

FUNDACIÓN PRIMA

**Auditors' Report and Abbreviated Financial Statements
for the financial year ended 31 December 2020**

INDEPENDENT AUDITORS' REPORT ON THE ABBREVIATED FINANCIAL STATEMENTS

To the Board of Trustees of
FUNDACIÓN PRIMA

Opinion

We have audited the abbreviated financial statements of **FUNDACIÓN PRIMA** (the Foundation), which comprise the balance sheet as at 31 December 2020, and the statement of profit or loss and notes to the financial statements for the year then ended.

In our opinion, the accompanying abbreviated financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2020, and its results for the year then ended in accordance with the regulatory financial reporting framework applicable to the Foundation (identified in Note 2 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Spain, and we have fulfilled our other ethical responsibilities in accordance with these requirements. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Key Audit Matters

Key Audit Matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements and these matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditors opinion thereon, and the auditor does not provide a separate opinion on these matters.

Accounting treatment of subsidies received during the year (notes 4.h and 11)

Since the purpose of the Foundation is the implementation of the PRIMA Programme and considering that these activities are financed, basically, through subsidies received from the European Commission, we have considered that the accounting treatment of these subsidies and, in particular, its correct temporary imputation at the end of the year, it is the most important aspect of our audit.

Our main audit procedures included the review of the documentation of all the agreements reached between the European Commission and the Foundation regarding the subsidies received during the year and checking the correct attribution of the income in the year in accordance with the income and expense matching principle.

Responsibilities of the Foundation's Executive Director and of those charged with governance for the financial statements

The Foundation's executive director is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Framework in Spain applicable to the Foundation and for such internal control as the executive director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Foundation's executive director is responsible for assessing the Company'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The steering committee is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 the audit regulations in force 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 financial statements.

As part of an audit in accordance with the audit regulations in force 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 financial statements, 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the executive director'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 financial statements 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.
- Assess the global presentation, the structure and content of the annual accounts, including the revealed information and if the financial statements represent the transaction and subadjacent facts in a way that succeeds in expressing the fair view.

We communicate with those charged with governance 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.

We determine among the significant risks that have been reported to the executive director, those that have been most significant in the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those risks in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

Audria Auditoria y Consultoría, S.L.P.
R.O.A.C. nº S2146



Albert Puig Mesa
R.O.A.C. nº 20925
2nd March 2021

Col·legi
de Censors Jurats
de Comptes
de Catalunya

AUDRIA AUDITORIA Y
CONSULTORIA, SLP

2021 Núm.20/21/05200

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Informe d'auditoria de comptes subjecte
a la normativa d'auditoria de comptes
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FUNDACIÓN PRIMA

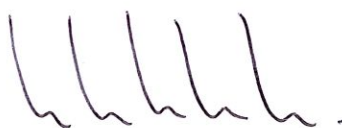
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

BALANCE SHEETS AT 31 DECEMBER 2020 AND 2019

ASSETS

	Notes	31/12/2020	31/12/2019
A) NON-CURRENT ASSETS		469.492,97	6.455.135,61
I. Intangible assets	5	45.706,65	23.295,57
2. Computer software		2.927,37	9.035,81
5. Down-payments on intangible assets		42.779,28	14.259,76
II. Property, plant and equipment	5	22.389,82	30.443,54
2. Fixed facilities		4.806,27	6.034,14
3. Furniture, electronic equipment and other office equipment		17.332,19	24.120,93
4. Other fixed assets		251,36	288,47
VI. Non-current financial assets	6	401.396,50	6.401.396,50
4. Other financial assets		401.396,50	6.401.396,50
B) CURRENT ASSETS		22.000.088,19	12.024.146,58
III. Trade and other receivables		85,99	30.470,39
4. Otros debtors		85,99	0,00
7. Other accounts receivable from public administrations		0,00	30.470,39
V. Inversiones financieras a corto plazo	6	600.000,00	0,00
4. Other financial assets		600.000,00	0,00
VII. Cash and cash equivalents	6	21.400.002,20	11.993.676,19
1. Cash		21.400.002,20	11.993.676,19
TOTAL ASSETS		22.469.581,16	18.479.282,19

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 31 December 2020



Director
Octavi Quintana Trias

EQUITY AND LIABILITIES

	Notes	31/12/2020	31/12/2019
A) EQUITY AND SHAREHOLDERS' EQUITY		22.286.859,19	18.315.054,66
A-1) Shareholders' Equity	8	427.476,98	425.281,48
I. Founding capital/Welfare fund		30.000,00	30.000,00
1. Founding capital/Welfare fund		30.000,00	30.000,00
IV. Surplus from previous years		395.281,48	364.250,69
1. Remainder		395.281,48	364.250,69
VI. Surplus for the year		2.195,50	31.030,79
A-2) Grants, donations and bequests received	11	21.859.382,21	17.889.773,18
3. Other grants, donations and bequests received		21.859.382,21	17.889.773,18
B) NON-CURRENT LIABILITIES		1.396,50	1.396,50
I. Non-current provisions		1.396,50	1.396,50
C) CURRENT LIABILITIES		181.325,47	162.831,03
II. Current payables	7	0,00	4.471,80
1. Payables to credit institutions		0,00	4.471,80
IV. Trade and other payables		181.325,47	158.359,23
2. Accounts payable	7	23.384,71	12.865,74
3. Remuneration payable	7	80.000,00	79.643,00
4. Other payables to public administrations		77.940,76	65.850,49
TOTAL EQUITY AND LIABILITIES		22.469.581,16	18.479.282,19

