

# INSTITUTE FOR INTEGRATED TRANSITIONS

Simplified Annual Accounts and Notes to the Annual Accounts for 2015

Includes the Audit Report on the 2015 Annual Accounts

## **Independent auditor's report on the annual accounts**

*(Translation of a report and accounts originally issued in Catalan and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Catalan-language version prevails).*

To the Board of the  
INSTITUTE FOR INTEGRATED TRANSITIONS  
following the request of the same Board

### **Report on the simplified annual accounts**

We have audited the accompanying simplified annual accounts of INSTITUTE FOR INTEGRATED TRANSITIONS (hereafter, 'the Association') which comprise the simplified balance sheet at 31 December 2015, the simplified statement of results, the simplified statement of changes in net equity and the simplified notes to the accounts for the year ended on that date.

#### *Responsibility of the Board concerning the simplified annual accounts*

The Board is responsible for drawing up the attached simplified annual accounts, so that they show a true and fair view of the net equity, the financial situation and the results of the INSTITUTE FOR INTEGRATED TRANSITIONS, in accordance with the framework of financial reporting standards applicable to the Association in Spain, which is explained in note 2a to the simplified annual accounts, and for such internal controls that they consider necessary to enable the preparation of simplified annual accounts that are free from material misstatements, whether due to fraud or error.

#### *Responsibility of the auditor*

Our responsibility is to express an opinion on the accompanying simplified annual accounts based on our audit. We conducted our audit in accordance with the legislation regulating the auditing of financial statements in Spain. This legislation requires that we comply with ethical requirements and plan and execute our audit to obtain reasonable assurance about whether the simplified annual accounts are free from material misstatement.

An audit requires the performance of procedures to obtain audit evidence about the amounts and disclosures in the simplified annual accounts. The procedures selected depend upon the judgement of the auditor, including the assessment of the risks of material misstatement in the simplified annual accounts, due to fraud or error. In making those risk assessments, the auditor takes into account the internal controls relevant to the preparation of simplified annual accounts by the Association, in order to design audit procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of the internal controls of the entity. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the presentation of the simplified annual accounts as a whole.

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

*Opinion*

In our opinion, the accompanying simplified annual accounts present, in all material aspects, a true and fair view of the net equity and the financial situation of the INSTITUTE FOR INTEGRATED TRANSITIONS at 31 December 2015, and of the results of its operations for the year ended on that date, in accordance with the applicable framework of financial reporting standards, and in particular, in compliance with the accounting principles and criteria contained in that framework.

Grant Thornton



Joan Vall

14 June 2016

## Simplified Balance Sheet

Exercise 2015

INSTITUTE FOR INTEGRATED TRANSITIONS

CODING ACCOUNT NUMBER	ASSETS	REPORT NOTES	31.12.2015	31.12.2014
	<b>A) NON-CURRENT ASSETS</b>		<b>1.420,84</b>	<b>1.628,08</b>
20, (280), (290)	<b>I. Fixed intangible</b>			
21, (281), (2910), (2911), (2912), (2913), (2914), (2915), (2916), (2917), (2918)	<b>II. Fixed tangible</b>	5	220,84	428,08
22, (282), (292)	<b>III. Real estate investments</b>			
23, (29190), (29191), (29192), (29193), (29194)	<b>IV. Cultural heritage assets</b>			
2403, 2404, 2413, 2414, 2423, 2424, (2493), (2494), (2933), (2934), (2943), (2944), (2953), (2954)	<b>V. Long-term investments in associated groups or entities</b>			
2405, 2415, 2425, 250, 251, 252, 253, 254, 2550, 258, (259), 26 (2495), (2935), (2945), (2955), (296), (297), (298), 474	<b>VI. Long-term financial investments</b>	7.a	1.200,00	1.200,00
	<b>B. CURRENT ASSETS</b>		<b>192.963,14</b>	<b>97.840,81</b>
30, 31, 32, 33, 34, 35, 36, (39), 407	<b>I. Stock</b>			
	<b>II. Users, sponsors and debtors of the activities and any other account receivable</b>	7.b	121.412,48	29.296,43
440, 441, 442, (447)	1. Users and debtors for products or services			
443, (4933), (4934), (4935)	2. Debtors and associated groups or entities			
444	3. Sponsors			
445, 446, 449, (490)	4. Other debtors		121.406,07	29.295,30
460, 464, 544	5. Staff			
4700, 4707, 4708, 4709, 471, 472, 473	6. Current tax assets and other loans with public authorities	11	6,41	1,13
558	7. Founders and members with outstanding payments			
5303, 5304, 5313, 5314, 5323, 5324, 5333, 5334, 5343, 5344, 5353, 5354, (5393), (5394), 5523, 5524, (5933), (5934), (5943), (5944), (5953), (5954)	<b>III. Short-term investments in associated groups or entities</b>			
5305, 5315, 5325, 5335, 5345, 5355, 540, 541, 542, 543, 544, 545, 546, 547, 548, (549) (5395), (5935), 551, 5525, 554, 5590, 565, 566, (5945), (5955), (596), (597), (598)	<b>IV. Short-term financial investments</b>			
480, 567	<b>V. Short-term accruals</b>			
570, 572, 574, 576	<b>VI. Cash and cash equivalents</b>		71.550,66	68.544,38
	<b>TOTAL ASSETS (A+B)</b>		<b>194.383,98</b>	<b>99.468,89</b>

