,844.59	686,627.40
72100001 MEMBERSHIP DUES	60,400.00	57,700.00
72400001 BARCELONA METROPOLITAN AREA SUBSIDIES	263,300.00	263,300.00
72400002 BARCELONA CITY COUNCIL SUBSIDIES	154,851.89	91,912.71
72400003 UNITED NATIONS DEV PROGR SUBSIDIES	6,698.12	12,558.70
72400004 EUROPEAN COMMISSION SUBSIDIES	181,366.36	200,339.78
72400005 CATALAN AGENCY FOR DEV COOP SUBSIDIES	23,494.82	60,000.00
72400006 EUCC SUBSIDIES	12,733.40	0
72500001 GOVERNMENT SUBSIDIES FOR ACTIVITY	0	816.21
6. Staff costs	-328,035.71	-296,220.14
64000000 WAGES AND SALARIES	-237,139.07	-226,598.32
64000001 WAGES AND SALARIES REV-ACTE IDE-E	-13,039.25	0
64100000 INDEMNITY PAYMENTS	-425.85	0
64110000 STAFF INDEMNITY PROVISIONS	0	-527.55
64200000 SOCIAL SECURITY PAID BY ENTITY	-73,174.18	-68,867.97
64200001 SOCIAL SECURITY REV-ACTE IDE-E	-3,775.75	0
64900000 OTHER SOCIAL EXPENSES	-481.61	-226.30
7. Other operating expenses	-210,281.49	-225,189.34
62300001 LAWYERS AND OTHER PROFESSIONALS	-15,416.36	-12,809.26
62300002 OCCUPATIONAL RISK PREVENTION SERVICES	-809.11	-623.17
62300003 TRANSLATIONS	-19,367.77	-11,731.97
62500000 INSURANCE PREMIUMS	-1,305.00	-1,401.53
62600000 BANK SERVICES AND SIMILAR	-2,553.86	-1,531.96
62700001 REPRESENTATION EXPENSES	-17,760.96	-24,857.44
62700002 PROMOTIONAL MATERIALS	-6,512.99	-5,045.24
62700003 COMMUNICATION EXPENSES	-5,290.51	-6,832.20
62900001 E-MAIL AND WEB DOMAIN SERVERS	-2,084.81	-3,132.19
62900002 PROJECT MISSIONS	-35,461.51	-34,101.49
62900003 EXTERNAL MEETING AND EVENT SERVICES	-67,610.61	-99,422.89
65900001 LOSSES FROM UNPAID DUES	-27,700.00	-23,700.00
69590000 PROVISIONS FOR IDE-E, REV-ACTE	-8,408.00	0
8. Depreciation of fixed assets	-83.33	-83.33
68100000 DEPRECIATION OF FIXED ASSETS	-83.33	-83.33
12. Other profits/losses	390.93	-0.08
67800000 EXCEPTIONAL EXPENSES	-192.84	-58.05
77800000 EXCEPTIONAL INCOME	583.77	57.97
A) OPERATING PROFIT/LOSS	31,406.29	76.04
16. Exchange differences	6.06	808.58
66800000 NEGATIVE EXCHANGE DIFFERENCES	0	-100.29
76800000 POSITIVE EXCHANGE DIFFERENCES	6.06	908.87
B) FINANCIAL RESULT	6.06	808.58
C) PRE-TAX PROFIT/LOSS	31,412.35	884.62
D) PROFIT/LOSS FOR THE YEAR	31,412.35	884.62

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ABRIDGED FINANCIAL REPORT - 2019 (01/01/2019 – 31/12/2019)

1. Association activities

a) Activity description:

- Epigraph IAE 8499: Other independent services.
- To develop awareness of interdependence and shared responsibility in relation to sustainable development, environmental preservation and social cohesion policies in the Mediterranean basin.
- To strengthen the role, competencies and institutional, financial and technical means of local administrations in adopting and implementing local sustainable development policies.
- To develop citizen awareness and involvement in the sustainable development of their cities.
- To launch and develop policies for direct cooperation and partnerships between members and other associations.
- To conduct studies, opinion polls, workshops, specialised training, specialised conferences, cooperation projects and aid programmes between association members.
- To promote participation in programmes specific to the European Union, agencies for cooperation in Europe and other countries, as well as international financial institutions, among others.
- To represent the member cities in the evaluation of policies developed by higher bodies and contribute to the development of policies relating to the network's geographic area and issues.