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 31 December 2020



Director
Octavi Quintana Trias

INCOME STATEMENT FOR THE YEARS ENDING 31 DECEMBER 2020 AND 2019

	Notes	2020	2019
A) CONTINUING OPERATIONS			
1. Core income	10.1 & 11	17.830.390,97	12.486.952,98
c) Income received from promoters, sponsors and collaborators		0,00	30.930,79
d) Subsidies and aid taken to surplus for the year		17.830.390,97	12.456.022,19
2. Aid-related and other expenses		(16.394.120,00)	(10.790.187,00)
a) Monetary aid	10.2	(16.394.120,00)	(10.790.187,00)
7. Staff expenses	10.3	(1.023.816,98)	(1.040.320,40)
8. Other expenses from business activity	10.4	(366.271,47)	(610.729,98)
9. Depreciation and amortisation	5	(15.260,39)	(14.161,41)
12. Impairment and results on disposals of non-current assets		(181,22)	0,00
b) Results of disposals and others		(181,22)	0,00
13. Other gains/losses		(32.102,13)	(623,40)
A.1) SURPLUS FROM BUSINESS ACTIVITY		(1.361,22)	30.930,79
14. Financial income		3.556,72	100,00
A.2) SURPLUS FROM FINANCIAL TRANSACTIONS		3.556,72	100,00
A.3) SURPLUS BEFORE TAX		2.195,50	31.030,79
A.4) SURPLUS IN THE YEAR FROM CONTINUING OPERATIONS		2.195,50	31.030,79
B) DISCONTINUED OPERATIONS			
A.5) CHANGE IN EQUITY RECOGNISED IN SURPLUS FOR THE YEAR		2.195,50	31.030,79
3. Grants received		21.800.000,00	29.965.000,00
C.1) CHANGE IN EQUITY DUE TO INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		21.800.000,00	29.965.000,00
3. Grants received		(17.830.390,97)	(12.456.022,19)
D.1) CHANGE IN EQUITY DUE TO RECLASSIFICATIONS TO SURPLUS FOR THE YEAR		(17.830.390,97)	(12.456.022,19)
E) CHANGE IN EQUITY DUE TO INCOME AND EXPENSE TAKEN DIRECTLY TO EQUITY		3.969.609,03	17.508.977,81
J) TOTAL PROFIT/(LOSS), CHANGE IN EQUITY IN THE YEAR		3.971.804,53	17.540.008,60

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 31 December 2020



Director
Octavi Quintana Trias

1. ACTIVITY OF FUNDACIÓN PRIMA

FUNDACIÓN PRIMA, “Partnership for Research and Innovation in the Mediterranean Area” (hereinafter, the Foundation) is a non-profit organization, with a public service spirit, under Spanish private law.

The Foundation has its registered office at 11, carrer Pere Duran Farell, 08034 Barcelona, Spain.

According to article 2 of its bylaws, the aim of PRIMA Foundation is to build research and innovation capacities and to develop knowledge and common innovative solutions for agro-food systems and water management and provision in the Mediterranean region, through the implementation of PRIMA Programme.

The PRIMA Programme aims at strengthening the integration and alignment of research and innovation systems and activities in the Mediterranean region in the fields of water management and provision and agro-food systems, with a multidisciplinary approach, contributing to the:

- (a) Sustainable management of water in arid and semi-arid areas;
- (b) Sustainable farming systems under Mediterranean environmental constraints; and
- (c) Mediterranean food value chain for regional and local development.

Within the purposes defined above, the Foundation shall perform the following activities:

- (a) to develop smart and sustainable farming systems to maintain natural resources and to increase production efficiency;
- (b) to test and encourage adoption of context-tailored water saving solutions in agriculture;
- (c) to innovate in the Mediterranean food products based on Mediterranean diet heritage and to enhance the links between nutrition and health;
- (d) to find context-adapted solutions to increase food and water chain efficiency, and reduce losses and wastes;
- (e) to design and promote the adoption of novel approaches to reduce the impact of pests and pathogens in farming, including their consequences on human health;
- (f) to conceive and implement innovative, quality oriented models in agro-business as potential sources of new jobs and economic growth;
- (g) to improve land and water sustainability in arid and semi-arid watersheds;
- (h) to elaborate and encourage the adoption of new policies and protocols for the governance of water management system;

The Foundation shall undertake all managerial, administrative, supporting and, monitoring and supervising activities necessary to implement the PRIMA Programme. Activities concerning dissemination of PRIMA Programme, including its outcomes, as well as the involvement of interested stakeholders will also be undertaken by FUNDACIÓN PRIMA. In this context, the Foundation will cooperate and coordinate its activities with national and international institutions when such cooperation and coordination will benefit the implementation of PRIMA Programme. The Foundation will endeavour, particularly, to strengthen collaboration and create synergies with the initiatives, projects and activities promoted by the Union for the Mediterranean in related fields.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

These financial statements were prepared by the Director of the Foundation in accordance with the regulatory financial reporting framework applicable to the Foundation, which consists of:

- The Spanish Commercial Code and all other Spanish corporate law.
- The Resolution of 26 March 2013 of the Spanish Accounting and Audit Institute, approving the Accounting Plan for non-profit organisations. This resolution includes and fully encompasses the provisions of Royal Decree 1491/2011, of 24 October, and for everything not specifically amended in that decree, that set forth in the Spanish National Chart of Accounts.
- Foundations Law 50/2002, of 26 December, and Royal Decree 1337/2005, of 11 November, approving the regulations for national foundations, as well as the amendments introduced thereto by Royal Decree 1611/2007.
- The mandatory rules approved by the Spanish Accounting and Audit Institute to implement the Spanish General Chart of Accounts and the relevant secondary legislation; and
- All other applicable Spanish legislation.

These financial statements, which were obtained from the Foundation's accounting records, are presented in accordance with the regulatory framework applicable thereto and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Foundation's equity, financial position, results of operations for the year ended 31 December 2020.

b) Non-obligatory accounting principles applied

These financial statements were prepared by taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

c) Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the management in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein.

These estimates basically relate to the useful life of property, plant and equipment and intangible assets (see Note 5) and the calculation of non-current provisions.

Although these estimates were made on the basis of the best information available at 31 December 2020, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Such changes in accounting estimates would be applied prospectively.

d) Comparative information

The information relating to 2019 contained in these financial statements is presented solely for purposes of comparison with the information for 2020.

Notes to the financial statements for the year ended 31 December 2020

In 2020 there were no significant amendments made to the accounting regulations applicable that may affect the comparability of information.

e) Grouping of items

Certain items in the balance sheet and the income statement are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

3. SURPLUS FOR THE YEAR

The proposed distribution of surplus for the year is as follows:

	2020	2019
Basis of distribution		
Surplus for the year	2.195,50	31.030,79
Total	2.195,50	31.030,79
Amount used		
Retained earnings	2.195,50	31.030,79
Total	2.195,50	31.030,79

4. ACCOUNTING POLICIES AND MEASUREMENT BASIS

The principal measurement bases used by the Foundation in preparing its financial statements for the year ended 31 December 2020, in accordance with the Spanish National Chart of Accounts for non-profit organisations, were as follows:

a) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated amortisation or depreciation and by any impairment losses recognised.

Amortisation and depreciation are calculated using the straight-line method based on the years of estimated useful life of the assets.