CODING ACCOUNT NUMBER		EQUITY AND LIABILITIES		REPORT NOTES	31.12.2015	31.12.2014
	<b>A) EQUITY</b>				<b>173.138,76</b>	<b>78.029,87</b>
	<b>A-1) Own funds</b>	9	<b>41.678,10</b>	<b>38.619,70</b>		
	<b>I. Funds from endowments or social funds</b>					
100, 101	1. Funds from endowments or social funds					
(103), (104)	2. Pending funds from endowments or social funds					
102	<b>II. Special funds</b>					
120, 121	<b>III. Surplus from prior exercises</b>		<b>38.619,70</b>	<b>35.118,48</b>		
124	<b>IV. Surplus pending application to statutory activities</b>					
129	<b>V. Surplus of current exercise (positive or negative)</b>		<b>3.058,40</b>	<b>3.501,22</b>		
118	<b>VI. Contributions to offset losses</b>					
	<b>A-2) Grants, donations, bequests and other adjustments</b>	10	<b>131.460,66</b>	<b>39.410,17</b>		
130	1. Official capital grants					
131	2. Capital donations and bequests					
132	3. Other kind of grants, donations and bequests		<b>131.460,66</b>	<b>39.410,17</b>		
137	4. Tax revenues to distribute					
	<b>B) NON-CURRENT LIABILITIES</b>		<b>0,00</b>	<b>0,00</b>		
14	<b>I. Long-term provisions</b>					
	<b>II. Long-term debts</b>					
1605, 170	1. Debts with credit agencies					
1615, 1625, 1635, 171, 172, 173, 174, 175, 176, 180, 185, 189	2. Any other long-term debts					
1603, 1604, 1613, 1614, 1623, 1624, 1633, 1634	<b>III. Long-term debts with associated groups and entities</b>					
479	<b>IV. Deferred tax liabilities</b>					
181	<b>V. Long-term accruals</b>					
	<b>C) CURRENT LIABILITIES</b>		<b>21.245,22</b>	<b>21.439,02</b>		
499, 529	<b>I. Short-term provisions</b>	8	<b>1.212,27</b>	<b>2.798,52</b>		
	<b>II. Short-term debts</b>					
5105, 520, 527	1. Debts with credit agencies		<b>680,27</b>	<b>2.109,99</b>		
5115, 5135, 5145, 521, 522, 523, 525, 528, 551, 554, 5525, 555, 5565, 5566, 560, 561, 569	2. Other kinds of short-term debt		<b>532,00</b>	<b>688,53</b>		
5103, 5104, 5113, 5114, 5123, 5124, 5125, 5133, 5134, 5143, 5144, 524, 5523, 5524, 5563, 5564	<b>III. Short-term debts with associated groups and entities</b>					
	<b>IV. Creditors by activity and other liabilities</b>		<b>20.032,95</b>	<b>18.640,50</b>		
400, 401, 403, 404, 405, (406)	1. Suppliers					
41	2. Other creditors	8	<b>1.636,91</b>	<b>3.970,83</b>		
465, 466	3. Staff (pending salary payments)	8	<b>0,00</b>	<b>0,10</b>		
475, 476, 477	4. Current tax liabilities and other debts with public authorities	11	<b>18.396,04</b>	<b>14.669,57</b>		
448	5. Advance payments					
485, 568	<b>V. Short-term accruals</b>					
	<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>194.383,98</b>	<b>99.468,89</b>		

