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CET.  
auditores

## **Institute for Integrated Transitions**

Independent Auditor's Report on the simplified Annual  
Accounts for the year ended 31 December 2023

## INDEPENDENT AUDITOR'S REPORT ON THE SIMPLIFIED ANNUAL ACCOUNTS

To the Board of Directors of the **INSTITUTE FOR INTEGRATED TRANSITIONS**:

### Opinion

We have audited the simplified annual accounts of the **INSTITUTE FOR INTEGRATED TRANSITIONS** (the Entity), which comprise the balance sheet as of 31 December 2023, the income statement and related notes to the annual accounts, all simplified, for the year then ended.

In our opinion, the accompanying simplified annual accounts present fairly, in all material respects, the equity and financial position of the Entity as of 31 December 2023, and its results for the year then ended, in accordance with the applicable financial reporting framework (identified in Note 2 of the notes to the simplified annual accounts) and, in particular, with the accounting principles and criteria included therein.

### Basis for opinion

We conducted our audit in accordance with legislation regulating the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Simplified Annual Accounts* section of our report.

We are independent of the Entity in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the simplified annual accounts in Spain, in accordance with legislation governing the audit practice in force. In this regard, we have not provided any services other than those relating to the audit of the accounts and there have not been any situations or circumstances which, under the mentioned regulations, might have affected the required independence such that this has been compromised.

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

### Most Relevant Audit Matters

The most relevant audit matters are those matters that, in our professional judgment, were considered as most significant risks of material misstatement in our audit of the simplified annual accounts for the current period. These risks were addressed in the context of our audit of the simplified annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

### Operating grants

As indicated in note 10 of the report, the Entity received grants to finance its expenses in recent years, of which 2.497.648 euros have been allocated to the income statement for 2023. In accordance with the applicable financial reporting framework, the allocation of operating grants to income must be made in the same year in which the expenses being financed are accrued. We considered the adequate recording of grants as a more relevant aspect of the audit due to the significant amounts involved and the subjectivity of the valuations to be carried out, specifically, for the allocation to the income statement and for the classification of the amounts pending imputation to results at the closing date, according to whether the grants are refundable or non-refundable.

The audit procedures carried out have consisted of verifying the correct allocation in the income statement, verifying the adequate allocation to equity for the amounts taken to results, reviewing the correct allocation of the tax associated with these subsidies, verifying the correct classification of the amounts pending allocation to results at the closing date based on their refundability, verifying their correct treatment in the statement of changes in equity, and verifying that the information disclosed in the report is adequate. To this end, we have reviewed all the grants received by the Entity, the justifications for expenditure submitted to the granting bodies and the bank documentation for the collection of the grants.

### **Board of Directors' Responsibility for the Simplified Annual Accounts**

The Board of Directors is responsible for the preparation of the accompanying simplified annual accounts, so that they fairly present the equity, financial position and results of the Entity in accordance with the financial reporting framework applicable to the Entity in Spain, and for such internal control as they deem necessary to enable the preparation of simplified annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the simplified annual accounts, the Board of Directors is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Simplified Annual Accounts**

Our objectives are to obtain reasonable assurance about whether the simplified annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with legislation governing audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these simplified annual accounts.

As part of an audit in accordance with legislation governing audit practice in Spain, we exercise professional judgment and maintain professional caution throughout the audit. We also:

- Identify and assess the risks of material misstatement of the simplified annual accounts, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the simplified annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the simplified annual accounts, including the disclosures, and whether the simplified annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

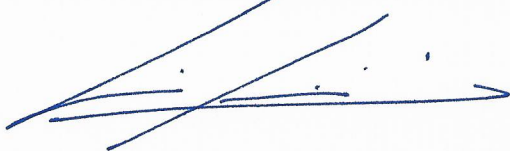
We communicate with the Entity's Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From any significant risks communicated with the Entity's Board of Directors, we determine those matters that are of most significance in the audit of the simplified annual accounts of the current period and are, therefore, considered to be the most significant risks.

We describe any such risks in our audit report unless law or regulation precludes public disclosure about the matter.

**CET Auditores, S.L.**

(Registered in the Official Register of  
Auditors under number S1630)



**Ignacio Jiménez Sánchez-Seco**

(Registered in the Official Register of  
Auditors of Accounts under number 19869)

31 May 2024



INSTITUTE FOR INTEGRATED TRANSITIONS

# Financial Statements and Simplified Annual Report 2023

*By Corporate Secretary*

A handwritten signature in black ink, appearing to be 'J. Smith'.

*June 14.*

Handwritten initials in black ink, possibly 'MS'.

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*J. J. J. J. J.*

*M.*

*J. J. J.*



INSTITUTE FOR INTEGRATED TRANSITIONS

## Annual Accounts

*By Executive Director*

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**Simplified Balance Sheet**