The annual percentages of amortisation and depreciation applied on a straight-line basis to the various assets are as follows:

	Annual %	
Property, plant and equipment	From	To
Fixed facilities	10	25
Furniture and other office equipment	10	10
Electronic equipment	20	33
Other	10	10
Intangible assets	From	To
Computer software	33	33

Notes to the financial statements for the year ended 31 December 2020

All intangible assets recognised on the Foundation's balance sheet are made up of assets with a finite useful life.

The costs of expansion or improvements leading to a lengthening of the useful lives of the assets are capitalised.

Upkeep and maintenance expenses that do not enhance the utilisation or lengthen the useful life of the assets are charged to the income statement as they are incurred.

At the end of each year or whenever there are indications of impairment of the property, plant and equipment, the Entity estimates any potential impairment losses that may reduce the recoverable amount of these assets to below the carrying amount, calculating the potential impairment loss based on the difference between the carrying amount and the recoverable amount, which is the higher of fair value less costs to sell and value in use. For this purpose, value in use is determined in connection with the replacement cost.

b) Financial Instruments

Financial assets

Classification

All the financial assets held by the Foundation are classified in the "Loans and receivables" category. Loans and receivables are those financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Entity's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

Initial valuation

Financial assets are initially recognised, in general, at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement

Loans and receivables are measured at amortised cost.

At least at each reporting date the Foundation performs impairment tests on its financial assets for which there were indications of impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement.

The Foundation derecognises financial assets when the rights to the cash flows from the related financial asset expire or are transferred, and when substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities

Financial liabilities include accounts payable by the Foundation that have arisen from the purchase of goods or services in the normal course of the Foundation's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Notes to the financial statements for the year ended 31 December 2020

Accounts payable are initially recognised at the fair value of the consideration received, adjusted for the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Foundation derecognises financial liabilities when the obligations giving rise to them cease to exist.

c) Receivables and payables for own activity

1. Receivables for own activities: these include collection rights that arise in carrying out its own activities with beneficiaries, users, sponsors and affiliates.

2. Payables for own activities: these include obligations arising from granting aid and other assistance to the Entity's beneficiaries and to suppliers for the provision of services in compliance with its corporate purpose.

Initial and subsequent measurement of receivables

Payments, donations and other similar aid from sponsors, affiliates or other debtors, maturing in the short term, that give rise to a collection right that is recognised at its nominal value. If the maturity date exceeds the aforementioned period, they are recognised at present value. The difference between the present value and the nominal value of the receivable is recognised as financial income in the income statement in accordance with the amortised cost method.

The Foundation makes the necessary valuation adjustments when there is objective evidence of an impairment loss on these assets. For such purpose, the impairment loss on the financial assets is recognised by applying the amortised cost method.

Initial and subsequent measurement of payables

The aid and other assistance granted by the Entity to its beneficiaries and the accounts payable to suppliers for the provision of services, maturing in the short term, give rise to the recognition of a liability at its nominal value. If the maturity date exceeds the aforementioned period, they are recognised at present value. The difference between the present value and the nominal value of the payable is recognised as a finance cost in the income statement in accordance with the amortised cost method.

If the aid is granted over several years, the liability is irrevocably and unconditionally recognised at the present value of the firmly committed amount. This same criteria is applied in those cases in which the extension of the aid is not subject to periodic assessments, but rather mere compliance with formal or administrative processes.

d) Income tax

The Entity is subject to the Special Tax Regime for non-profit organizations, as provided in Law 49/2002 of December 23, on Fiscal Regime for non-profit organizations and tax incentives for Patronage.

e) Income and expenses

Income and expenses are recognised on an accrual basis, i.e. when the real flow of goods or services relating to the item arises, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

The interest received from financial assets is recognised using the effective interest rate method and the dividend is recognised when the shareholder's right to receive it is declared.

In any case, interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement.

Expenses and income of non-profit organisations

1. Expenses.

1.1 General criteria for recognition.

The expenses incurred by the Entity will be recognised in the income statement for the year in which they are incurred, regardless of the date on which the financial flow takes place. In particular, the aid granted by the Entity is recognised when it is approved.

1.2 Rules on the timing of recognition.

The recognition of these expenses occasionally differs pending the fulfilment of certain circumstances necessary for their accrual, which allow them to be definitively recognised in the income statement.

1.3 Multi-year expenses.

The aid finally granted by the Entity, such as that through collaboration agreements and other committed multi-year expenses, is recognised in the income statement for the year in which the aid granted was approved with a charge to a liability account for the present value of the obligation assumed.

1.4 Specific criteria applicable to expenditures incurred for the organisation of future events.

In accordance with that set forth in section 1.1, expenditures relating to the organisation of future events (exhibitions, congresses, conferences, etc.) are recognised in the Entity's income statement as an expense on the date they are incurred, unless they relate to the acquisition of property, plant and equipment, rights to organise the aforementioned event or any other concept that meets the definition of an asset.

Notes to the financial statements for the year ended 31 December 2020

2. Income.

2.1 Income from the delivery of goods or the provision of services is measured at the agreed-upon amount.

2.2 Income from fund-raising promotions with sponsors and collaborators is recognised when the campaigns and acts take place.

2.3 In any case, the Entity recognises the necessary accruals.

f) Provisions and contingencies

When preparing the financial statements, a distinction was made between:

- Provisions: credit balances covering present obligations arising from past events whose cancellation could lead to a cash outflow but whose amount and/or cancellation are uncertain.
- Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or two future events not wholly within the Foundation's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Any adjustments that arise from discounting these estimates are recognised as an expense.

g) Staff expenses

The Entity accounts in staff expenses the wages and salaries due to fixed or eventual remunerations to Company's personnel, compensations, social security under responsibility of the Entity and other social expenses. They are accounted at the moment of accrual and for the total amount of the remunerations, payments or expenses accrued.

No pension commitments or long term retributions in favour of the staff are kept, neither by means of defined benefit systems nor by means of asset instruments.

h) Grants, donations and bequests received

Non-refundable grants, donations and bequests are generally recognised directly in the Entity's equity to be subsequently reclassified to surplus for the year as income on a systematic and rational basis in proportion to the expenses arising from the grant, donation or bequest, i.e., they are recognised as income in the income statement as the related expenses are incurred.

Monetary grants, donations and bequests are measured at fair value of the amount awarded.

The non-refundable grants, donations and bequests that are obtained without being allocated to a specific purpose, for the purpose of financing the Foundation's ordinary operating costs, will be recognised directly in surplus for the year.