# Simplified Statement of Results

Exercise 2015

## INSTITUTE FOR INTEGRATED TRANSITIONS

CODING ACCOUNT NUMBER		REPORT NOTES	(Debits) Credits	
			31.12.2015	31.12.2014
	<b>1. Income from activities</b>		366.741,65	296.928,35
700, 705, (706), (708), (709)	a) Sales and services			
721	b) Income received regularly			
722, 723	c) Income from promotions, sponsors and collaborations			
724, 727, 728, (658)	d) Grants, donations and other income	10	366.741,65	296.928,35
	<b>2. Aid and other expenses</b>			
(650), (651), (652), 729	a) Aid			
(653), (654)	b) Expenses for collaborations and for the official function of a member of the associations' governing body			
(6930), 71*, 7930	<b>3. Changes in inventories of finished goods and works in progress</b>			
73	<b>4. Work performed by the association for its assets</b>			
(600), (601), (602), 606, (607), 608, 609, 61*, (6931), (6932), (6933), 7931, 7932, 7933	<b>5. Supplies</b>			
752	<b>6. Other income from activities</b>			
751, 753, 754, 755, 759	a) Income from leases			
(64)	b) Additional revenue and other income from current management			
	<b>7. Staff costs</b>	12.a	-245.314,86	-199.883,07
	<b>8. Other operating expenses</b>		-122.360,39	-94.175,36
(620)	a) Outside services		-122.223,09	-94.125,36
(621)	a <sub>1</sub> ) Research and development			
(622)	a <sub>2</sub> ) Leases and royalties	6	-14.663,69	-14.839,48
(623)	a <sub>3</sub> ) Repairs and maintenance			
(624)	a <sub>4</sub> ) Independent professional services		-48.690,10	-33.915,50
(625)	a <sub>5</sub> ) Transport			
(626)	a <sub>6</sub> ) Insurances premiums			
(627)	a <sub>7</sub> ) Banking services		-62,09	-853,95
(628)	a <sub>8</sub> ) Advertising, public relations and propaganda			
(629)	a <sub>9</sub> ) Supplies			
(631), (634), 636, 639	a <sub>10</sub> ) Other services		-58.807,21	-44.516,43
(655), (694), (695), 794, 7954	b) Taxes		-137,30	-50,00
(656), (659)	c) Loss, deterioration and variation on provisions due to operational activities			
(68)	d) Other current operating expenses			
725, 726	<b>9. Depreciation of fixed assets</b>	5	-207,24	-207,24
7951, 7952, 7955, 7956	<b>10. Transferred grants, donations and bequests</b>			
	<b>11. Surplus provisions</b>			
	<b>12. Impairment and gains for disposal of fixed assets</b>			
(690), (691), (692), 790, 791, 792	a) Deterioration and losses			
(670), (671), (672), 770, 771, 772	b) Gains for disposal and other			
(678), 778	<b>13. Other results</b>			
	<b>I) OPERATING RESULT (1+2+3+4+5+6+7+8+9+10+11+12+13)</b>		-1.140,84	2.662,68
760, 761, 762, 769	<b>14. Financial income</b>		26,59	5,74
(660), (662), (665), (669)	<b>15. Financial expenses</b>			
(663), 763	<b>16. Change in fair value of financial instruments</b>			
(668), 768	<b>17. Exchange differences</b>		4.172,65	834,24
	<b>18. Impairment and gains for disposal of financial instruments</b>			
(696), (697), (698), (699), 796, 797, 798, 799	a) Deterioration and losses			
(666), (667), (673), 766, 773	b) Gains for disposal and other			
	<b>II) FINANCIAL RESULT (14+15+16+17+18)</b>		4.199,24	839,98
	<b>III) RESULT BEFORE TAXES (I + II)</b>		3.058,40	3.502,66
(6300)*, 6301*, (633), 638	<b>19. Tax on profits</b>	11	0,00	-1,44
	<b>IV) RESULT OF EXERCISE (III + 19)</b>	3	3.058,40	3.501,22

