NOVA, CENTRE PER A LA INNOVACIÓ SOCIAL

ANNUAL REPORT FOR FINANCIAL YEAR 2015

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1. Work done by the Nova, Centre per a la Innovació Social Association

1.- The Nova, Centre per a la Innovació Social association (known hereafter as NOVA) was incorporated on 15th October 1999.

Its registered office is in Plaça Catalunya, 9, 5è 2a in Barcelona. It is registered in the Directorate General for Law and Legal Entities of the Department of Justice of the Regional Government of Catalonia with registration number 23039 (tax no. (N.I.F.) G62083357).

2.- NOVA is governed by its own articles, by Act 4/2008, of 24th April, on book three of Catalonia Civil Code, on legal entities; Organic Act 1/2002 of 22nd March, regulating the right of association and its articles.

3.- NOVA expressly rules out any profit-making purpose and its main objectives are in short as follows:

a) Promoting social innovation for change, collecting, generating and disclosing socially innovative proposals for offering alternatives to problems and social systems which need to be reconsidered.

b) Promoting social innovation with citizens' participation and intercultural dialogue to contribute to generating alternative socio-economic models, a peace culture based on civil alternatives for defence and a more participative and sustainable society.

c) Promoting the culture of peace and non-violence as a form of international cooperation for development and solidarity, reducing not only the causes but also the effects of violence and war.

d) Carrying out activities connected with cooperation for international development and peace culture.

e) Cooperating with all kinds of entities and institutions interested in directing projects for promoting social innovation.

f) Including, whenever possible, intercultural contrast in in the social innovation process, participating in international-scale projects favouring dialogue between cultures.

g) Offering participative tasks and services to enable citizens to take an active part in social innovation processes.

h) Making use (producing, editing, publishing...) of all types of media, especially the most interactive ones, to promote social innovation.

i) Promoting social innovation with projects, plans and research and training courses for all ages, for university and other teaching staff.

4.- The funds obtained by NOVA in financial year 2015 were assigned to application of its founding purposes.

5.- NOVA'S financial year covers the period from 1st January to 31st December.

2. Basis for presentation of its annual accounts.

1. True image:

   The annual accounts have been drawn up based on NOVA'S accounting records and are presented in accordance with current legislation and with the rules and principles established in the Accounting Plan for Foundations and Associations subject to the legislation of the Regional Government of Catalonia, approved by Decree 259/2008 of 23rd December, of the Department of Justice of the Regional Government of Catalonia, with the aim of displaying the true image of the assets, the financial situation and the results of its operations, and the changes in net worth (shareholders' equity).

   No accounting principle or valuation criterion with any significant effect on the annual accounts has ceased to be applied.

2. Comparison of information:

   For comparative purposes the annual accounts are presented with each of the items in the balance sheet, the profit and loss accounts, the statement of changes in net worth and the report, including, as well as the figures for financial year 2015, the ones for the previous year, which formed part of the annual accounts for 2014 approved by the General Meeting. As a result of the changes in procedures in accounting recording of grants the balances are not comparable with those of the previous financial year.

3. Grouping of headings:

   No items are grouped in different headings.

4. Items included in different headings:

   No items are included under different headings.

5. Changes in accounting criteria and error correction:

   In this financial year the Organisation has proceeded to make changes in its accounting criteria and in correcting balances stemming from previous financial years. These accounting circumstances were registered in the heading for "Surpluses from previous years", the sum involved as of 31st December 2015 being – 35,214.63 euros, and consequently a sum of 28,518.47 euros in negative equity is shown, which will gradually be recovered with the positive surpluses of later years.