b) Specific description of awarded grants:

No grants have been awarded during the financial year.

c) Identification of the cooperation agreements entered into with other entities:

- Agreement with the Barcelona Metropolitan Area (AMB). Amount: €265,000.00. Objective: To regulate the framework for international cooperation between the AMB and the MedCités Association. The amount of this agreement includes the AMB's annual MedCités membership dues.
- Agreement with the Catalan Agency for Development Cooperation (ACCD). Agreement amount: €60,000. Amount used during the 2019 financial year: €23,494.82. Objective: To co-fund a project to build the capacities of local stakeholders and promote the inclusion of vulnerable groups in the Mediterranean.
- Agreement with the United Nations Development Programme (UNDP). Total amount: \$18,772.00. Amount used during the 2019 financial year: €6,698.12. Objective: To co-fund the project "Inclusion of young people and women in vulnerable situations in Medenine in the governance processes of local and regional development".
- Agreement with the Barcelona City Council. Agreement amount: €120,000. Amount used during the 2019 financial year: €76,657.29. Objective: To develop joint projects and activities relevant to Mediterranean cities in the area of sustainable urban development and municipal competencies. To foster the participation of the Barcelona City Council, together with other metropolitan councils and the AMB, and other economic and civil society actors in MedCités initiatives and projects, with particular emphasis on participation in European projects. To share strategies and information and generate opportunities for cooperation in areas of common interest.
- Agreement with the Barcelona City Council. Agreement amount: €120,000. Amount used during the 2019 financial year: €29,624.60. Objective: To co-fund the project "2018 MedCités Work Plan".

- Agreement with the La Colombe Blanche Association. Amount: €25,563.65. Objective: To fund the creation of zones in Tetouan, Morocco for people with mobility disabilities. Payments shall be supported by the invoices provided by the La Colombe Blanche Association. Upon completion of the project, the latter shall sign a certificate confirming that all costs incurred are associated exclusively with the project.
- Agreement with the Union of Associations working in the field of disability in Tangier. Amount: €25,563.65. Objective: To fund the creation of zones in Tangier for people with mobility disabilities. Payments shall be supported by the invoices provided by the Union of Associations working in the field of disability in Tangier. Upon completion of the project, the latter shall sign a certificate confirming that all costs incurred are associated exclusively with the project.

d) Information on the users or beneficiaries of the above-mentioned activities:

The beneficiaries of MedCities are city councils, municipal unions and metropolitan areas, as well as, as a result, everyone who inhabits them. No grants have been directly awarded to natural persons.

e) Activities carried out to promote equal treatment and opportunities for women and men during the year.

MedCities promotes gender equality across all of its activities. This concept has been introduced into projects by taking gender equality into account as a structuring element for the association's interventions.

2. Basis for the presentation of the annual accounts

02.01 True and fair image

02.01.01 Legal provisions

The annual financial accounts have been prepared in accordance with the entity's accounting records, having applied the current legal provisions related to accounting to provide a true and fair image of the entity's net equity, financial situation and profit/loss.

02.02 Non-compulsory accounting principles applied

There was no need, nor did the entity's managers feel it was advisable, to apply any optional accounting principles other than those required under Article 38 of the Commercial Code and part one of the Spanish General Accounting Plan.

02.03 Comparative information

02.03.01 Modifying the structure of the accounting statements

There were no exceptional grounds for modifying the structure of the balance statement or profit and loss account from the previous financial year, as provided for in Article 35.8 of the Commercial Code and part four of the Spanish General Accounting Plan.

02.04 Elements included in more than one line item

No assets or liabilities appear in more than one line item on the balance sheet.

02.05 Changes in accounting criteria

During the current financial year, there has been one change to the accounting criteria. The full amount of all subsidies received has been charged based on the correlation between income and expenditure, regardless of the time of certification and collection.