Statement of Changes in Net Equity				
A) Statement of recognised income and expenses				
Exercise 2015				
CODING ACCOUNT NUMBER		REPORT NOTES	31.12.2015	31.12.2014
	A) Results of the income statement		3.058,40	3.501,22
	Income and expenses allocated directly into equity			
	I. Valuation of financial instruments		0,00	0,00
(800) (89), 900, 991, 992	1. Financial assets available for sale			
	2. Other income / expenses			
(810), 910	II. Cash flow hedges			
94	III. Grants, donations and bequests			
(85), 95	IV. Actuarial gains and losses and other adjustments		458.792,14	212.927,94
(8300)*, 8301*, (833), 834, 835, 838	V. Tax effects			
(860), 960	VI. Non-current assets and related liabilities held for sale			
	B) Total income and expenses allocated directly into equity (I + II + III + IV + V + VI)		458.792,14	212.927,94
	Transfers to the income statement			
	VII. Valuation of financial instruments		0,00	0,00
(802), 902, 993, 994	1. Financial assets available for sale			
	2. Other income / expenses			
(812), 912	VIII. Cash flow hedges			
(84)	IX. Grants, donations and bequests		-366.741,65	-296.928,35
8301*, (836), (837)	X. Tax effects			
(862), 962	XI. Non-current assets and related liabilities held for sale			
	C) Total transfers to the income statement (VII + VIII + IX + X + XI)		-366.741,65	-296.928,35
	TOTAL RECOGNISED INCOME AND EXPENSES (A + B + C)		95.108,89	-80.499,19







INSTITUTE FOR INTEGRATED TRANSITIONS

## 01 ACTIVITY OF THE ASSOCIATION

The INSTITUTE FOR INTEGRATED TRANSITIONS (hereafter the Association) was established on 14 June 2012 to provide advice and training in contexts of political and post-conflict transition, as a means to contribute to more favourable conditions for the achievement of democracy, economic development, rule of law and public security in order to avoid the recurrence of authoritarianism or civil war.

To achieve this objective, the Association carries out, among others, the following activities: technical assistance, applied research, strategic events, training workshops, and advisory missions.

These involve neither profit motive nor any political or religious affiliation.

In 2015, the following activities took place:

### Advisory Work

Throughout 2015, IFIT remained deeply involved in post-conflict transition planning efforts in **Colombia** in the context of its peace negotiations with the Revolutionary Armed Forces of Colombia (FARC). IFIT participated as an independent expert adviser to the Colombian government delegation in all rounds of the negotiations until an “Agreement on the Victims of the Conflict” was reached between the parties in December 2015.

In 2015, IFIT also became the main adviser on the issue of amnesty and related legal-political issues within the Minsk peace process which seeks to end the armed conflict in the east of **Ukraine** between government forces and two armed groups – one in Donetsk region and one in Luhansk region.

IFIT also continued to receive – and whenever possible, acted upon – a steady flow of requests for expert advice and technical assistance from other transition and conflict-affected countries. These included requests, inter alia, from **Sri Lanka**, **Venezuela**, and **Thailand**.

### Research and Publications

**Inclusive Transitions Framework:** In July 2015, IFIT published the *Inclusive Transitions Framework*. Based on two years of research, interviews, and expert workshops, this major publication outlines a new conceptual and operational framework aimed at improving outcomes in fragile and conflict-affected states transitioning out of conflict or repression by zeroing in on inclusiveness as a guiding principle. More than any other output, this publication comprehensively expresses IFIT’s theoretical and practical vision of the challenges and opportunities of transition. It is geared in particular to fragile and conflict-affected states marked by violent and divisive practices; the absence of a widely accepted social covenant or social contract; and a deeply fragmented political identity.