Tax Year 2023

INSTITUTE FOR INTEGRATED TRANSITIONS

ACCOUNTS	ASSETS	REPORT NOTES	31.12.2023	31.12.2022
	<b>A) NON-CURRENT ASSETS</b>		<b>48.440,02</b>	<b>39.397,26</b>
20, (280), (290)	<b>I. intangible assets</b>			
21, (281), (2910), (2911), (2912), (2913), (2914), (2915), (2916), (2917), (2918)	<b>II. Property, plant and equipment</b>	5	8.324,66	12.452,40
22, (282), (292)	<b>III. Investment property</b>			
23, (29190), (29191), (29192), (29193), (29194)	<b>IV. Non-current investments in group companies and associates</b>			
2403, 2404, 2413, 2414, 2423, 2424, (2493), (2494), (2933), (2934), (2943), (2944), (2953), (2954)	<b>V. Non-current investments</b>			
2405, 2415, 2425, 250, 251, 252, 253, 254, 2550, 258, (259), 26 (2495), (2935), (2945), (2955), (296), (297), (298), 474	<b>VI. Deferred tax assets</b>	7.a	40.115,36	26.944,86
	<b>B. CURRENT ASSETS</b>		<b>1.968.533,02</b>	<b>3.087.766,76</b>
30, 31, 32, 33, 34, 35, 36, (39), 407	<b>I. Inventories</b>			
440, 441, 442, (447)	<b>II. Users, sponsors and trade and other receivables</b>	7.b	1.222.833,06	2.084.628,30
443, (4933), (4934), (4935)	1. Products or services receivables			
444	2. Associated groups and entities receivables			
445, 446, 449, (490)	3. Sponsors			
460, 464, 544	4. Other receivables		1.222.833,06	2.084.628,30
4700, 4707, 4708, 4709, 471, 472, 473	5. Personnel			
558	6. Current tax assets and public entities, other			
5303, 5304, 5313, 5314, 5323, 5324, 5333, 5334, 5343, 5344, 5353, 5354, (5393), (5394), 5523, 5524, (5933), (5934), (5943), (5944), (5953), (5954)	7. Receivable on called-up capital			
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>III. Current investments in group companies and associates</b>			
480, 567	<b>IV. Current investments</b>		6.301,28	5.681,69
570, 572, 574, 576	<b>V. Prepayments for current assets</b>		6.249,33	7.052,14
	<b>VI. Cash and cash equivalents</b>		733.149,35	990.404,63
	<b>TOTAL ASSETS (A+B)</b>		<b>2.016.973,04</b>	<b>3.127.164,02</b>

*By Applicant's Order*

*[Signature]*

*[Signature]*

*June 14*

CODING ACCOUNT NUMBER	EQUITY AND LIABILITIES	REPORT NOTES	31.12.2023	31.12.2022
	<b>A) EQUITY</b>		<b>222.254,36</b>	<b>219.904,95</b>
	<b>A-1) Capital and reserves without valuation adjustments</b>		<b>148.630,52</b>	<b>128.110,27</b>
	<b>I. Capital from endowments or social funds</b>		0,00	0,00
100, 101	1. Registered capital from endowments or social funds			
(103), (104)	2. (Uncalled capital from endowments or social funds)			
102				
	<b>II. Special funds</b>			
120, 121	<b>III. Prior periods' profit and loss</b>		128.110,27	110.256,45
124	<b>IV. Profit/(loss) pending application to statutory activities</b>			
129	<b>V. Profit/(loss) for the period</b>		20.520,25	17.853,82
118	<b>VI. Other equity holder contributions</b>			
	<b>A-2) Grants, donations and bequests received</b>		<b>73.623,84</b>	<b>91.794,68</b>
130	1. Official capital grants			
131	2. Capital donations and bequests			
132	3. Other kind of grants, donations and bequests		73.623,84	91.794,68
137	4. Tax revenues to distribute			
	<b>B) NON-CURRENT LIABILITIES</b>		<b>534.036,07</b>	<b>1.256.899,26</b>
14	<b>I. Non-current provisions</b>			
	<b>II. Non-current payables</b>	8.a	<b>534.036,07</b>	<b>1.256.899,26</b>
1605, 170	1. Debt with financial institutions			
1615, 1625, 1635, 171, 172, 173, 174, 175, 176, 180, 185, 189	2. Other financial liabilities		534.036,07	1.256.899,26
1603, 1604, 1613, 1614, 1623, 1624, 1633, 1634	<b>III. Group companies and associates, non-current</b>			
479	<b>IV. Deferred tax liabilities</b>			
181	<b>V. Non-current accruals</b>			
	<b>C) CURRENT LIABILITIES</b>		<b>1.260.682,61</b>	<b>1.650.359,81</b>
499, 529	<b>I. Current provisions</b>			
	<b>II. Current payables</b>	8.b	<b>1.197.008,98</b>	<b>1.583.001,95</b>
5105, 520, 527	1. Debt with financial institutions		3.597,17	1.999,15
5115, 5135, 5145, 521, 522, 523, 525, 528, 551, 554, 5525, 555, 5565, 5566, 560, 561, 569	2. Other financial liabilities		1.193.411,81	1.581.002,80
5103, 5104, 5113, 5114, 5123, 5124, 5125, 5133, 5134, 5143, 5144, 524, 5523, 5524, 5563, 5564	<b>III. Group companies and associates, current</b>			
	<b>IV. Trade and other payables</b>		<b>63.673,63</b>	<b>67.357,86</b>
400, 401, 403, 404, 405, (406)	1. Suppliers			
41	2. Other payables	8.b	11.497,38	7.072,06
465, 466	3. Personnel (salaries payable)	8.b	11.901,79	6.302,88
475, 476, 477	4. Public entities, other	11	64.078,04	66.588,68
448	5. Advance payments			
485, 568	<b>V. Current accruals</b>			
	<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>2.016.973,04</b>	<b>3.127.164,02</b>