02.06 Error adjustments.

Adjustments have been made to the profit/loss from previous financial years account, adding collected membership dues and income from activities corresponding to the 2015, 2016, 2017 and 2018 financial years.

More specifically, the following amounts have been added:

- 2015 financial year @ €1,194
- 2016 financial year @ €800
- 2017 financial year @ €1,000
- 2018 financial year @ €1,200

With these adjustments, the account (120 Profit/loss from previous years) has, at year-end 2019, a balance of €81,735.20.

The profit for the financial year (settlement account 129), which amounts to €31,412.35, shall not be applied until the accounts are approved by the Board of Directors.

3. Profit distribution

Information on the proposed distribution of the surplus, particularly as regards the amount that the governing body has agreed to allocate to the endowment fund or social fund and how this sum shall affect compliance with the applicable legal provisions, in accordance with the following model:

Basis for distribution	Amount
Yearly surplus	31,412.35
Total distributable profit = Total amount allocated	31,412.35
Allocated to	Amount
Endowment fund or social fund	
Special funds	
Remainder	31,412.35
Surplus pending allocation to statutory activities	
Compensation for losses from previous years	
Total amount allocated = Total distributable profit	31,412.35

4. Recognition and measurement

04.01 Intangible assets

04.01.02 Research and development costs

During the current financial year, the item line corresponding to research and development (R&D) costs has not been activated. As a result, no depreciation or impairment has been recognised.

No impairment losses have been recognised for the financial year with regard to research and development costs.

04.01.03 Industrial property

During the current financial year, the line item corresponding to industrial property has not been activated. As a result, no depreciation or impairment has been recognised.

Having performed the appropriate tests, the value of the industrial property has not been adjusted for impairment.

04.01.04 Goodwill

During the financial year, the line item corresponding to goodwill has not been activated. As a result, no value adjustments have been carried out for this reason.

The test performed following the close of the financial year for possible impairment losses showed that no value adjustment is required.

04.01.05 Transfer rights

During the financial year, the line item corresponding to transfer rights has not been activated. As a result, no depreciation or impairment has been recognised.

Having performed the appropriate tests, the value of the transfer rights has not been adjusted for impairment.

04.01.06 Software

During the current financial year, the line item corresponding to software has not been activated. As a result, no depreciation or impairment has been recognised.

Having performed the appropriate tests, the value of the software has not been adjusted for impairment.

04.01.07 Administrative concessions

During the current financial year, the line item corresponding to administrative concessions has not been activated. As a result, no depreciation or impairment has been recognised.

Having performed the appropriate tests, the value of the administrative concessions has not been adjusted for impairment.

04.02 Tangible assets

04.02.01 Capitalisation

The goods comprising the tangible assets are valued at cost, which may either be the cost of acquisition or production.

04.02.02 Depreciation

These assets begin to depreciate when they are ready for their intended use.

Depreciation is calculated using the straight-line method, i.e. the cost of acquiring the assets less their residual value; in this case, the land on which the buildings and other structures stand is taken as having an indefinite useful life and, therefore, does not depreciate.

Annual endowments for the depreciation of tangible assets are made in an offset entry in the profit and loss account and are, basically, equal to the depreciation percentages determined based on the estimated useful life in years, which, for the various elements, is, on average:

When values are adjusted for impairment, in subsequent financial years, the impaired assets shall depreciate in accordance with the new book value. The same occurs in the case of reversal.

04.02.03 Value adjustments for impairment and reversal

The value of the tangible assets has not been adjusted.

During the financial year, there have been no reversals of impairment losses, as the underlying circumstances remain unchanged.

04.03 Investment property

04.03.01 Capitalisation

During the financial year, no assets considered investment property have been provided for.

04.03.02 Depreciation

No depreciation has been recognised for the line item corresponding to investment property during the financial year.

04.03.03 Value adjustments for impairment and reversal

The value of the investment property has not been adjusted.

During the financial year, there have been no reversals of impairment losses, as the underlying circumstances remain unchanged.

04.04 Stock

04.04.01 Measurement criteria

No stock has been accounted for during the financial year.

04.04.02 Value adjustments for impairment

The association measured the net realisable value of the stock at the end of the financial year and considered it unnecessary to recognise any impairment losses.