**Navigation Guide project:** During 2015, IFIT made significant progress on this project, which aims to produce a unique handbook to enable national policymakers and civil society leaders to



## INSTITUTE FOR INTEGRATED TRANSITIONS

improve their understanding of and interactions with the complex system of international financial and technical assistance that arrives *en masse* in the early period of a transition out of armed conflict or repression. The guide will help empower national actors in contexts of current transitions (e.g., Ukraine, Myanmar) and possible future ones (e.g., Colombia, Zimbabwe) to forge better relationships with internationals and better results for their countries.

During the year, IFIT also published a number of op-eds, including:

- Beating ISIL: Without identity, Iraqis have no will (Al Jazeera, July 2015)
- Fragility the Main Hurdle to Implementing SDGs (IPI Global Observatory, September 2015)
- Arabic-language op-ed on national identity in Iraq (Al Hayat, October 2015)
- What Guatemala can teach fragile states about cleaning up the justice system (October 2015)
- Kurds Need More Than Arms (New York Times, October 2015)

### Courses and Workshops

In partnership with the John D. Gerhart Center for Philanthropy and Civic Engagement at the American University in Cairo, and with the support of the Ford Foundation, IFIT organised a one-day roundtable in Barcelona in January 2015 on the topic of *Effective Philanthropy for Syria: Envisioning an organized philanthropic response to a complete or partial transition out of armed conflict*. The discussion addressed the role that global philanthropy can play under different potential scenarios for civil society in Syria.

With the support of the European Endowment for Democracy, IFIT also organised a one-day workshop bringing together international and regional experts in April 2015 in Barcelona to discuss the final draft of the *Inclusive Transitions Framework* just prior to its global publication.

With support from the Robert Bosch Stiftung and the law firm Cuatrecasas, Gonçalves, Pereira, IFIT also organised a two-day expert meeting in Barcelona in November 2015 to discuss its plans to create a *Law and Peace Practice Group*: an organised service of top experts that will be able to provide impartial, creative, realistic, and principled advice to parties involved in complex negotiation and mediation processes in which justice and legal security questions arise. Participants in the meeting included leading experts and representatives from countries in the midst of peace talks, international and regional multilateral organisations, foreign governments engaged in peace mediation, and international NGOs.

### Other Activities

IFIT continues to conduct extensive institutional and stakeholder outreach as part of its global activities. In 2015, this included meetings with the leadership and senior staff of scores of governments, multilaterals, NGOs, think tanks, universities, and other public and private actors.

Regarding internal matters, the Institute continued to benefit from a supportive Board of Directors and International Advisory Group, both of which expanded in 2015. Leslie Vinjamuri joined the Board, and Hakan Altinay, Sujit Choudhry, Melanie Greenberg, Bassma Kodmani,



## INSTITUTE FOR INTEGRATED TRANSITIONS

Ahmed Rashid and Jennifer Widner joined the Advisory Group. In the summer of 2015, IFIT also successfully underwent its third financial audit.

The Association is subject to Law 1/2002 of 22 March regulating the right of association and Book III of the Catalan Civil Code concerning legal entities, approved by Law 4/2008 of 24 April. The Association is included in the Catalan Register of Associations with the number 48.755.

The Association's fiscal and main operating address is 40 Benet Mateu Street, Barcelona. The following donors provided financial support toward the work of IFIT in 2015: the Irish Department of Foreign Affairs and Trade, the Swiss Federal Department of Foreign Affairs, the Compton Foundation, the Karl Popper Foundation, the European Endowment for Democracy, the United Nations Development Programme, the Robert Bosch Foundation, the Ford Foundation (via the American University in Cairo), WING International Cooperation Limited, and Mr Jon Greenwald.