   These can be broken down as follows:

Initial balance of surpluses from previous years	12,005.85
Writing off as uncollectible a debit balance which had been carried forward since financial year 2009.	- 4,147.04
Allocation of the depreciation of the organisation's web page.	-1,840.22
Regularisations of balances stemming from previous financial years.	- 3,252.90
Regularisation of the carryover of advanced income, an account which was used for recording grants in previous financial years.	-35,183.21
Regularisation of the sum of deferred tax assets, through being exempt from corporate tax.	-1,182.28
Regularisation of the exchange differences generated in previous financial years	-1,614.46
Final balance of surpluses from previous years	- 35,214.26

3. Application of profit/loss.

The surpluses from financial year 2015 are applied as shown below:

Distribution basis	
Surplus for the year	6,696.16
Application to	
Carryover	
Surpluses from previous years	6,696.16
Surpluses pending application in statutory activities	
Total	6,696.16

4. Recording and valuation rules.

The most important recording and valuation rules applied in drawing up these annual accounts were as follows:

1.- Tangible fixed assets:

Tangible fixed assets are valued at the acquisition price minus the accumulated depreciation and where applicable, deducting any estimated losses which could stem from comparing the net book value of each item with its recoverable amount.

At the close of the year, NOVA values the impairment in the value of the different assets, estimating the recoverable value of these assets, which is whichever is higher of their reasonable value and their value in use. If the recoverable value is under the net book value the proper value correction for value impairment will be made, charged to the profit and loss account. Any previously booked reversals of impairment losses, should the case arise, are recognised in the profit and loss account for the year in which the impairment is written off or reduced.

Any costs of renewal, extension or improvement representing an increase in capacity, productivity or any lengthening of the useful life of the goods are capitalised as a greater cost of the assets in question. The expenses for conservation and maintenance are charged to the profit and loss account for the financial year in which these arise.

The depreciation of items of tangible fixed assets is made on the cost value using the straight-line method, applying the following depreciation percentages:

- Furniture 5%
- Information processing equipment 12.5%

Any new items incorporated are depreciated from the time when these come into operation.

2.- Leases:

Leases are classified as financial whenever their conditions lead to their being considered as substantially transferring any risk and benefits inherent to the ownership of the asset covered by the contract to the lessee. Any other leases are classified as operating leases.

As of 31st December 2015 NOVA only has operating leases. Payments to third parties for operating leases are charged to the profit and loss account at the time when these are accrued on a straight-line basis during the lease period.

3.- Loans and receivables:

These are initially valued at their reasonable value which, if there is no evidence otherwise, will be the transaction price. Later on they will be valued at their depreciated price, accounting for the interest accruing in the profit and loss account by applying the effective interest rate method.

In spite of the foregoing, any credits for commercial operations with maturities up to one year which do not have a contractual interest rate, as well as other balances receivable whose amounts are expected to be received in the short term, are valued at face value, in both the initial valuation and the later assessment, when the effect of not updating the cash flows is not significant.

The following financial assets are included in this category:

- Accounts receivable from activity operations corresponding to debit balances from activities.
- Accounts receivable from other operations. This includes balances with other debtors, personnel, etc.
- Short and long-term deposits. These are valued at their face value, since the effect of not updating cash flows is not significant.

At the close of the year the required impairment value corrections are made if there is any objective evidence for this.

Impairment is considered to exist when there are reasonable doubts as to the recoverability in the amounts and maturities of sums. As a general rule, the impairment value correction is made in the books by a charge to the profit and loss account for the financial year in which the impairment was recognised. Any reversals of previously registered impairment losses, should these arise, are recognised in the profit and loss account in which the impairment is eliminated or reduced.

Activity debtors and other accounts receivable are subject to value correction, should the case arise, after having been individually analysed.

4. Corporate tax:

NOVA opted for the special tax system for non-profit-making organisations and incentives for patronage approved by Act 49/2009, on 10th June 2014 by the presentation of the relevant tax register declaration. This system is consequently fully applicable in tax period 2015.

Insofar as the Association rules out the profit motive in its business, it enjoys exemption from Corporate Tax in respect of the income stemming from the activities covered by its founding purposes.

5. Value Added Tax (VAT) and other tax

Non-deductible input VAT forms part of the purchase price of current and non-current assets, as well as of services which are involved in the operations taxed. The rules on non-deductible input VAT are applicable to any other indirect tax paid in acquiring goods or services, which are not directly recoverable from the State Treasury.