Notes to the financial statements for the year ended 31 December 2020

Refundable grants, donations and bequests received are recognised as liabilities until they become non-refundable, which will be the moment when the conditions established for their concession have been met and there is no reasonable doubt that they will be received.

i) Related party transactions

The Foundation performs all its transactions with related parties on an arm's-length basis. Furthermore, transfer prices are adequately supported and, therefore, the Entity considers that there are no material risks in this connection that might give rise to significant liabilities in the future.

5. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The breakdown of intangible assets and property, plant and equipment, and the related accumulated amortisation and depreciation, as well as the changes in 2020 and 2019, are as follows:

Intangible assets	Balance at 31/12/2019	Additions	Disposals	Balance at 31/12/2020
Computer software	18.510,40	0,00	0,00	18.510,40
Accumulated amortisation	(9.474,59)	(6.108,44)	0,00	(15.583,03)
Work in progress	14.259,76	28.519,52	0,00	42.779,28
Net total	23.295,57	22.411,08	0,00	45.706,65

Intangible assets	Balance at 31/12/2018	Additions	Disposals	Balance at 31/12/2019
Computer software	17.840,50	669,90	0,00	18.510,40
Accumulated amortisation	(3.439,57)	(6.035,02)	0,00	(9.474,59)
Work in progress	0,00	14.259,76	0,00	14.259,76
Net total	14.400,93	8.894,64	0,00	23.295,57

Property, plant and equipment	Balance at 31/12/2019	Additions	Disposals	Balance at 31/12/2020
Fixed facilities	6.683,00	0,00	0,00	6.683,00
Accumulated depreciation	(648,86)	(1.227,87)	0,00	(1.876,73)
Net cost	6.034,14	(1.227,87)	0,00	4.806,27
Furniture and other office equipment	4.089,09	0,00	0,00	4.089,09
Accumulated depreciation	(392,82)	(408,91)	0,00	(801,73)
Net cost	3.696,27	(408,91)	0,00	3.287,36
Electronic equipment	29.847,08	1.279,45	(329,74)	30.796,79
Accumulated depreciation	(9.422,42)	(7.478,06)	148,52	(16.751,96)
Net cost	20.424,66	(6.198,61)	(181,22)	14.044,83
Other fixed assets	371,07	0,00	0,00	371,07
Accumulated depreciation	(82,60)	(37,11)	0,00	(119,71)
Net cost	288,47	(37,11)	0,00	251,36
TOTAL				
Total Cost	40.990,24	1.279,45	(329,74)	41.939,95
Total Accumulated depreciation	(10.546,70)	(9.151,95)	148,52	(19.550,13)
Net total	30.443,54	(7.872,50)	(181,22)	22.389,82

Notes to the financial statements for the year ended 31 December 2020

Property, plant and equipment	Balance at 31/12/2018	Additions	Disposals	Balance at 31/12/2019
Fixed facilities	6.683,00	0,00	0,00	6.683,00
Accumulated depreciation	(120,15)	(528,71)	0,00	(648,86)
Net cost	6.562,85	(528,71)	0,00	6.034,14
Furniture and other office equipment	604,85	3.484,24	0,00	4.089,09
Accumulated depreciation	(10,61)	(382,21)	0,00	(392,82)
Net cost	594,24	3.102,03	0,00	3.696,27
Electronic equipment	23.626,41	6.961,67	(741,00)	29.847,08
Accumulated depreciation	(2.445,68)	(7.161,74)	185,00	(9.422,42)
Net cost	21.180,73	(200,07)	(556,00)	20.424,66
Other fixed assets	371,07	0,00	0,00	371,07
Accumulated depreciation	(28,87)	(53,73)	0,00	(82,60)
Net cost	342,20	(53,73)	0,00	288,47
TOTAL				
Total Cost	31.285,33	10.445,91	(741,00)	40.990,24
Total Accumulated depreciation	(2.605,31)	(8.126,39)	185,00	(10.546,70)
Net total	28.680,02	2.319,52	(556,00)	30.443,54

As indicated in the tables above, in 2020 a total of EUR 15.260,39 were recognised in the income statement for the amortisation and depreciation charge relating to intangible assets and property, plant and equipment (EUR 14.161,41 in 2019).

At 31 December 2020, the Entity had no intangible assets and property, plant and equipment that were fully amortised or depreciated.

6. FINANCIAL ASSETS

6.1. Long term financial instruments

The breakdown of long term financial instruments, as well as the changes in 2020 and 2019, is as follows:

Classes	Categories			
	Loans and receivables			
	Balance at 31/12/2019	Additions	Disposals	Balance at 31/12/2020
Loans, derivatives and other:				
Long term deposits and guarantees	1.396,50	0,00	0,00	1.396,50
Non-current deposits	6.400.000,00	0,00	(6.000.000,00)	400.000,00
Total	6.401.396,50	0,00	(6.000.000,00)	401.396,50

Notes to the financial statements for the year ended 31 December 2020

Classes	Categories			
	Loans and receivables			
	Balance at 31/12/2018	Additions	Disposals	Balance at 31/12/2019
Loans, derivatives and other:				
Long term deposits and guarantees	1.396,50	0,00	0,00	1.396,50
Non-current deposits	0,00	6.400.000,00	0,00	6.400.000,00
Total	1.396,50	6.400.000,00	0,00	6.401.396,50

6.2. Short term financial instruments

The breakdown of short term financial instruments, as well as the changes in 2020 and 2019, is as follows:

Classes	Categories			
	Loans and receivables			
	Balance at 31/12/2019	Additions	Disposals	Balance at 31/12/2020
Loans, derivatives and other:				
Current deposits	0,00	600.000,00	0,00	600.000,00
Cash	1.109,28	0,00	(347,06)	762,22
Banks	11.992.566,91	47.688.201,44	(38.281.528,37)	21.399.239,98
Total	11.993.676,19	48.288.201,44	(38.281.875,43)	22.000.002,20

Classes	Categories			
	Loans and receivables			
	Balance at 31/12/2018	Additions	Disposals	Balance at 31/12/2019
Loans, derivatives and other:				
Cash	206,08	2.891,80	(1.988,60)	1.109,28
Banks	903.058,49	58.416.807,39	(47.327.298,97)	11.992.566,91
Total	903.264,57	58.419.699,19	(47.329.287,57)	11.993.676,19

7. FINANCIAL LIABILITIES

As of December 31, 2020 and December 31, 2019, financial liabilities are as follows:

Classes	Categories	
	Loans and payables	
	Balance at 31/12/2020	Balance at 31/12/2019
Bank borrowings	0,00	4.471,80
Trade and other payables	103.384,71	92.508,74
Total short-term payables	103.384,71	96.980,54