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*June 19*

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*By [Signature]*

# Simplified Statement of Results

Tax Year 2023

INSTITUTE FOR INTEGRATED TRANSITIONS

CODING ACCOUNT NUMBER	REPORT NOTES	(Debits) Credits	
		31.12.2023	31.12.2022
	<b>1. Revenue from activities</b>	<b>2.497.647,83</b>	<b>2.513.353,52</b>
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 2.497.647,83	2.513.353,52
	<b>2. Aid and other expenses</b>	<b>-50,00</b>	<b>0,00</b>
(650), (651), (652), 729	a) Aid	-50,00	
(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 work in progress</b>		
73	<b>4. Work carried out by the association for assets</b>		
(600), (601), (602), 606, (607), 608, 609, 61*, (6931), (6932), (6933), 7931, 7932, 7933	<b>5. Supplies</b>		
752	<b>6. Other operating income</b>		
751, 753, 754, 755, 759	a) Income from leases		
(64)	b) Additional revenue and other income from current management		
	<b>7. Personnel expenses</b>	<b>12.a -1.152.454,02</b>	<b>-1.104.146,18</b>
	<b>8. Other operating expenses</b>	<b>-1.280.984,33</b>	<b>-1.372.624,95</b>
	a) External services	-1.280.984,33	-1.372.624,95
(620)	a <sub>1</sub> ) Research and development		
(621)	a <sub>2</sub> ) Leases and royalties	6 -66.409,16	-58.621,66
(622)	a <sub>3</sub> ) Repairs and maintenance		
(623)	a <sub>4</sub> ) Independent professional services	-508.110,06	-664.233,70
(624)	a <sub>5</sub> ) Transport		
(625)	a <sub>6</sub> ) Insurances premiums	-7.619,09	-6.509,71
(626)	a <sub>7</sub> ) Banking services	-8.184,90	-6.426,18
(627)	a <sub>8</sub> ) Advertising, public relations and propaganda		
(628)	a <sub>9</sub> ) Supplies		
(629)	a <sub>10</sub> ) Other services	-690.661,12	-636.833,70
(631), (634), 636, 639	b) Taxes		
(655), (694), (695), 794, 7954	c) Losses, impairment and changes in trade provisions	0,00	0,00
(656), (659)	d) Other operating expenses		
(68)	<b>9. Amortisation and depreciation</b>	<b>5 -4.127,74</b>	<b>-3.727,46</b>
725, 726	<b>10. Non-financial and other capital grants</b>		
7951, 7952, 7955, 7956	<b>11. Provision surpluses</b>		
	<b>12. Impairment and gains/(losses) on disposal of fixed assets</b>		
(690), (691), (692), 790, 791, 792	a) Impairment and losses		
(670), (671), (672), 770, 771, 772	b) Gains/(losses) on disposal and other		
(678), 778	<b>13. Other results</b>	<b>0,00</b>	<b>-0,76</b>
	<b>I) RESULTS FROM OPERATING ACTIVITIES (1+2+3+4+5+6+7+8+9+10+11+12+13)</b>	<b>60.031,74</b>	<b>32.854,17</b>
760, 761, 762, 769	<b>14. Finance income</b>	<b>0,00</b>	<b>0,00</b>
(660), (662), (665), (669)	<b>15. Finance expenses</b>		
(663), 763	<b>16. Change in fair value of financial instruments</b>		
(668), 768	<b>17. Exchange gains/(losses)</b>	<b>-52.681,99</b>	<b>-20.000,47</b>
	<b>18. Impairment and gains/(losses) on disposal of financial instruments</b>		
(696), (697), (698), (699), 796, 797, 798, 799	a) Impairment and losses		
(666), (667), (673), 766, 773	b) Gains/(losses) on disposal and other		
	<b>II) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)</b>	<b>-52.681,99</b>	<b>-20.000,47</b>
	<b>III) PROFIT/(LOSS) BEFORE INCOME (I+II)</b>	<b>7.349,75</b>	<b>12.853,70</b>
(6300)*, 6301*, (633), 638	<b>19. Income tax expense</b>	<b>11 13.170,50</b>	<b>5.000,12</b>
	<b>IV) PROFIT/(LOSS) FOR THE PERIOD (III + 19)</b>	<b>3 20.520,25</b>	<b>17.853,82</b>

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\* May be a positive or negative figure

## Statement of Changes in Net Equity

### A) Statement of recognised income and expenses

Tax Year 2023

ACCOUNTS		REPORT NOTES	31.12.2023	31.12.2022
	<b>A) Profit/(loss) for the period</b>	<b>3</b>	<b>20.520,25</b>	<b>17.853,82</b>
	<b>Income and expense recognised directly in equity</b>			
	<b>I. Measurement of financial instruments</b>		<b>0,00</b>	<b>0,00</b>
(800) (89), 900, 991, 992	1. Available-for-sale financial assets			
(810), 910	2. Other income / expenses			
94	<b>II. Cash flow hedges</b>			
(85), 95	<b>III. Grants, donations and bequests received</b>		<b>2.497.647,83</b>	<b>2.513.353,52</b>
(8300)*, 8301*, (833), 834, 835, 838	<b>IV. Actuarial gains and losses and other adjustments</b>			
(860), 960	<b>V. Tax effect</b>			
	<b>VI. Non-current assets and related liabilities held for sale</b>			
	<b>B) Total income and expense recognised directly in equity (I + II + III + IV + V + VI)</b>		<b>2.497.647,83</b>	<b>2.513.353,52</b>
	<b>Amounts transferred to the income statement</b>			
	<b>VII. Measurement of financial instruments</b>		<b>0,00</b>	<b>0,00</b>
(802), 902, 993, 994	1. Available-for-sale financial assets			
(812), 912	2. Other income / expenses			
(84)	<b>VIII. Cash flow hedges</b>			
8301*, (836), (837)	<b>IX. Grants, donations and bequests received</b>		<b>-2.497.647,83</b>	<b>-2.513.353,52</b>
(862), 962	<b>X. Tax effect</b>			
	<b>XI. Non-current assets and related liabilities held for sale</b>			
	<b>C) Total amounts transferred to the income statement (VII + VIII + IX + X + XI)</b>		<b>-2.497.647,83</b>	<b>-2.513.353,52</b>
	<b>TOTAL RECOGNISED INCOME AND EXPENSES (A + B + C)</b>		<b>20.520,25</b>	<b>17.853,82</b>

\* May be a positive or negative figure

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**B) Complete Statement of Changes in Net Equity**