## 02 BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

### A. TRUE AND FAIR VIEW

The annexed simplified annual accounts have been prepared from the accounting records of the Association, and are presented in accordance with the applicable regulatory financial reporting framework in order to present fairly the assets, financial position, and results of the Association produced during the corresponding period. These statements are subject to the approval of the Board of Directors and are expected to be approved without any modification.

As at 31 December 2015, the financial reporting regulatory framework applicable to the Association is:

- The Catalan Associations and Foundations Act (2008)
- The Accounting Plan for Foundations and Associations that are subject to the legislation of the Government of Catalonia (2008)
- Other mandatory regulations issued by the Institute of Accounting and Auditing (ICAC) in developing the General Accounting Plan and its complementary norms.
- Other accounting standards that may be applicable.

### B. ACCOUNTING PRINCIPLES

The principles and criteria applied in preparing these annual accounts are outlined in Note 4 of this report. All mandatory accounting principles affecting the assets, financial situation and results have been applied in preparing these annual accounts.





## INSTITUTE FOR INTEGRATED TRANSITIONS

### C. COMPARATIVE FINANCIAL INFORMATION

This year enters into force the Resolution of 29 January 2016 of the Institute of Accounting and Auditing regarding information to be included in annual accounts in relation to the deferral of payments to suppliers in commercial operations. Following what is said in the Resolution, during its first year of implementation, and as an exception, entities only have to provide information relating to the financial year 2015 and not comparative information regarding this new requirement.

### D. CHANGES IN ACCOUNTING POLICIES

During tax year 2015 there have been no changes in accounting policies.

## 03 FINANCIAL RESULTS

The distribution of the results for the tax years ended 31 December in 2015 and 2014 respectively, as prepared by the Board, is as follows:

BASIS OF DISTRIBUTION	TAX YEAR 2015	TAX YEAR 2014
Surplus for the year	3.058,40	3.501,22
TOTAL DISTRIBUTION	3.058,40	3.501,22
APPLICATION TO	TAX YEAR 2015	TAX YEAR 2014
Reserves	3.058,40	3.501,22
TOTAL APPLICATION	3.058,40	3.501,22

## 04 RECORDING AND VALUATION OF FIXED ASSETS

### A. TANGIBLE FIXED ASSETS

Tangible fixed assets are recorded at their cost of acquisition, less accumulated depreciation and any recognised deterioration in value due to use.

Computer equipment is valued at its cost of acquisition and amortised equally across the first four years in which its use is foreseen.



## INSTITUTE FOR INTEGRATED TRANSITIONS

### B. LEASE COMMITMENTS

#### OPERATING LEASES

This concerns an agreement under which the lessee has right to use an asset during a specific period of time in exchange for a series of payments which are recorded as an expense in the tax year in which it arises.

### C. FINANCIAL ASSETS AND LIABILITIES

#### 01. FINANCIAL ASSETS

The financial assets are recognised in the balance sheet at the moment of their acquisition and are recognised at fair value.

#### 02. FINANCIAL LIABILITIES

Financial liabilities are recognised at fair value minus the attributable transaction costs.

Liabilities maturing in less than twelve months from the balance sheet date are classified as current, while those with greater maturity are classified as non-current liabilities.

### D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, bank deposits and other financial assets with a maturity not exceeding three months from the date of acquisition or establishment, as long as they are not subject to significant variations in value on account of their intrinsic characteristics.

### E. INCOME TAXES

The Association is partially exempt from the corporate income tax.

The Association was required to submit the corporate income tax return for the year 2013 because its income exceeded the €100,000 annual exemption.

The Association was required to submit the corporate income tax return for the year 2014 because its income exceeded the €100,000 annual exemption.

The Association is required to submit the corporate income tax return for the year 2015 because its income exceeded the €75,000 annual exemption.

### F. INCOME AND EXPENSES

Income and expenses are recorded on an accruals basis regardless of the date of collection or payment.

### G. GRANTS AND DONATIONS

These are accounted initially, and generally, as income directly attributable to the net equity and are recognised in the income statement according to their purpose:



## INSTITUTE FOR INTEGRATED TRANSITIONS

Restricted purpose grants are allocated to income in the same year in which the accrued expenses are incurred.