Output VAT does not form part of income stemming from operations covered by this tax or from the net sum obtained in the sale or disposal by other channels in the case of retirement of the non-current asset. The rules on output VAT are applicable to any other indirect tax charged on operations performed by the Organisation and which are recoverable through the State Treasury.

6. Income and expenditure:

   Income and expenditure are allocated in accordance with the accrual criterion, that is, when the real flow of goods and services that these represent takes place, regardless of the time when the monetary or financial flow stemming from this arises. More specifically, at the close of the financial year, the accrual of income from grants is scheduled in accordance with the expenses incurred in each project during the financial year.

   Income is valued at the reasonable value of the consideration received or still to be received for the goods issued and the services rendered in the ordinary framework of its activity, after deducting discounts and tax.

   Income from interest is recognised in accordance with its accrual, and does not significantly differ through applying the effective interest rate method.

7. Grants, donations and legacies.

   Any non-repayable grants, donations and legacies are booked as a general rule as income directly assigned to net worth and recognised in the profit and loss account as income on a systematic and rational basis correlated with any expenses stemming from the grant, donation or legacy.

   Any grants, donations or legacies which are repayable are booked as liabilities of the company until they become non-repayable. They are considered not to be repayable for this purpose when there is an individual agreement for assignment of the grant, donation or legacy to the company, when the conditions established for granting this are complied with and when there is no reasonable doubt about the reception of the grant, donation or legacy.

   For purposes of allocation to the profit and loss account, the following types of grants, donations and legacies have been distinguished: when these are granted to ensure a minimum rate of return or to offset operating deficits, they are allocated as income for the year in which they have been granted, unless they refer to future years; when they have been granted to finance specific expenses, they are allocated as expenses in the same financial year in which the expenses have accrued; when they have been granted to purchase assets or cancel liabilities, they are allocated as income for the financial year to the extent to which the disposal has taken place or in proportion to the transfer to depreciation that was made; finally, when sums of money have been received with no assignation to any specific purposes, they have been allocated as income for the financial year in which they were recognised.

5. Tangible and intangible fixed assets.

The movements recorded during financial year 2015 in the tangible and intangible fixed assets accounts are as detailed in the following table:

COST	Balance 01.01.15	Incomings / additions	Outgoings/ reductions	Balance 31.12.15
Web page	1,840.22	0.00	0.00	1,840.22
Computer applications	14,377.08	5,647.93	14,377.08	5,647.93
Machinery	3,202.12	0.00	3,202.12	0.00
Other installations	0.00	9,857.88	0.00	9,857.88
Furnishings	422.41	0.00	0.00	422.41
Information processing equipment	19,314.06	10,115.34	17,215.72	12,213.68
Other tangible fixed assets	1,875.82	0.00	1,875.82	0.00
Total	41,031.71	25,621.15	36,670.74	29,982.12
ACCUMULATED DEPRECIATION				
Web page	0.00	1,840.22	0.00	1,840.22
I.T. applications	14,377.08	1,095.34	14,377.08	1,095.34
Machinery	3,202.12	0.00	3,202.12	0.00
Other installations	0.00	573.92	0.00	573.92
Furnishings	164.05	21.29	0.00	185.34
Information processing equipment	17,529.83	2,100.48	17,304.03	2,326.28
Other tangible fixed assets	1,875.82	0.00	1,875.82	0.00
Total	37,148.90	5,631.25	36,759.05	6,021.10

The movements recorded in financial year 2014 for the tangible and intangible fixed asset accounts are as detailed in the following table:

COST	Balance 01.01.14	Incomings / additions	Outgoings/ reductions	Balance 31.12.14
Web page	1,840.22			1,840.22
I.T. applications	14,377.08			14,377.08
Machinery	3,202.12			3,202.12
Other tangible fixed assets	1,875.82			1,875.82
Furnishings	422.41			422.41
Information processing equipment	18,274.39	1,039.67		19,314.06
Total	39,992.04.	1,039.67	0.00	41,031.71
ACCUMULATED DEPRECIATION				
I.T. applications	14,377.08			14,377.08
Machinery	3,202.12			3,202.12
Other tangible fixed assets	1,875.82			1,875.82
Furnishings	142.93	21.12		164.05
Information processing equipment	17,364.73	165.10		17,529.83
Total	36,962.68	186.22	0.00	37,148.90

There were no impairment value corrections applied as of 31st December 2015. NOVA does not own buildings or land.