Tax Year 2023

	Capital		Reserves	Prior periods' profit and loss	Other equity holder contributions	Profit/(loss) for the period	Other equity instruments	Valuation adjustments	Grants, donations and bequests received	TOTAL
	Registered	Uncalled								
<b>B. ADJUSTED BALANCE AT START OF 2016</b>	0,00	0,00	0,00	38.619,70	0,00	2.008,59	0,00	0,00	131.460,66	172.088,95
I. Total recognised income and expenses						7.319,84			559.905,97	567.225,81
II. Equity transactions	0,00	0,00	0,00	-1,13	0,00	0,00	0,00	0,00		-1,13
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds				-1,13						-1,13
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity				2.008,59		-2.008,59				0,00
<b>C. CLOSING BALANCE OF 2016</b>	0,00	0,00	0,00	40.627,16	0,00	7.319,84	0,00	0,00	691.366,63	739.313,63
I. Adjustments for changes in N-1 criteria										0,00
II. Adjustments for N-1 errors										0,00
<b>D. ADJUSTED BALANCE AT START OF 2017</b>	0,00	0,00	0,00	40.627,16	0,00	7.319,84	0,00	0,00	691.366,63	739.313,63
I. Total recognised income and expenses						106.791,54			368.614,05	289.822,21
II. Equity transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds										0,00
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity				7.319,84		-7.319,84				0,00
<b>E. CLOSING BALANCE OF 2017</b>	0,00	0,00	0,00	47.947,00	0,00	106.791,54	0,00	0,00	0,00	154.738,54
I. Adjustments for changes in N-1 criteria										0,00
II. Adjustments for N-1 errors										0,00
<b>D. ADJUSTED BALANCE AT START OF 2018</b>	0,00	0,00	0,00	47.947,00	0,00	106.791,54	0,00	0,00	0,00	154.738,54
I. Total recognised income and expenses						35.356,56				35.356,56
II. Equity transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds										0,00
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity										0,00
<b>E. CLOSING BALANCE OF 2018</b>	0,00	0,00	0,00	106.791,54	0,00	106.791,54	0,00	0,00	0,00	190.095,10
I. Adjustments for changes in N-1 criteria										0,00
II. Adjustments for N-1 errors										0,00
<b>D. ADJUSTED BALANCE AT START OF 2019</b>	0,00	0,00	0,00	106.791,54	0,00	106.791,54	0,00	0,00	0,00	190.095,10
I. Total recognised income and expenses						-99.111,20			96.111,12	-3.000,08
II. Equity transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds										0,00
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity				35.356,56		-35.356,56				0,00
<b>E. CLOSING BALANCE OF 2019</b>	0,00	0,00	0,00	190.095,10	0,00	-99.111,20	0,00	0,00	96.111,12	187.095,02
I. Adjustments for changes in N-1 criteria										0,00
II. Adjustments for N-1 errors				4.940,91						4.940,91
<b>D. ADJUSTED BALANCE AT START OF 2020</b>	0,00	0,00	0,00	195.036,01	0,00	-99.111,20	0,00	0,00	96.111,12	192.035,93
I. Total recognised income and expenses						11.359,53			-96.111,12	-84.751,59
II. Equity transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds										0,00
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity				-99.111,20		99.111,20				0,00
<b>E. CLOSING BALANCE OF 2020</b>	0,00	0,00	0,00	95.924,81	0,00	11.359,53	0,00	0,00	0,00	107.284,34
I. Adjustments for changes in N-1 criteria										0,00
II. Adjustments for N-1 errors										0,00
<b>D. ADJUSTED BALANCE AT START OF 2021</b>	0,00	0,00	0,00	95.924,81	0,00	11.359,53	0,00	0,00	0,00	107.284,34
I. Total recognised income and expenses						2.972,11				2.972,11
II. Equity transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds										0,00
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity										0,00
<b>E. CLOSING BALANCE OF 2021</b>	0,00	0,00	0,00	107.284,34	0,00	2.972,11	0,00	0,00	0,00	110.256,45
I. Adjustments for changes in N-1 criteria										0,00
II. Adjustments for N-1 errors										0,00
<b>D. ADJUSTED BALANCE AT START OF 2022</b>	0,00	0,00	0,00	107.284,34	0,00	2.972,11	0,00	0,00	0,00	110.256,45
I. Total recognised income and expenses						17.853,82			91.794,68	109.648,50
II. Equity transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds										0,00
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity										0,00
<b>E. CLOSING BALANCE OF 2022</b>	0,00	0,00	0,00	110.256,45	0,00	17.853,82	0,00	0,00	91.794,68	219.904,95
I. Adjustments for changes in N-1 criteria										0,00
II. Adjustments for N-1 errors										0,00
<b>D. ADJUSTED BALANCE AT START OF 2023</b>	0,00	0,00	0,00	110.256,45	0,00	17.853,82	0,00	0,00	91.794,68	219.904,95
I. Total recognised income and expenses						20.520,25			-18.170,83	2.349,42
II. Equity transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
1. Increases of allocation funds/ social funds/ special funds										0,00
2. ( ) Reductions of allocation funds/ social funds/ special funds										0,00
3. Conversion of financial liabilities into equity (pardonning of debts)										0,00
4. Other contributions										0,00
III. Other changes in equity				17.853,82		-17.853,82				0,00
<b>E. CLOSING BALANCE OF 2023</b>	0,00	0,00	0,00	128.110,27	0,00	20.520,25	0,00	0,00	73.623,85	222.254,37

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INSTITUTE FOR INTEGRATED TRANSITIONS

# Simplified Annual Report

*By Corporate Counsel*

*[Signature]* *[Signature]*

*June 14, 2023*



## INSTITUTE FOR INTEGRATED TRANSITIONS

### 01 INSTITUTIONAL ACTIVITY

The INSTITUTE FOR INTEGRATED TRANSITIONS (hereinafter, IFIT) was established on June 14, 2012 as a non-governmental organisation dedicated to the integration of policymaking in the areas of democracy, development, rule of law, and human security in contexts of national dialogue and/or transition in fragile and conflict-affected states. To achieve this goal, IFIT carries out activities including technical advice, research and strategic workshops. All the work undertaken by IFIT is strictly non-profit and without any religious or party affiliation. Often working behind the scenes, IFIT's main added value is to provide creative, realistic, and principled ideas that can help opposing parties find common ground on complex issues, often broadening the range of perceived options and solutions.