Core funding grants donated for general purposes are allocated as revenue in the year in which those general expenses are incurred on a time-apportioned basis.

### 05 TANGIBLE FIXED ASSETS

#### A. ANALYSIS OF MOVEMENT OF TANGIBLE FIXED ASSETS

The composition and movement of tangible and intangible assets during 2015 and 2014 was:

STATE OF MOVEMENTS OF THE TANGIBLE FIXED ASSETS TAX YEARS 2015 AND 2014	Ex 2015	Ex 2014
A) FIXED ASSETS AT COST -OPENING BALANCE	828,93	828,93
( + ) Acquisitions/Disposals		
B) FIXED ASSETS AT COST – CLOSING BALANCE	828,93	828,93
C) ACCUMULATED DEPRECIATION, OPENING BALANCE	400,85	193,61
( + ) Provision for depreciation during the tax year	207,24	207,24
D) ACCUMULATED DEPRECIATION, CLOSING BALANCE	608,09	400,85
E) CLOSING NET BOOK VALUE OF FIXED ASSETS	220,84	428,08

### 06 LEASE COMMITMENTS AND OTHER SIMILAR OPERATIONS

#### LEASE EXPENSES

The heading "leases and royalties" in the accompanying financial statements cover the Association's office rental expenses, which total 14.663,69 euros.

### 07 FINANCIAL ASSETS

#### A. ANALYSIS OF LONG-TERM FINANCIAL ASSETS IN THE BALANCE SHEET

	LONG-TERM FINANCIAL ASSETS					
Classes	Equity instruments		Debt securities		Debtors due after more than one year	
Categories	Ex 2015	Ex 2014	Ex 2015	Ex 2014	Ex 2015	Ex 2014
Financial assets at amortised cost					1.200,00	1.200,00
TOTAL					1.200,00	1.200,00

This section shows the amount of the deposit for the office rental.





## INSTITUTE FOR INTEGRATED TRANSITIONS

### B. ANALYSIS OF SHORT-TERM FINANCIAL ASSETS IN THE BALANCE SHEET

Classes	SHORT-TERM FINANCIAL ASSETS					
	Equity instruments		Debt securities		Debtors due in less than one year	
Categories	Ex 2015	Ex 2014	Ex 2015	Ex 2014	Ex 2015	Ex 2014
Financial assets at amortised cost					121.406,07	29.295,30
TOTAL					121.406,07	29.295,30

This section shows grants and donations receivable.

## 08 FINANCIAL LIABILITIES

### ANALYSIS OF FINANCIAL LIABILITIES IN THE BALANCE SHEET

Classes	SHORT-TERM FINANCIAL LIABILITIES			
	Liabilities to credit institutions		Other liabilities	
Categories	Ex 2015	Ex 2014	Ex 2015	Ex 2014
Financial liabilities at amortised cost	680,27	2.109,99	2.168,91	4.659,46
Financial liabilities held for trading				
TOTAL	680,27	2.109,99	2.168,91	4.659,46

This section shows short-term payables to suppliers.

For the purposes of the second additional section of Law 31/2014 of 3 December that amends the Capital Companies Act, and in accordance with the Resolution of 29 February 2016 of the Institute of Accounting and Auditing Auditors, it is reported that the average period of payment to suppliers in the year 2015 was 0.02 days.

## 09 OWN FUNDS

The composition and movement of items under the heading "Own Funds" comprise the financial result from the current year, pending attribution to the aims of the Association.



## INSTITUTE FOR INTEGRATED TRANSITIONS

### 10 GRANTS AND DONATIONS

Details of movements in grants and private donations received in 2014 and 2015 that are directly related to the Association's activities:

Program	TAX YEAR 2015			
	Balance at 31/12/2014	New Grants and Donations	Released from restrictions	Balance at 31/12/2015
'Philanthropy and Transitions' Project	11.051,34		11.051,34	
'Inclusive Transitions' Project		8.271,61	8.271,61	
'Colombia' Project		93.600,00	93.600,00	
'Justice In Peace' Project		25.000,00	12.500,00	12.500,00
'Minsk Peace Process' Project		39.706,42	21.764,66	17.941,76
General Purpose	28.358,83	292.214,11	219.554,04	101.018,90
<b>TOTAL</b>	<b>39.410,17</b>	<b>458.792,14</b>	<b>366.741,65</b>	<b>131.460,66</b>