Notes to the financial statements for the year ended 31 December 2020

The breakdown of trade and other payables is as follows:

	Balance at 31/12/2020	Balance at 31/12/2019
Services pending to be paid:		
Experts fees Section 1 and 2	9.527,00	0,00
Travel expenses experts Section 1 and 2	0,00	1.215,84
Travel expenses PRIMA Secretariat bodies	0,00	3.056,18
Other services pending to be paid	13.857,71	8.593,72
Salaries pending to be paid:	80.000,00	79.643,00
Total trade and other payables	103.384,71	92.508,74

8. EQUITY AND SHAREHOLDERS' EQUITY

The changes in "Equity" in 2020 and 2019 were as follows:

Concept	Balance at 31/12/2020	Balance at 31/12/2019
Welfare fund	30.000,00	30.000,00
Surplus from previous years (retained earnings)	395.281,48	364.250,69
Surplus for the year	2.195,50	31.030,79
Total shareholders' equity	427.476,98	425.281,48
Grants, donations and bequests	21.859.382,21	17.889.773,18
Total equity and shareholders' equity	22.286.859,19	18.315.054,66

9. TAX POSITION

The Entity is subject to the Special Tax Regime for non-profit organizations, as provided in Law 49/2002 of December 23, on Fiscal Regime for non-profit organizations and tax incentives for Patronage.

The various interpretations which can be made of the tax regulations applicable to transactions carried out by the Entity may give rise to certain contingent tax liabilities that cannot be objectively quantified. The Entity's management considers that the tax expense that could arise from the various interpretations would not significantly affect the accompanying financial statements.

The reconciliation between the accounting profit recognised in the income statement for 2020 and 2019 and the taxable profit for these years is as follows:

	Income statement		
	Increases	Decreases	Amounts
Accounting profit 2020			2.195,50
Tax exempted profit (Law 49/2002)	17.832.690,97	(17.834.886,47)	(2.195,50)
Tax base 2020			0,00

Notes to the financial statements for the year ended 31 December 2020

	Income statement		
	Increases	Decreases	Amounts
Accounting profit 2019			31.030,79
Tax exempted profit (Law 49/2002)	12.456.022,19	(12.487.052,98)	(31.030,79)
Tax base 2019			0,00

10. INCOME AND EXPENSES

10.1 Income received from promoters, sponsors and collaborators

There is no income received from promoters, sponsors and collaborators for 2020. In the previous year, it corresponds to the payment of the membership fee of Algeria and Morocco.

10.2 Monetary aid

The Foundation recognizes Grant Agreements under "Air-related and other expenses" in the accompanying income statement. The breakdown in this heading for 2020 and 2019 is as follows:

Thematic area	2020	2019
Water management	3.534.150,00	3.529.226,00
Farming systems	6.470.063,00	3.687.219,00
Agro-food chain	3.725.869,00	3.573.742,00
CSA	660.000,00	0,00
Nexus	2.004.038,00	0,00
Total	16.394.120,00	10.790.187,00

The amount of EUR 16.394.120,00 corresponds to the funding of the eighteen projects selected in the ranking list PRIMA 2019 Section 1 Call.

The amount of EUR 10.790.187 corresponds to the funding of the nine projects selected in the ranking list PRIMA 2018 Section 1 Call.

10.3 Staff expenses

The detail of this heading in the income statement at 31 December 2020 and 2019 is as follows:

Concept	2020	2019
Salaries and other personnel expenses	844.115,70	857.023,73
Employer social security contributions	179.701,28	183.296,67
Total	1.023.816,98	1.040.320,40

Notes to the financial statements for the year ended 31 December 2020

10.4 Other expenses from business activities

Concept	2020	2019
Repair and maintenance	561,44	0,00
Fees for professional services	290.284,29	211.729,46
Transport	22,98	0,00
Insurance premiums	560,47	1.396,99
Banking services	4.937,40	5.117,99
Advertising and public relations	13.505,00	0,00
Supplies	6.068,22	5.261,75
Other services	48.640,19	386.258,10
Other taxes	1.691,48	965,69
Total other expenses from business activities	366.271,47	610.729,98

Fees for professional services correspond to expert fees of Section 1 and 2 for an amount of EUR 256.014,50 (EUR 184.650,00 in the previous year) and to other professional services for an amount of EUR 34.269,79 (EUR 27.079,46 in the previous year). Other services correspond to expenses for organizing calls (travel expenses and accommodation allowance) and travel expenses of PRIMA personnel.

11. GRANTS, DONATIONS AND BEQUESTS RECEIVED

The changes of this heading in the balance sheet in 2020 and 2019 were as follows:

Concept	Balance at 31/12/2019	Additions	Grants taken to surplus for the year	Balance at 31/12/2020
Grants, donations and bequests received	17.889.773,18	21.800.000,00	(17.830.390,97)	21.859.382,21
Total	17.889.773,18	21.800.000,00	(17.830.390,97)	21.859.382,21

Concept	Balance at 31/12/2018	Additions	Grants taken to surplus for the year	Balance at 31/12/2019
Grants, donations and bequests received	380.795,37	29.965.000,00	(12.456.022,19)	17.889.773,18
Total	380.795,37	29.965.000,00	(12.456.022,19)	17.889.773,18

Grants, donations and bequests received recognised in income statement in 2020 amounted to 17.830.390,97 € (12.456.022,19 € in 2019)

Notes to the financial statements for the year ended 31 December 2020

The characteristics of the grants, donations and bequests received are the following:

Purpose	Year of the grant	Implementation period	Grantor	Type
Implementation of PRIMA programme	2017	2017-2028	European Commission	International

Purpose	Amount granted up to	Recognised in previous years' income statement	Recognised in 2020 income statement	Total recognised in income statement
Implementation of PRIMA programme	220.000.000,00	13.537.226,82	17.830.390,97	31.367.617,79

In accordance with the Delegation Agreement between the Foundation and the European Commission, the Commission decided to entrust budget implementation tasks to the Foundation under Decision (EU) 2017/1324 of the European Parliament and of the Council 4 July 2017 on the participation of the Union in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) jointly undertaken by several Member States.

This Agreement defines the budget implementation tasks that are entrusted to the Foundation in the context of the PRIMA programme and sets out the rights and obligations and terms and conditions for their implementation.

Each year the Commission and the PRIMA Foundation conclude a Transfer of Funds Agreement for the budget implementation tasks that are entrusted to the Foundation.

The indicative total maximum amount of the EU contribution to the Foundation for the duration of the Agreement shall be up to 220 000 000 €.