Headquartered in Barcelona, IFIT is located in the Recinte Modernista de Sant Pau. The organisation benefits from the strategic support of the Board of Directors, an International Advisory Council, and a large global team of staff and experts. Currently, the Institute includes 36 full-time and part-time staff members, 24 Board and International Advisory Council members, and 270+ additional expert practitioners who belong to IFIT's purpose-built thematic "practice groups", in-country "brain trusts" or selected "global initiatives". In 2021, IFIT legally registered a branch office in Bogotá, Colombia, which is governed by the same Board of Directors as IFIT Headquarters and whose financial and operational management is fully integrated in IFIT Headquarters structures.

IFIT receives financial support from a wide range of public and private donors. In 2023, it received core funding from Ireland (Department of Foreign Affairs and Trade), Norway (Ministry of Foreign Affairs), Ford Foundation, Humanity United, Jubitz Family Foundation, Karl Popper Foundation and a number of individual donors. IFIT received project support from Sweden (SIDA), Switzerland (Federal Department of Foreign Affairs), Canada (Global Affairs), United Kingdom (Foreign & Commonwealth Office), the European Union, Luminare, Effective Institutions Project, and Open Society Initiative for Southern Africa.

### 2022 ACTIVITIES OVERVIEW

**Country work:** Since 2016, IFIT has operated according to a unique business model based on the establishment and interaction of specialised expert networks. The first part of the model involves the creation of purpose-built in-country "**brain trusts**". Composed of 15-18 social, business, and political leaders from the particular country chosen for their recognised policy expertise, personal integrity and influential local networks, IFIT brain trusts are dedicated to analysing and proposing innovative ideas to support the particular country's negotiation and transition efforts. Some examples from 2023 are described below.

**Colombia:** IFIT advised the Colombian government delegation in the peace process with the FARC-EP in Havana and has continued working ever since at the highest levels of the peace process,

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## INSTITUTE FOR INTEGRATED TRANSITIONS

including through its 16-member **Brain Trust for the Colombian Transition** (FCH) and its 13-member **Territorial Trust** (FTCH). In 2023, the brain trusts focused their energies on prioritising different ways to reinforce the implementation of the 2016 peace agreement with the FARC and strengthen the current government's 'total peace' policy in areas such territorial security and ceasefire negotiations with different armed groups.

**Venezuela:** In the summer of 2016, IFIT launched the **Venezuela Expert Group** (GEV): a brain trust of 16 Venezuelan civil society and political leaders that seeks to advance high-level dialogue and a peaceful, consensual solution to the country's intertwined social, political and economic crises. In 2023, the group reinforced its engagement with a broad diversity of actors with the objective of incentivising agreements, among others, about pre and post-electoral guarantees. The brain trust was also continuously active in producing timely analysis documents and policy recommendations for key local and international stakeholders.

**Mexico:** In September 2019, IFIT launched the **Mexico Peacebuilding Support Group** (MXBT): an interdisciplinary brain trust comprised of 17 influential civil society, academic, business and public policy leaders. The group aims to strengthen the capacity of government and civil society to reduce violence in the country while addressing the consequences of past violence. In 2023, recognition of the brain trust grew considerably as cross-sector meetings were held, both locally and nationally, on its original ideas for peacebuilding in Mexico. The group also worked intensively on narratives of peace and violence in Mexico, and promoted debates around its discussion papers, inter alia, on the pros and cons of negotiation with organised crime groups.

**Nigeria:** In the fall of 2018, IFIT launched the **Middle Belt Brain Trust** (MBBT), which is comprised of 16 leading local experts specialised in areas such as inter-religious dialogue, mediation, community development, justice and security. The group focuses on violence in Nigeria's Middle Belt, in particular on the main structural and institutional pathways to substantially contribute to violence reduction and inclusive policies in the medium to long term. In 2023, the group focused, among other things, on improving land administration systems to reduce conflicts in the central part of the country. It also acted as designated facilitator in relation to a long-running inter-communal conflict in Nasarawa State.

**Zimbabwe:** In November 2017, IFIT launched the **Zimbabwe Resource Group** (ZRG): a 15-member multidisciplinary brain trust that represents a unique national space for brainstorming and the generation of creative and realistic ideas for overcoming the structural crisis afflicting the country's society, politics and economy. In 2023, an election year, the group continued its efforts to contribute to peaceful elections, providing thought leadership and proposals to promote the conditions for free elections and partial agreements on pre-electoral conditions. It also continued its programme with young entrepreneurs and high-level business leaders on issues of peace and dialogue.





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**Syria:** In the absence of sufficient Syrian voices articulating a framework for the country's proposed reconstruction, IFIT created the **Syria Resource Group (SRG)** in the fall of 2019. Comprised of 17 Syrian experts from different sectors and disciplines, the group acts as a platform to promote a Syrian-led approach to peacebuilding and development, providing local-level assessment, generating locally-conceived proposals, and shaping – rather than merely reacting to – international approaches to reconstruction financing. In 2023, the group deepened its exploration of alternative ways to channel international assistance to affected populations in the country. On the side-lines of the annual Brussels Conference, the group co-organised a series of events and developed a set of strategic recommendations that were widely circulated within the Syrian and international community.

**Libya:** Due to shortcomings in the international community's efforts to establish a national unity government in Libya and bearing in mind the comparative success of local tribes and municipalities in reaching agreements and contributing to stronger national governance, IFIT established the **Libyan Expertise Forum for Peace and Development (LEFPD)** in the fall of 2019. This IFIT brain trust brings together a diverse group of 15 prominent Libyan thought leaders to develop and promote original ideas on how to best help the country restore stability. In 2023, the group continued to intensify its efforts to build a growing coalition of influential Libyan leaders to advance bottom-up reform and strengthen local governance and the rule of law from within Libya.