Program	TAX YEAR 2014			
	Balance at 31/12/2013	New Grants and Donations	Released from restrictions	Balance at 31/12/2014
'Philanthropy and Transitions' Project		30.842,89	19.791,55	11.051,34
'Inclusive Transitions' Project		43.800,00	43.800,00	
'Colombia' Project		37.440,00	37.440,00	
General Purpose	123.410,58	100.845,05	195.896,80	28.358,83
<b>TOTAL</b>	<b>123.410,58</b>	<b>212.927,94</b>	<b>296.928,35</b>	<b>39.410,17</b>

Included within 'General Purpose' are 2.000,48 euros representing third-party reimbursements of travel costs.





INSTITUTE FOR INTEGRATED TRANSITIONS

## 11 FISCAL SITUATION

Liabilities to public authorities for taxes and social security as at 31 December for the years 2015 and 2014 is as follows:

Account	TAX YEAR 2015		TAX YEAR 2014	
	Debit balance	Credit balance	Debit balance	Credit balance
Personal income tax		15.029,49	-	12.553,25
Corporate tax	6,41	0,00	1,13	0,23
Social security		3.366,55		2.116,09
TOTAL	6,41	18.396,04	1,13	14.669,34

The reconciliation of net income and expenditure to taxable income is as follows:

<u>Tax Year 2015</u>			
<u>Profit and Loss Account</u>			
	<u>Increases</u>	<u>Decreases</u>	<u>Net effect</u>
Balance of income and expenses	3.058,40	-	3.058,40
Permanent differences	368.622,83	(371.654,64)	(3.031,81)
Taxable base (tax result)			26,59

<u>Tax Year 2014</u>			
<u>Profit and Loss Account</u>			
	<u>Increases</u>	<u>Decreases</u>	<u>Net effect</u>
Balance of income and expenses	3.502,66	-	3.502,66
Permanent differences	295.266,63	(298.763,55)	(3.496,92)
Taxable base (tax result)			5,74

Under current legislation, taxes cannot be deemed definitively liquidated by the tax authorities have inspected them or the four-year statute of limitations period has elapsed.

As at 31 December 2015, non-prescribed taxes of the Association were pending inspection. In the opinion of the Board of Directors, there are no significant contingencies that could arise from an eventual inspection.



INSTITUTE FOR INTEGRATED TRANSITIONS

## 12 INCOMES AND EXPENSES

### A) STAFF COSTS

Below is a detail from the corresponding section of the accompanying financial statements:

	Tax year 2015	Tax year 2014
a) Wages and salaries	216.236,43	178.927,98
b) Social security charges	29.078,43	20.955,09
<b>TOTAL</b>	<b>245.314,86</b>	<b>199.883,07</b>

## 13 RELATED PARTY TRANSACTIONS

The members of the Board of Directors of the Association did not require any compensation on account of their office. The remuneration related to the Board of Directors of the Association (corresponding to the general management) in 2015 and 2014 totals 0,00 and 154.783,98 EUR respectively, as a consequence of changes in governance. During the year 2015, there were no loans or advances to members of the Board, nor obligations for pensions or life insurance.

## 14 OTHER INFORMATION

The average number of people employed in 2015 amounts to three, with the following breakdown by category and sex:

- Management, a man
- Project Manager, a woman
- Administration, a woman



INSTITUTE FOR INTEGRATED TRANSITIONS

The Board of Directors, on 8 June 2016, in compliance with current legislation, formulated these simplified annual accounts for the financial year from 1 January 2015 to 31 December 2015, which consist of:

- Simplified Balance Sheet at 31 December 2015.
- Simplified Statement of Results for the year ended 31 December 2015.
- Statement of Changes in Net Equity for the year ended 31 December 2015.
- This Simplified Annual Report for the 2015 tax year.

David Gardner

President

Elisabeth de Nadal

Secretary