The EU contribution reimburses expenditure incurred for the implementation of the entrusted tasks and accepted by the Commission.

The EU contribution also reimburses administrative costs of the Foundation for the implementation of the PRIMA programme, up to 6% of the EU contribution.

The EU contribution shall be used solely for the purposes of the implementation of this Agreement.

12. OTHER INFORMATION

a) Composition of the governing bodies

At 31 December 2020, the Foundation's Board of Trustees was composed of 18 members as shown below:

Participating country	BoT Trustee	BoT Principal representative	BoT Alternate representative/s
Italy	Ministero dell'Istruzione dell'Università e della Ricerca	Mr. Angelo Riccaboni	Not designated
Portugal	Fundação para a Ciência e a Tecnologia	Ms. Helena Pereira	Ms. Ana Costa and Mr. Ricardo Pereira
Spain	Secretaria de Estado de Investigación	Ms. Esther Esteban Rodrigo	Mr. Guy Vancanneyt
Cyprus	Directorate General for European Programmes, Coordination and Development	Mr. Christos Aspris	Mr. Evgenios Epaminondou and Ms. Iria Loucaidou
Greece	General Secretariat for Research and Technology of the Ministry of Education, Research and Religious Affairs	Ms. A liki Pappa	Mr. Marios Koniaris
France	Ministry of Higher Education, Research and Innovation	Ms. Marie-Hélène Tusseau-Vuillemin	Mr. Frédéric Lapeyrie
Tunisia	Ministry of Higher Education and Scientific Research	Ms. Olfa Zeribi EP Ben Slimane	Ms. Samia Charfi Kaddour
Slovenia	Ministry of Education, Science and Sport	Mr. Sergej Mozina	Ms. Tea Darka Glazar
Malta	Foundation for Science and Technology	Mr. Johann Caruana	Ms. Corinne Muscat Terribile
Egypt	Ministry of Scientific Research	Mr. Mohamed El-Sayed El-Shinawi Selim	Mr. Hazem Monsour
Germany	Federal Ministry of Education and Research	Ms. Katharina Gatzsche	Ms. Birgit Wirsing and Mr. Stephen Epe
Jordan	Higher Council for Science and Technology	Mr. Dia-Eddin M. Arafah	Mr. Mahmoud Abuhussein
Turkey	Scientific and Technological Research Council	Mr. Orkun Hasekioglu	Mr. Alpaslan Mete Karaca and Mrs. Nur Eda Demir
Croatia	Ministry of Science and Education	Mr. Hrvoje Mestric	Ms. Mirela Cokesic
Lebanon	National Council of Scientific Research	Mr. Mouin Hamze	Ms. Rula Atweh
Algeria	General Directorate for Scientific Research and Technological Development	Mr. Mohammed Bouhicha	Ms. Samira Chader
Israel	Israel Innovation Authority	Ms. Hagit Schwimmer	Ms. Nili Shalev
Marrocco	Ministry of National Education, Vocational Training, Higher Education and Scientific Research of the Kingdom of Morocco	Mr. Ahmed Hammouch	Mr. Ismail Kassou and Mr. Anas Chokiari

Notes to the financial statements for the year ended 31 December 2020

In 2020 the following changes were made to the Foundation's Board of Trustees by Trustee appointment:

Participating country	BoT Trustee	BoT Principal representative	BoT Alternate representative/s
Spain	Secretaria de Estado de Investigación	Ms. Esther Esteban Rodrigo	Mr. Guy Vancanneyt
Cyprus	Directorate General for European Programmes, Coordination and Development	Mr. Christos Aspris	Mr. Evgenios Epaninondou and Ms. Iria Loucaidou
Greece	General Secretariat for Research and Technology of the Ministry of Education, Research and Religious Affairs	Ms. Alike Pappa	Mr. Marios Koniaris
Malta	Foundation for Science and Technology	Mr. Johann Caruana	Ms. Corinne Muscat Terribile
Germany	Federal Ministry of Education and Research	Ms. Katharina Gatzsche	Ms. Birgit Wirsing and Mr. Stephen Epe
Jordan	Higher Council for Science and Technology	Mr. Dia-Eddin M. Arafah	Mr. Mahmoud Abuhussein
Croatia	Ministry of Science and Education	Mr. Hrvoje Mestric	Ms. Mirela Cokesic

b) Information on the entity's personnel

The Foundation's average headcount in 2020 and 2019, broken down by professional level, is as follows:

Professional level	Average number of employees					
	2020			2019		
	Men	Women	Total	Men	Women	Total
Project managers	4,00	0,00	4,00	4,00	0,00	4,00
Administrative	1,00	0,54	1,54	1,00	0,00	1,00
Programme management assistant	1,00	0,00	1,00	1,00	0,00	1,00
Section head	2,00	0,00	2,00	2,00	0,00	2,00
Deputy director	1,00	0,00	1,00	1,00	0,00	1,00
Director	1,00	0,00	1,00	1,00	0,00	1,00
Technical support	0,00	0,00	0,00	0,32	0,00	0,32
Project head	0,00	1,00	1,00	0,00	1,00	1,00
Administrative head	0,00	1,00	1,00	0,00	1,00	1,00
Total	10,00	2,54	12,54	10,32	2,00	12,32

c) Remuneration of governing bodies

In fulfilment of the provisions of the laws governing foundations, members of the Foundation's Board of Trustees, listed in Note 12a), receive no remuneration for carrying out their duties.

The diems received by the trustees as members of the governing bodies for the exercise of their duties amounted to 2.338,69 euros in 2020 (52.147,00 euros in 2019).

d) Remuneration of Senior Management

Senior Management, which is not part of the Foundation's Board of Trustees and includes the Director and the Deputy Director, received a total of EUR 216.040,00 for their work in these capacities in 2020 (EUR 210.701,00 in 2019). These remunerations include fixed salaries of EUR 165,040.00, a variable remuneration of EUR 51.000,00.

e) Fees for financial audit and other services

In 2020 the fees for financial audit services provided by the auditor of the Foundation's financial statements amounted to 4.300 € (4.500 € in previous year). There were no other services provided by the auditor.

13A. ENTITY ACTIVITY

I. ACTIVITIES CARRIED OUT

1) Implementation of the PRIMA programme

Identification

Description of the activities:	Implementation of PRIMA programme
Type of activity:	Own
Identification of activity by sector:	Research and innovation
Place where activity is carried out:	National and international sphere

Detailed description of the activity carried out

The PRIMA programme is implemented by the PRIMA Foundation on the basis of annual work plans.