**Sudan:** In the spring of 2021, IFIT established the **Support Group for Democratic Transition in Sudan (SGDTS)**: a multidisciplinary brain trust comprising 15 recognised local leaders based in different parts of the country. 2023 was a year marked by open armed conflict, during which the priority was on safeguarding the physical integrity of the group's members, while also intensifying efforts to de-escalate the conflict. Although the group operated differently than in the past, with its members spread across different parts of the country and beyond, it continued to work on increasing international understanding of the local context.

**Uzbekistan:** IFIT established the **Uzbekistan Brain Trust (UBT)** in October 2020, after conducting an in-depth exploration focused on the unique opportunities and challenges of the country's modernisation process. Over the course of 2023, new members were added and the group continued its focus on promoting and strengthening the business and innovation ecosystem for Uzbekistan.

**Other country work:** Beyond these countries, IFIT remained active in various other contexts in 2023. This included engagements in Ecuador, Ethiopia, Kenya and Ukraine to share lessons and knowledge with key actors.

**Thematic work:** In conjunction with IFIT's country brain trusts, IFIT operates three thematic "**practice groups**" on cross-cutting issues that are at the heart of IFIT's mission and for which the institute has become internationally recognised: identifying creative solutions for balancing peace and justice,



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localising the organisation of foreign transition assistance, and advancing inclusive narratives in fragile and conflict-affected societies.

**The Law and Peace Practice Group (LPPG):** In 2023, this 17-member group was created to provide high-level advice on the challenges of balancing justice and peace in contexts of negotiated transition. The group provided real-time, creative and confidential advice on viable options for negotiators, mediators, and mediation support groups active in Track I and II processes, as well as supporting several of IFIT's brain trusts on complex questions of transitional justice and conflict.

**The Inclusive Narratives Practice Group (INPG):** In 2023, this 16 member group provided comparative and technical advice and support to various IFIT brain trusts and other local leaders on fostering pluralistic narrative landscapes that can reduce polarisation and enhance civic engagement. It also carried out original research, developing concepts and practical tools that can help build up an original field of narrative practice.

**The Transition Assistance Practice Group (TAPG):** This 14-member practice group offered practical ideas to support local beneficiaries in transition countries to strengthen their ability to proactively shape the environment and rules for the delivery of foreign aid in their country. In 2023, the group expanded its focus to cover a fuller spectrum of external support which, beyond traditional foreign aid, includes sources such as diaspora and private sector investment.

**Global initiatives:** Alongside the work of its in-country brain trusts and thematic practice groups, IFIT sometimes carries out larger global initiatives when a systemic gap is identified in the global architecture for advancing inclusive negotiations and transitions. IFIT also forms high-level expert advisory groups or panels to provide strategic guidance on each initiative. In 2023, IFIT's global initiatives included:

- **Peace Treaty Initiative:** This initiative was launched in November 2020 and aims at creating an international law of peace negotiation and atrocity prevention. In 2023, after intensive global consultations, IFIT finalised the draft *Convention on Conflict Prevention and Resolution*, conducted a formal consultation process around it, and opened the next stage of the process dedicated to generating conditions for the adoption of the treaty.
- **Global Initiative on Polarization:** This initiative was launched in October 2021 in collaboration with the Ford Foundation and focuses on the intersection of polarization, justice and conflict. In 2023, IFIT and Ford carried out multiple convenings and launched the publication "First Principles: The Need for Greater Consensus on the Fundamental of Polarisation". The paper was translated into twelve languages in order to increase its reach and as part of a larger "global conversation" that IFIT and Ford are promoting on polarisation.
- **Initiative on Apex Court Appointments:** This initiative was launched in November 2021 and aims at establishing the first-ever global and regional principles on the selection and



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appointment of apex court judges. In 2023, the initiative reached the completion of a first draft of the proposed global guidelines. Outreach letters were sent to key judicial and legal institutions and networks around the world for feedback.

- **Fast-track Negotiation Initiative:** This initiative was launched in late 2023. Fast-track negotiation will expand the existing toolbox for conflict resolution, helping to overcome the risky over-dependence on a single, slow model.

**Regional initiatives:** The Regional Programme for Latin America and the Caribbean is IFIT's first regional initiative and arose from lessons learned and experience accumulated by IFIT over seven years of work in Colombia, Mexico, Venezuela, El Salvador and Nicaragua. During 2023, the programme focused on building networks, generating comparative knowledge and organising expert meetings on the opportunities and challenges faced by the countries of the region in terms of building peace and strengthening democracy.

**Internal affairs:** In 2023, the first retreat of the local coordinators of IFIT brain trusts took place. Additionally, in the spring of 2023, the annual staff retreat was held to engaged in strategic reflection on recent global developments and future organisational priorities.

During the year, IFIT also made its first foray into the field of energy transition through a pilot project in Venezuela. On another note, IFIT took new steps to increase its visibility, such as creating an IFIT Wikipedia page, entering onto social media, obtaining DOI numbers for all IFIT publications, and hosting dozens of webinars and workshops to raise awareness of our experts and our work.

During 2023, IFIT also established or deepened significant pro bono collaborations, including with the Harvard College Consulting Group, Stanford Law School, Yale Law School, Princeton University, WilmerHale LLP, and CMS Law.

During the year, a group of external evaluators assessed the impact of IFIT's work. The evaluators noted that *"IFIT's work positively influences transitions in all of its implementing contexts, and that the organization's model is unique, operating at the intersection of peacebuilding, diplomacy, international development, and academia-practice exchange"*.

IFIT is subject to Law 1/2002 of March 22, regulating the right of association; and Book III of the Civil Code of Catalonia relating to legal persons, approved by Law 4/2008 of April 24. IFIT is inscribed in the Registry of Associations of Catalonia under listing number 48.755.

## 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



## INSTITUTE FOR INTEGRATED TRANSITIONS

Association and are organised 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 of 31 December 2023, the financial reporting regulatory framework applicable to the Association comprises:

- 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.

### C. COMPARATIVE FINANCIAL INFORMATION

There is nothing impeding a comparison between the annual accounts for the current year with those of the preceding year.