04.05 Tax on profits

04.05.01 Recognition criteria

MedCités, in accordance with Article 9.3 of the consolidated version of the Spanish Law on Corporation Tax, is a partially exempt entity, as it is a non-profit entity and/or institution to which the special tax regime for non-profit entities set out in Title II of Law 49/2002, of 23 December, on the tax regime of non-profit entities and tax incentives for patronage does not apply.

Nonetheless, in 2019, it provided one service that is not subject to the above-mentioned article. This service has therefore not been taken into account in the income and expenses used to calculate the corporation tax. As a result, the tax base used to calculate the corporation tax is €16,815. Expenditure corresponding to tax on profits has therefore been recognised this year.

In accordance with the above-mentioned regulation, and given the exceptional situation referred to in the previous paragraph, to calculate the tax on profits, adjustments to the income and expenses have been made without taking into account the amount corresponding to this service, resulting in a tax base of €16,815.00.

See Note 14.3 of this report.

04.06 Subsidies, donations and endowments

04.06.01 Non-refundable subsidies

Non-refundable subsidies have been recognised during the financial year. This line item includes the following operations:

Granting entity	Grant year	Period of application	Amount granted	Charged to profit/loss prior to start of year	Charged to profit/loss for the year	Total amount charged to profit/loss	Amount pending allocation
BARCELONA METROPOLITAN AREA	2019	2019	263,300.00			263,300.00	
BARCELONA CITY COUNCIL	2019	2019	154,851.89			154,851.89	
UNITED NATIONS DEVELOPMENT PROGRAMME	2019	2019	6,698.12			6,698.12	
EUROPEAN COMMISSION	2019	2019	181,366.36			181,366.36	
CATALAN AGENCY FOR DEVELOPMENT COOPERATION	2019	2019	23,494.82			23,494.82	
EUCC COASTAL & MARINE UNION	2019	2019	12,733.40			12,733.40	
Total			642,444.59			642,444.59	

Description	Opening balance	Inflows	Outflows	Final balance
Capital subsidies				
Capital donations and endowments				
Other subsidies and donations		642,444.59		642,444.59
Total		642,444.59		642,444.59

Entity	Amount
BARCELONA METROPOLITAN AREA	263,300.00
BARCELONA CITY COUNCIL	154,851.89
UNITED NATIONS DEVELOPMENT PROGRAMME	6,698.12
EUROPEAN COMMISSION	181,366.36
CATALAN AGENCY FOR DEVELOPMENT COOPERATION	23,494.82
EUCC COASTAL & MARINE UNION	12,733.40
Total	642,444.59

04.07 Related transactions

There have been no transactions that may be classified as related.

5. Tangible assets

05.01 Analysis of changes in tangible assets

05.01.01 Analysis of the gross changes in tangible assets

The changes in the line item corresponding to tangible assets are as follows:

CHANGES IN TANGIBLE ASSETS	AMOUNT 2019	AMOUNT 2018
OPENING GROSS BALANCE	250.00	250.00
(+) Inflows		
(+) Value adjustments due to revaluation		
(-) Outflows		
FINAL GROSS BALANCE	250.00	250.00

05.01.02 Analysis of the depreciation of fixed assets

Below is a breakdown of the changes in the depreciation of fixed assets:

CHANGES IN THE DEPRECIATION OF FIXED ASSETS	AMOUNT 2019	AMOUNT 2018
OPENING GROSS BALANCE	85.84	2.51
(+) Increases due to endowments	83.33	83.33
(+) Increase in accumulated depreciation due to revaluation		
(+) Increases due to acquisitions or transfers		
(-) Decreases due to issues, retirement or transfers		
FINAL GROSS BALANCE	169.17	85.84

05.01.03 Analysis of the value adjustments for impairment

During the financial year, no value adjustments for impairment have been performed.

05.02 Analysis of changes in intangible assets

05.02.01 Analysis of the gross changes in intangible assets

During the financial year, there have been no changes in the line item corresponding to intangible assets.

05.02.02 Analysis of the depreciation of intangible assets

No intangible assets have been amortised during the financial year.