PRIMA annual work plan 2020 has developed in compliance with the objectives and provisions set out in the Decision (EU) 2017/1324 and is based on the priorities described in the PRIMA Strategic Research and Innovation Agenda (SRIA) following a comprehensive consultation process, involving multiple stakeholders. The SRIA further shares its goals with the Union for the Mediterranean's Water Agenda.

PRIMA programme activities are implemented as following:

- 1) Section 1: Actions and activities organized, managed and funded by the Foundation.
Actions are funded by the H2020 Programme and they are evaluated and selected following its Rules for Participation. Grant agreements are to be signed with PRIMA-IS on the basis of the H2020 Model Grant Agreement.
- 2) Section 2: Activities selected following transnational open and competitive calls for proposals organized by the Foundation and funded by the national funding bodies of Participating States (providing financial support mainly in the form of grants).

Activities are evaluated and selected based on rules which are analogous to the Rules for Participation of Horizon 2020, following open calls for proposals centrally organised by the Foundation. Such activities are funded in line with common principles. Grant agreements will be signed between participants and by relevant national funding bodies in accordance with national rules.

3) Section 3: Activities organized, managed and funded by the Participating States:

- a) Activities under the national programs of the Participating States including transnational projects referred to as “Participating States’ Initiated Activities” (PSIAs).
- b) Activities organised and funded by PS supporting PRIMA programme implementation.

Announcement of the Calls for Proposals

On 2 February 2020, the PRIMA Secretariat published a pre-announcement on the official PRIMA website, in order to make potential applicants aware of the date of publication and opening of the calls for proposals.

The pre-announcement contained general information on the PRIMA Programme, as well as important details on the rules for participation, application procedure, indicative budgets and timelines (call publication, submission deadlines, evaluation, publication of results).

The PRIMA Secretariat also informed the National Funding Bodies, the PRIMA National Contact Points and the members of the Board of Trustees, and asked to disseminate the pre-announcement to their networks, to give more visibility to the forthcoming publication of the calls.

The PRIMA calls for proposals 2020 were officially announced on 15 February 2020.

All relevant information, guidelines and documents were made available on the official PRIMA website and advertised on social media (Facebook and Twitter).

The PRIMA website and social media were also used to give visibility to dissemination events focusing on the PRIMA calls and to inform applicants when the PRIMA Electronic Submission System was open.

Submission process

Applicants submitted their project proposals electronically, through the ESS - Electronic Submission System. Proposals had to be created and submitted by the representative person of the coordinating organisation. To be able to submit a proposal, applicants had to first register on the ESS.

As for Horizon 2020, the proposals consisted of two main parts: the administrative form (basic administrative data, list of partners, etc.) and the technical annex (description of planned research and innovation project, outline of work packages, costs, etc.).

The PRIMA Calls for proposals 2020 foresaw a 2-stage submission procedure, whereby only consortia whose pre-proposals were deemed of exceptional quality were invited to submit a full proposal, except the CSA Call which only has 1 stage submission procedure.

The two tables below provide the total number of proposals submitted in 2020, as well as the final number of eligible proposals, under both Section 1 and Section 2.

Table 1 – Number of proposals submitted to PRIMA Calls for proposals 2020 - Section 1

Thematic Area	Stage 1		Stage 2		Selected for funding
	Submitted	Eligible	Submitted	Eligible	
Management of Water	124	113	13	13	4
Farming Systems	55	53	16	15	5
Agro-food Value Chain	122	117	14	14	4
Nexus	34	34	7	7	2
Total	335	317	50	49	15

Table 2 – Number of proposals submitted to PRIMA Call for proposals 2020 - Section 2

Thematic Area	Stage 1		Stage 2		Selected for funding
	Submitted	Eligible	Submitted	Eligible	
Management of Water	40	37	17	17	6
Farming Systems	85	81	51	51	17
Agro-food Value Chain	36	34	20	20	8
Total	161	152	88	88	31

Experts evaluators

The PRIMA-EC Delegation agreement (art. 10 - Rules and procedures for appointing experts) establishes that the PRIMA Foundation shall appoint experts for the evaluation of proposals or, if appropriate, for the monitoring of actions in compliance with the provisions of the Rules for Participation and the PRIMA Basic Act.

Experts are external and independent of PRIMA and perform the assignment in their personal capacity and not as representatives of any organisation or scientific community. Experts may either come from the public or the private sector.

Throughout the evaluation procedure, PRIMA hired 70 reviewers during Section 1, Stage 1 and 41 experts for Section 1, Stage 2.

Throughout the evaluation procedure, PRIMA hired 32 reviewers during Section 2, Stage 1 and 43 experts for Section 2, Stage 2.

The Prima Evaluation Process

Admissibility and eligibility check: after the submission deadline, the Foundation checked the admissibility and eligibility of project proposals. Only proposals that were deemed admissible and eligible were assigned to experts to be evaluated.

For the non-eligible projects, the reasons of non-eligibility were recorded and communicated to applicants.

Individual Evaluation: The Foundation assigned eligible proposals to evaluators. According to Article 15 of the Horizon 2020 Rules for Participation Regulation no. 1290/2013, each eligible proposal was evaluated remotely by at least three expert evaluators who carried out a technical evaluation based on of the following award criteria: *excellence, impact, quality and efficiency of implementation*.

Notes to the financial statements for the year ended 31 December 2020

Panel review: after the remote individual evaluation, evaluators met in a panel to discuss, check on the consistency of / reach a common view on their scores and comments and -in case of equal scores- to agree on a priority order. The panel configuration allowed evaluators to have an overview of ALL eligible proposals, not just the ones they evaluated, which enabled them to decide fairly when ranking the proposals.