6. Real estate investments.

NOVA does not have any real estate investments.

7. Cultural heritage property.

NOVA does not have any cultural heritage property.

8. Leases and other similar operations.

NOVA has not taken out any financial leases nor operations of a similar kind, and has only contracted an operating lease.

In financial years 2015 and 2014 the operating account includes expenses of 7,830.00 euros and 3,600.00 euros, respectively, as operating lease for the property located in Plaça Catalunya, 9, 5è 2a in Barcelona, which is used for its business.

The sum of the deposit paid for this lease is €1,200

9. Financial assets.

The book value for each of the financial asset categories, except for investments in group, multi-group and associated companies, is shown in the following classification table, shown by their nature and function.

a) Long-term financial assets	CATEGORIES							
	Equity instruments		Debt securities		Credits, derivatives and others		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
Loans and receivables					1,200.00	1,182.28	1,200.00	1,182.28
TOTAL	0.00	0.00	0.00	0.00	1,200.00	1,182.28	1,200.00	1,182.28

b) Short-term financial assets	CATEGORIES							
	Equity instruments		Debt securities		Credits, derivatives and others		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
Loans and receivables					679,953.92	35,319.62	679,953.92	35,319.62
TOTAL	0.00	0.00	0.00	0.00	679,953.92	35,319.62	679,953.92	35,319.62

The movement in the different headings making up financial assets in financial years 2015 and 2014 was as follows:

Financial year 2015:

	Balances 01.01.15	**Increases**	**Decreases**	**Balances 31.12.15**
Investments held to maturity	1,200.00	0.00	0.00	1,200.00
Users and debtors for services rendered	25,570.71	56,495.66	60,067.01	21,999.36
Public Administrations and other donors	9,731.19	794,720.14	146,496.77	657,954.56
	36,501.90	851,215.80	206,563.78	681,153.92

Financial year 2014:

	Balances 01.01.14	**Increases**	**Decreases**	**Balances 31.12.14**
Investments held to maturity	1,200.00	0.00	0.00	1,200.00
Users and debtors for services rendered	32,525.04	0.00	6,954.33	25,570.71
Public Administrations and other donors	2,835.28	6,895.91	0.00	9,731.19
	36,560.32	6,895.91	6,954.33	36,501.90

The breakdown of NOVA assets by their collection date is as follows:

Financial year 2015:	Maturities						
Headings	2016	2017	2018	2019	2020	Remainder	TOTAL
• Investments held until maturity						1,200.00	1,200.00
• Users and debtors for services rendered	21,999.36						21,999.36
• Public Administrations and other donors.	657,954.56						657,954.56
	679,953.92					**1,200.00**	**681,153.92**

Financial year 2014:	Maturities						
Headings	2015	2016	2017	2018	2019	Remainderr	TOTAL
• Investments held until maturity						1,200.00	1,200.00
• Users and debtors for services rendered	25,570.71						25,570.71
• Public Administrations and other donors	8,548.91					1,182.28	9,731.19
	34,119.62					**2,382.28**	**36,501.90**

2.382,28 36.501,90

10. Financial liabilities

The book value for each of the categories of financial liabilities is shown in the following classification table, classified by nature and function.