### D. CHANGES IN ACCOUNTING POLICIES

During financial year 2023, there have been no relevant changes in the accounting criteria with respect to the criteria applied in the financial year 2022.

### E. CORRECTION OF ERRORS

During financial year 2023, the Association has recorded no correction of errors.

## 03 FINANCIAL RESULTS

The distribution of the results for the tax years ending 31 December in 2023 and 2022 respectively, as prepared by the Board, is as follows:

BASIS OF DISTRIBUTION	TAX YEAR 2023	TAX YEAR 2022
Surplus for the year (positive)	20.520,25	17.853,82
TOTAL DISTRIBUTION	20.520,25	17.853,82
APPLICATION TO	TAX YEAR 2023	TAX YEAR 2022
Reserves	20.520,25	17.853,82
TOTAL APPLICATION	20.520,25	17.853,82



INSTITUTE FOR INTEGRATED TRANSITIONS

**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.

B. LEASE COMMITMENTS

This concerns any agreement under which the lessee has the 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 the lease 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.

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. This exemption does not include the income obtained from the exercise of an activity classified as economic and the income obtained from the transfer or increase of equity. The tax rate applicable to non-exempt operations is 25%.

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

Non-refundable grants, donations and bequests shall initially be accounted for as income directly in equity and allocated/released to the income statement on a systematic and rational basis of their

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## INSTITUTE FOR INTEGRATED TRANSITIONS

purpose. Refundable grants, donations and bequests are recognised as liabilities of the Association until they meet the criteria for classification as non-refundable. For these purposes, a grant, donation or bequest is considered non-refundable when there is an individual agreement for the award of the grant, donation or bequest in favour of the Association, the conditions established for its award have been met and there are no reasonable doubts about the receipt of the grant, donation or bequest.

Restricted-purpose grants are allocated to income in the same year in which the accrued expenses are incurred. General-purpose grants are allocated as income in the year in which they are recognised.

### 05 TANGIBLE FIXED ASSETS

#### ANALYSIS OF MOVEMENT OF TANGIBLE FIXED ASSETS

The composition and movement of tangible and intangible assets during 2023 and 2022 was:

STATE OF MOVEMENTS OF THE TANGIBLE FIXED ASSETS - TAX YEARS 2023 AND 2022	2023	2022
A) FIXED ASSETS AT COST - OPENING BALANCE	24.210,13	20.307,43
( + ) Acquisitions/Disposals	0,00	3.902,70
B) FIXED ASSETS AT COST- CLOSING BALANCE	24.210,13	24.210,13
C) ACCUMULATED DEPRECIATION - OPENING BALANCE	11.757,73	8.030,27
( + ) Provision for depreciation during the tax year	4.127,74	3.727,46
D) ACCUMULATED DEPRECIATION - CLOSING BALANCE	15.885,47	11.757,73
E) CLOSING NET BOOK VALUE OF FIXED ASSETS	8.324,66	12.452,40

In financial year 2023, the Association has not registered anything within the category of tangible fixed assets.

### 06 LEASE COMMITMENTS AND OTHER SIMILAR OPERATIONS

#### LEASE EXPENSES

The heading "leases and royalties" in the accompanying financial statements covers the Association's office rental expenses:

	Tax year 2023	Tax year 2022
Office rent Barcelona	45.117,46	39.349,20
Various	-	29,76
Office rent Bogotá	21.291,70	19.242,70
Work space Bogotá	-	-
TOTAL	66.409,16	58.621,66

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**INSTITUTE FOR INTEGRATED TRANSITIONS**
**07 FINANCIAL ASSETS**
**A. ANALYSIS OF LONG-TERM FINANCIAL ASSETS ON THE BALANCE SHEET**

Classes	LONG-TERM FINANCIAL ASSETS					
	Equity instruments		Debt securities		Debts due after more than one year	
	2023	2022	2023	2022	2023	2022
Financial assets at amortised cost					5.350,00	5.350,00
<b>TOTAL</b>	-	-	-	-	5.350,00	5.350,00

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

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

Classes	SHORT-TERM FINANCIAL ASSETS					
	Equity instruments		Debt securities		Debts due in less than one year	
	2023	2022	2023	2022	2023	2022
Financial assets at amortised cost					1.229.134,34	2.090.309,99
<b>TOTAL</b>					1.229.134,34	2.090.309,99

Private donations pending to be collected are recorded within this category of financial assets.

The breakdown of the balance of the "Other Receivables" account in the accompanying balance sheet is as follows:

	Tax year 2023	Tax year 2022
Private donations to be collected	1.222.833,06	2.084.628,30
Short term financial investments	6.301,28	5.681,69
Impairment losses	-	-
<b>TOTAL</b>	1.229.134,34	2.090.309,99

**08 FINANCIAL LIABILITIES**
**A. ANALYSIS OF NON-CURRENT FINANCIAL LIABILITIES ON THE BALANCE SHEET**

Classes	NON-CURRENT FINANCIAL LIABILITIES			
	Debt with financial institutions		Non-current payables for loans and other liabilities	
	2023	2022	2023	2022
Financial liabilities at amortised cost (including deferred income)	-	-	534.036,07	1.256.899,26
<b>TOTAL</b>	-	-	534.036,07	1.256.899,26

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## INSTITUTE FOR INTEGRATED TRANSITIONS

The amount of 534.036,07 euros (related to tax year 2023) corresponds to the amount of grants, donations and bequests received but not yet recognised in the income statement, which corresponds to expected expenses from 2024 onwards which have been reclassified to short term during tax year 2023 (see note 10).