Communication of evaluation results to coordinators: After Stage 1 and Stage 2 panel reviews, Evaluation Summary Reports were sent to project coordinators. The final lists of funded projects were also published on the PRIMA website

Human resources employed

Type	Number		Hours/Year	
	Projected	Executed	Projected	Executed
Salaried Staff	6	6	9.840	9.840
Staff with services contract	125	120	6.875	6.600
Volunteer Staff	0	0	0	0

Beneficiaries or users of the activity

Type	Projected number	Executed Number
Associations	5%	5%
Private companies	20%	18%
Research Foundation	15%	12%
Public	60%	65%

Financial resources employed

Expenses	Amounts	
	Projected	Executed
Staff expenses	977.200,00	892.316,98
Other expenses	17.381.050,00	16.744.955,56
Total funds used	18.358.250,00	17.637.272,54

Objectives and indicators of the activity

Objective	Indicator	Amount	
		Projected	Executed
Increase the participation of SME on PRIMA Proposals	% SME beneficiaries on the Granted Agreements	20%	18%
Funds covered in Section 2 regarding the Budget allocated by country	% Funds funded vs budget allocated	70%	81%
Participation of Southern Countries Participant States	% Budget allocated to Southern Countries	25%	34%
Participation of Southern Countries Participant States	% of Entities From Southern Countries	30%	41%

Notes to the financial statements for the year ended 31 December 2020

II. TOTAL FINANCIAL RESOURCES EMPLOYED BY THE ENTITY

Expenses	Amounts		
	Implementation of PRIMA Programme	Not charged to activities	Total
Staff expenses	892.316,98	131.500,00	1.023.816,98
Other expenses from business activity	345.350,99	20.920,48	366.271,47
Payments Beneficiaries Calls	16.394.120,00	0,00	16.394.120,00
Depreciation and amortisation	5.484,57	9.775,82	15.260,39
Other gains/losses	0,00	30.922,13	30.922,13
Total funds used	17.637.272,54	193.118,43	17.830.390,97

III. TOTAL FINANCIAL RESOURCES OBTAINED BY THE ENTITY

Income	Amounts	
	Projected	Executed
Public sector grants (EU)	21.800.000,00	21.800.000,00
Total funds received	21.800.000,00	21.800.000,00

IV. COLLABORATION AGREEMENTS WITH OTHER ENTITIES

Apart from the Delegation Agreement signed between the European Commission and the Foundation, there are no other collaboration agreements to be informed.

V. DEVIATIONS BETWEEN THE ACTION PLAN AND DATA

The deviation below the initial budget relates to the fact that specific activities initially contemplated in the budget were not carried out and they were postponed to next year.

13B. USE OF ASSETS FOR THE ENTITY'S CORPORATE PURPOSE

a) Goods and rights included in the founding capital

The goods and rights included in the founding capital consist of 30.000 € included in the Cash chapter of the balance sheet at 31 December 2020.

All assets and rights of the Foundation are directly related to compliance with its corporate purpose. The corporate purpose of which is to promote and develop social, charitable, welfare, educational and/or cultural projects and initiatives as specified in the first article of its bylaws.

Notes to the financial statements for the year ended 31 December 2020

b) Allocation of rent and income

b1) Degree of compliance with use of profit and income

1. CALCULATION BASIS AND MINIMUM RESOURCES TO BE ALLOCATED	
Resources	Amounts
Accounting profit	2.195,50
1.1. Positive adjustments	17.637.272,54
1.2. Negative adjustments	0,00
Calculation basis:	17.639.468,04
Minimum resources to be allocated	12.347.627,63
% Minimum resources to be allocated	70,00%

2. RESOURCES ALLOCATED TO OBJECTIVES (EXPENSES + INVESTMENTS)	
Resources	Importes
2. A) Resources allocated to objectives (expenses)	17.631.787,97
2. B) Resources allocated to objectives (investments)	28.519,52
Total resources allocated to objectives	17.660.307,49
% Resources allocated to objectives according to article 27 Law 50/2002, of 26 December	100,12%

Pursuant to that set forth in Foundations Law 50/2002, of 26 December, the expenses incurred and investments made each year that effectively contribute to complying with the Foundation's corporate purpose specified in its bylaws, except for amortisation and depreciation charges and provisions, are considered to be used for founding purposes.

b2) Administrative expenses

Administrative expenses	Amounts
Expenses arising directly from the administration of assets	-
Payments received by the trustees to compensate their expenses	2.338,69
Total administrative expenses in 2020	2.338,69

Administrative expenses in 2020 amounted to 2.338,69 € and do not exceed the limits established in Article 33 of Royal Decree 1337/2005, of 11 November, approving the regulations for national foundations.

14. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that may affect the annual accounts or the going concern principle.

Notes to the financial statements for the year ended 31 December 2020

15. INVENTORY

The breakdown of the most significant assets on the balance sheet at 31 December 2020 is as follows:

Property, Plant And Equipment	Acquisition Date	Amount	Depreciation 2020	Accumulated Depreciation	Net Value
PC SCREENS	23/03/2018	810,74	202,69	563,09	247,65
FRIDGE	23/03/2018	371,07	37,11	103,09	267,98
PC SCREENS	04/04/2018	4.568,76	1.142,19	3.135,55	1.433,21
PC + HARDWARE	02/08/2018	8.352,08	2.088,02	5.045,57	3.306,51
PRINTER	03/08/2018	2.484,75	622,50	1.502,53	982,22
OTHER INSTALLATIONS	01/10/2018	1.871,80	187,18	421,54	1.450,26
MOBILE	01/10/2018	668,60	133,72	301,14	367,46
MOBILE	01/10/2018	405,75	81,15	182,75	223,00
MOBILE	01/10/2018	329,74	65,95	148,52	181,22
OTHER INSTALLATIONS	15/10/2018	607,00	60,70	134,37	472,63
OTHER INSTALLATIONS	15/10/2018	2.807,70	280,77	621,54	2.186,16
PC's	18/10/2018	2.857,13	668,05	1.657,61	1.199,52
OFFICE FURNITURE	29/10/2018	604,85	60,49	131,59	473,26
PC	05/11/2018	1.185,45	296,36	639,00	546,45
PC	14/12/2018	1.407,36	351,84	721,03	686,33
OTHER INSTALLATIONS	31/12/2018	1.396,50	699,22	699,22	697,28
PC	22/01/2019	972,17	243,04	472,10	500,07
OFFICE CHAIRS	29/01/2019	3.484,24	348,42	670,11	2.814,13
CLOUD SERVER	22/03/2019	726,00	239,58	426,65	299,35
SERVER	10/04/2019	5.263,50	1.315,88	2.274,85	2.988,65
PC	01/12/2020	1.057,40	22,39	22,39	1.035,01
Intangible Assets	Acquisition Date	Amount	Amortisation 2020	Accumulated Amortisation	Net Value
1st PAYMENT WEB PAGE	30/01/2018	9.570,00	3.158,10	9.223,38	346,62
2nd PAYMENT WEB PAGE	01/07/2018	3.190,00	1.052,70	2.636,08	553,92
ACCOUNTING SOFTWARE	31/12/2018	1.890,50	623,87	1.249,45	641,05
3rd PAYMENT WEB PAGE	23/01/2019	3.859,90	1.273,77	2.470,76	1.389,14

Barcelona, 22nd February 2021



Director
Octavi Quintana Trias