05.02.03 Analysis of the value adjustments for impairment

During the financial year, no value adjustments for impairment have been performed.

05.02.04 Intangible assets with an indefinite useful life

All intangible assets have a definite useful life.

05.03 Analysis of changes in investment property

05.03.01 Analysis of the gross changes in investment property

During the financial year, there have been no changes in the line item corresponding to investment property.

05.03.02 Analysis of the depreciation of investment property

No investment property has been amortised during the financial year.

05.03.03 Analysis of the value adjustments for impairment

During the financial year, no value adjustments due to impairment have been performed.

05.04 Financial leases and other similar transactions

There have been no financial leases or other similar transactions involving non-current assets.

6. Investment property

There are no line items corresponding to investment property for the financial year.

7. Cultural heritage properties

There are no line items corresponding to cultural heritage properties for the financial year.

8. Intangible assets

There are no line items corresponding to intangible assets for the financial year.

9. Leases and other similar transactions

There have been no leases or other similar transactions during the financial year.

10. Financial assets

10.01 Adjustments due to impairment losses resulting from credit risk

10.01.01 Debt securities

No adjustments due to impairment losses resulting from credit risk have been recognised in the line item corresponding to debt securities.

10.01.02 Receivables, derivatives and others

No adjustments due to impairment losses resulting from credit risk have been recognised in the line item corresponding to receivables, derivatives and others.

10.02 Financial assets held at fair value

10.02.02 Value changes recognised in the profit and loss and/or equity accounts

During the financial year, there have been no changes to the value of the financial assets held at fair value.

10.03 Group, multi-group and associated companies

10.03.01 Group companies

The MedCités Association has no stock or shares in companies that may be considered group companies.

10.03.02 Multi-group, associated and other companies

The entity has no stock or shares in multi-group, associated or other companies.

10.03.03 Amount of the value adjustments for impairment

No value adjustments for impairment have been recognised in the line item corresponding to shares.

11. Financial liabilities

11.01 Information on:

11.01.01 Debts maturing within the next 5 years

There are no long-term debts recognised under liabilities on the balance sheet.

11.01.02 Secured debts

There are no secured debts.

It should be noted that, on 12 December 2018, the entity took out a policy with BBVA with €200,000 of available credit. As at 31/12/2019, it has used €122,478.76 of the credit available under this policy.

12. Share capital

At year end, the association had a net equity balance of €31,412.35. With this balance, along with the profit/loss from previous years, the association has a net equity of €148,213.42, which is the result of the difference between the assets and liabilities. As agreed by the Board of Directors, following the close of the 2017 results, €35,065.87 have been reclassified to the contingency fund. The remaining amount shall not be applied until the accounts are approved by the Board of Directors.

13. Subsidies, donations and endowments

13.01 Exceptional income and expenses

13.01.01 Subsidies, donations and endowments received

The following is a list of the subsidies, donations and endowments recognised in the balance sheet, as well as the amounts charged to the profit and loss account:

THIRD-PARTY SUBSIDIES, ETC.	AMOUNT 2019	AMOUNT 2018
Charged to profit and loss account	642,444.59	628,927.40
Short-term debts that may be converted into subsidies	523,463.16	76,657.29

At the end of the 2019 financial year, the sum of €523,463.16 has been charged as short-term debt from the part collected and not yet charged as an eligible expense and therefore, as income, from:

- EUROPEAN COMMISSION EUROPAID – “ASIMA TUNIS” PROJECT: €397,978.56
- ACCD – “ACCD 2019” PROJECT: €36,505.18
- EUCC – “MITECO ANDALUSIA” PROJECT: -€2,392.60
- BARCELONA CITY COUNCIL - “2018 WORK PLAN” PROJECT: €90,375.40
- UNDP – “MEDENINE” PROJECT: €996.62

The item line Subsidies is described in further detail in Note 04.06 of this report.

14. Fiscal situation

14.01 Current tax expenses

During the current year, the entity has recognised a current tax amount of €0.00 (€0.00 in 2018).

14.02 Others aspects of the fiscal situation

14.02.01 Reinvestment of excess profit

During the current financial year, the entity has reinvested no excess profit, nor is there any income from previous financial years that has not been included in the tax base.