B) Short-term financial liabilities	CATEGORIES							
	Debts with credit institutions		Bonds and other marketable securities		Derivatives and others		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
Debits and payables	244.95	188.86			58,001.14	72,119.28	52,246.09	72,308.14
TOTAL	244.95	188.86	0.00	0.00	58,001.14	72,119.28	52,246.09	72,308.14

NOVA's liabilities are all for debts for its business, with maturities as shown by the following breakdown:

Financial year 2015

Headings	Maturities						
	2016	2017	2018	2019	2020	Remainder	TOTAL
- Debts to credit institutions	244.95						244.95
- Other short-term debts	20,138.76						20,138.76
- Misc. creditors	25,371.89						25,371.89
- Debts to administrations	25,371.89						25,371.89
	58,246.09						**58,246.09**

Financial year 2014

Headings	Maturities						
	2015	2016	2017	2018	2019	Remainder	TOTAL
- Debts to credit institutions	188.86						188.86
- Other short-term debts	48,094.11						48,094.11
- Misc. creditors	9,407.50						9,407.50
- Debts to administrations	14,617.67						14,617.67
	72,308,14						**72,308,14**

The heading "Other short-term debts" includes mainly the following loans:

- Loan from Coop 57 of a sum of €25,000 returned on 1st October 2015.
- Loan from the Nonviolent Peaceforce association of a sum of €20,000.
- Loan from private individuals of a sum of €3,000, which was returned on 22nd December 2015.

11. Net Worth *(shareholders' equity)*

The movements recorded in financial year 2015 are summed up below:

	Balance 01.01.15	Application surplus financial year 2014	Increases / Decreases	Profit/loss financial year 2015	Balance 31.12.15
Carryover	31,891.68		-67,106.31		-35,214.53
Profit/loss (-) prev. years	-19,994.69	108.49	19,886.20		0.00
Profit/loss for the year	108.49	-108.49		6,696.16	6,696.16
Grants/donations	0.00	0.00	1,315,410.41	0.00	1,315,410.41
	12,005.48	**0.00**	**1,268,190.30**	**6,696.16**	**1,286,891.94**

The movements recorded in financial year 2014 are summed up below:

	Balance 01.01.14	Application surplus Financial year 2013	Increases / Decreases	Profit/loss financial year 2014	Balance 31.12.14
Carryover	31,891.68				31,891.68
Profit/loss (-) prev. years	-27,477.98	7,483.29	-7,483.29	108.49	-19,994.69
Profit/loss for year	7,483.29				108.49
	11,896.99	**7,483.29**	**-7,483.29**	**108.49**	**12,005.48**

12. Grants, donations and legacies

The movement taking place in financial year 2015 was as follows:

	Balance 01.01.15	**Transfers**	**Increases**	**Decreases**	**Regularisations**	**Balance 31.12.15**
Grants	0.00	237,035.86	2,044,681.37	-1,008,766.02	35,183.21	1,308,134.42
Donations	0.00	0.00	8,747.00	-1,471.01	0.00	7,275.99
	0.00	**237,035.86**	**2,053.428.37**	**-1,010,237.03**	**35,183.21**	**1,315,410.41**

The total amount of grants received by NOVA in 2015 came to 2,044,681.37 euros. These grants were applied for, granted and applied to accomplishing the Association's aims. This year a sum of 1,008,766.02 euros was allocated to the profit and loss account, with the following breakdown:

Organisation	€
European Commission (EUROPEAID)	250,296.66
Ministry of Foreign Affairs and Cooperation	225,575.15
Barcelona City Council	127,887.96
Spanish Agency for International Development Cooperation	111,149.11
Social Action NGO Platform	56,098.40
Catalan Agency for International Development Cooperation	49,245.57
Catalan Fund for Development Cooperation	40,594.13
UB Solidarity Foundation	36,531.21
Nordic Council of Ministers Office in Lithuania	35,340.00
United Nations Development Programme (UNDP)	24,857.78
Ministry of Health, Social Services and Equality	20,029.00
The Netherlands Embassy	9,987.54
International Institute for Nonviolent Action and International Coalition to Control PMSC	6,098.63
Tenders	5,815.96
European Instrument for Democracy and Human Rights	4,485.00
Spanish National Youth Agency	4,029.12
Tavola Valdese	744.80
Grand Total	1,008,766.02

The other income from activities in this year 2015 is from:

Members' quotas	2,280.00 euros
Cooperation	1,105.00 euros
Donations	5,453.20 euros

Subsidies are booked as income for the financial year as the expenses for each project are incurred. The outstanding balance as of 31st December 2015 which will gradually be attributed to the profit and loss account for the coming years amounts to 1,308,134.42 euros.