14.02.03 Special reserves

There have been no changes to the special reserves account during the financial year. Its starting and closing balance is therefore €0.00 (€0.00 in 2018).

14.02.04 Tax rate adjustment

The entity has not accounted for any changes in tax rates, as the charge rate applicable to income from temporary deductible differences, liabilities due to temporary differences and fiscal credits derived from negative tax bases is not regarded as variable.

14.03 Tax incentives

MedCités, in accordance with Article 9.3 of the consolidated version of the Spanish Law on Corporation Tax, is a partially exempt entity, as it is a non-profit entity and/or institution to which the special tax regime for non-profit entities set out in Title II of Law 49/2002, of 23 December, on the tax regime of non-profit entities and tax incentives for patronage does not apply.

Nonetheless, in 2019, it provided one service that is not subject to the above-mentioned article. This service has therefore not been taken into account in the income and expenses used to calculate the corporation tax. As a result, the tax base used to calculate the corporation tax is €16,815. Expenditure corresponding to tax on profits has therefore been recognised this year.

The adjustments applied to calculate the tax on profits are as follows:

Reported profits	€31,412.35-
Positive adjustment Special Regime for Partially Exempt Entities (Chapter XIV, Title VII of the Spanish Law on Corporation Tax)	€672,022.07.-
Negative adjustment Special Regime for Partially Exempt Entities (Chapter XIV, Title VII of the Spanish Law on Corporation Tax)	-€703,434.42.-
Tax base	0.00.-

15. Income and expenses

The line items corresponding to income and expenses may be broken down as follows:

Line item	Expenses
Allocations for the depreciation of fixed assets	83.33
Negative exchange differences	0
Procurements	158,651.70
Work by other entities	158,651.70
Consumption of raw materials	
Other consumables	
Staff costs	328,035.71
Wages	250,604.17
Social Security	77,431.54
Other operating expenses	210,281.49
External services	182,581.49
Taxes	0
Losses due to inability to collect	27,700.00
Extraordinary expenses	192.84
Total	696,661.50

Line item	Income
User and membership dues	60,400.00
User dues	
Membership dues	60,400.00
Subsidies, donations and endowments	642,444.59

Sales and other ordinary income from business activities	25,223.00
Sale of goods	
Provision of services	25,223.00
Extraordinary income from reversal of provisions	
Other operating income	
Extraordinary income	583.77
Total	728,651.36

The item line Subsidies, donations and endowments is described in further detail in Note 04.06 of this report.

16. Provisions and contingencies

During the financial year, income from subsidies has been accounted for, as described in Note 02.05.

17. Allocation of assets and liabilities and income for statutory purposes

There has been no alignment of fixed assets during the financial year. As a result, there is no line item corresponding to income or losses from this contingency.

18. Events subsequent to year end

Following closure of the books, the Association's General Secretariat express uncertainty about whether the Barcelona Metropolitan Area (AMB) will transfer to MedCités all of the €263,300 provided for in the agreement between the two entities for 2019. As a result, the amount reflected in the profit and loss account is the one established in the agreement.

In accordance with IAS 37 (International Accounting Standard), we have classified the outstanding receivable as a contingent asset: an asset whose existence will be confirmed or may vary due to the occurrence of uncertain future events not within the control of MedCités.

It should be noted that MedCités has supported all expenses provided for in the agreement with the AMB.

While MedCités recognises no losses involving this asset as a result of this uncertainty, it admits that losses are possible depending on the decision the AMB ends up making.

19. Related-party transactions

There have been no related transactions during the financial year.

20. Other information

1. The average number of people employed during the financial year was 6 persons, of which 4 were men and 2 were women.
2. During the 2019 financial year, no member of the Board of Directors received any monetary remuneration or non-pay rewards.

3. The association is not part of a group of companies.

This report was drafted in Barcelona, on 30 June 2020, with the approval of the treasurer, and approved with the signature of:

The President
Municipality of Tetouan
Mr Mohamed Idaomar

The Secretary
Barcelona Metropolitan Area
Mr Ernest Maragall i Mira