13. Tax situation.

NOVA is up to date with payment of its tax obligations and submits its returns for Value Added Tax (VAT) monthly, Withholdings for Personal Income Tax (*Spanish* – I.R.P.F.) quarterly and Corporate Tax annually.

In accordance with current legislation, tax and Social Security payments cannot be considered finally settled until the returns submitted have been inspected by tax or employment authorities, or until the four-year limitation period has ended. As of 31st December 2015, NOVA is open for possible inspections for all the tax applicable to it as well as for Social Security payments, for all the financial years within the limitation period.

The itemisation of the balances of the Public Administrations accounts, as of 31st December 2015, is as follows:

	Balances	
	Debit	**Credit**
a) State Treasury:		
• Corporate tax	46.64	
• V.A.T.	1,788.66	
• Withholdings		5,192.48
• Grants	656,119.26	
b) Social Security:		
• Payments for December 2015		7,298.01
	657,854.56	**12,490.49**

The breakdown of the balances in the Public Administrations account, as of 31st December 2014, is as follows:

	Balances	
	Debit	**Credit**
a) State Treasury:		
• Corporate tax	6.16	
• V.A.T.	8,542.75	
• Withholdings		7,214.28
• Deferred tax assets	1,182.28	
b) Social Security:		
• Payments for December 2014		7,403.39
	9,731.19	**14,617.67**

14. Income and expenditure

1.- Income

NOVA'S income through the work done in 2015 and 2014 was 1,070,736.72 euros and 709,494.91 euros, respectively, distributed as follows:

		2015
a)	Income from services rendered	45,029.51
b)	Changes in inventories	3,303.08
c)	Members' quotas	2,280.00
d)	Contributors	1,105.00
e)	Grants	1,008,766.02
f)	Donations	5,453.20
g)	Other donations	1,471.01
h)	Exchange differences	40.64
i)	Extraordinary income	1,812.14
	Other financial income	1,476.12
		1,070,736.72

		2014
a)	Income from services rendered	62,280.97
b)	Changes in inventories	0.00
c)	Members' quotas	3,180.00
d)	Contributors	950.00
e)	Grants	623,425.03
f)	Donations	19,279.04
g)	Other income	4.00
h)	Exchange differences	0.00
i)	Extraordinary income	346.45
	Other financial income	29.42
		709,494.91

2.- Expenditure

NOVA has not incurred any expenses for administration of the Association's assets nor any arising from the governing body's operation.

The "Personnel Expenses" heading includes the following items in financial years 2015 and 2014:

	2015
Wages and salaries	253,765.59
Social Security for the association's account	80,948.60
Other welfare expenses	2,087.25
	336,801.44

	2014
Wages and salaries	211,212.41
Social Security for the association's account	69,113.84
Other welfare expenses	726.00
	281,052.25

15. Related party transactions

NOVA does not carry out related party transactions at any different value to its operations with third parties. All the operations carried out by NOVA are in its ordinary course of business and are made on market conditions.

It should be pointed out that during the financial year NOVA rendered services to the company Delibera, Serveis de Participació Interactiva, S.L. coming to the sum of €14,973.51 plus VAT.

Posts on the board of directors are unpaid and there are furthermore no obligations as regards pensions or payment of insurance premiums, in respect of former and current members of the Board.

At closure there were no advances or loans made neither to senior management nor to the members of the Board of Directors, nor were any of these granted in financial year 2015. No obligations were assumed on their account as guarantees either.

16. Other information.

The average number of employees for the year is detailed below:

	2015	2014
Permanent	3.36	2
Temporary	7.93	5.5
Total	11.29	7.5

Remuneration for the members of the Board of Directors.

The members of the Board of Directors received a sum of 9,223.86 euros for services rendered and 71,551.68 euros as remuneration of the Association's senior management.

Barcelona 23rd June 2016.