### B. ANALYSIS OF SHORT-TERM FINANCIAL LIABILITIES ON THE BALANCE SHEET

Classes	SHORT-TERM FINANCIAL LIABILITIES			
	Liabilities to credit institutions		Current payables for loans and other liabilities	
Categories	2023	2022	2023	2022
Financial liabilities at amortised cost (including deferred income)	3.597,17	1.999,15	1.193.007,40	1.581.771,98
<b>TOTAL</b>	<b>3.597,17</b>	<b>1.999,15</b>	<b>1.193.007,40</b>	<b>1.581.771,98</b>

At 31 December in each of 2023 and 2022, the breakdown of the amount reflected under "Other liabilities" is as follows:

	Tax year 2023	Tax year 2022
Current payables convertible into grants, donations and bequests (considered as deferred income)	1.181.173,17	1.583.603,55
Other payables	(404,41)	769,18
Others	12.238,64	(2.600,75)
<b>TOTAL</b>	<b>1.193.007,40</b>	<b>1.581.771,98</b>

At 31 December in each of 2023 and 2022, the breakdown of the "Other payables" account is as follows:

	Tax year 2023	Tax year 2022
Sundry creditors	12.143,91	9.129,40
Accruals	(646,53)	(2.057,34)
Salaries payable	(11.901,79)	(6.302,88)
<b>TOTAL</b>	<b>(404,41)</b>	<b>769,18</b>

For 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 2015 of the Institute of Accounting and Auditing Auditors, it is reported that the average period of payment to suppliers in 2023 was 4,63 days and in 2022 was 2,61 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 donations received in 2023 and 2022 that are directly related to the Association's activities:

Proyecto	EJERCICIO 2023							
	Grants and donations to be allocated at 31/12/2021	Grants and donations to be allocated at 31/12/2022	Debts convertible into grants and donations (considered as deferred income) at 31/12/2022	New grants and donations	Released from restrictions	Grants and donations to be allocated at 31/12/2023	Long term debts at 31/12/2023	Debts convertible into grants and donations (considered as deferred income) at 31/12/2023
Project 'FCH Colombia'			16.666,72	498.740,00	255.202,06			260.204,66
Project 'GEV Venezuela'	91.794,68		407.944,44	75.000,00	489.436,44	72.802,68		12.500,00
Project 'ZRG Zimbabwe'			43.842,87	116.015,19	92.342,87		8358,76	59.156,43
Project 'LATAM Latin America'		775.833,33	465.500,03		373.500,00		402.333,36	465.500,00
Project 'INPG'			80.000,00		80.000,00			0
Project 'Mexico'			57.677,08		57.677,08			0
Project 'Polarisation'		37.953,69	57.746,31		95.700,00			0
Project 'IACA Initiative On Apex Court'				70.650,00	58.333,26	821,16		11.495,58
Project 'Nigeria'				28.845,00	7.500,00			21.345,00
General use		443.112,24	454.226,10	564.933,23	987.956,12		123.343,95	350.971,50
<b>TOTAL</b>	<b>91.794,68</b>	<b>1.256.899,26</b>	<b>1.583.603,55</b>	<b>1.354.183,42</b>	<b>2.497.647,83</b>	<b>73.623,84</b>	<b>534.036,07</b>	<b>1.181.173,17</b>

During the 2023 financial year, an amount of 37,953.69 euros pending allocation was reclassified from general use to the INPG and Polarization projects.


**INSTITUTE FOR INTEGRATED TRANSITIONS**

Project	TAX YEAR 2022						
	Grants and donations to be allocated at 31/12/2021	Debts convertible into grants and donations (considered as deferred income) at 31/12/2021	New grants and donations	Released from restrictions	Grants and donations to be allocated at 31/12/2022	Long term debts at 31/12/2023	Debts convertible into grants and donations (considered as deferred income) at 31/12/2022
Project 'FCH Colombia'		338.644,72	50.000,00	371.978,16			16.666,72
Project 'GEV Venezuela'		245.600,12	744.960,00	490.820,89	91.794,68		407.944,44
Project 'PTI Peace'			43.615,00	43.615,00			-
Project 'ZRG Zimbabwe'		39.384,59	47.828,58	43.370,30			43.842,87
Project 'LATAM Latin America'			1.396.500,00	155.166,67		775.833,33	465.500,03
Project 'INPG'		36.923,34	83.221,73	36.923,34			83.221,73
Project 'Mexico'			115.354,00	57.677,04			57.677,08
Project 'Syria'			37.776,00	37.776,00			
Project 'Polarisation'			54.524,58				54.524,58
General use	334.285,00	633.877,96	1.237.135,61	1.270.006,54		481.065,93	454.226,10
<b>TOTAL</b>	<b>334.285,00</b>	<b>1.294.430,73</b>	<b>3.810.915,50</b>	<b>2.507.333,94</b>	<b>91.794,68</b>	<b>1.256.899,26</b>	<b>1.583.603,55</b>

IFIT classifies grants, donations and bequests into two categories: 1) those that are related to specific projects, and 2) those available for general use by the Association.

**11 FISCAL SITUATION**

Liabilities to public authorities for taxes and social security as of 31 December for tax years 2023 and 2022 are as follows:

Account	TAX YEAR 2023		TAX YEAR 2022	
	Debit balance	Credit balance	Debit balance	Credit balance
Personal income tax		39.999,05		44.901,54
Social security		24.078,99		21.687,14
<b>TOTAL</b>	-	64.078,04	-	66.588,68

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






**INSTITUTE FOR INTEGRATED TRANSITIONS**
**Tax Year 2023**
**Profit and Loss Account**

	<u>Increases</u>	<u>Decreases</u>	<u>Net effect</u>
Balance of income and expenses		-	20.520,25
Permanent differences	2.437.616,09	-2.497.647,83	(60.031,74)
Temporary differences			(13.170,50)
Taxable base (tax result)			(52.681,99)
Compensation of negative tax base			-
Pending deductions			42,00
Withholdings and prepayments			-
Tax return to companies			-

**Tax Year 2022**
**Profit and Loss Account**

	<u>Increases</u>	<u>Decreases</u>	<u>Net effect</u>
Balance of income and expenses		-	17.853,82
Permanent differences	2.480.499,35	-2.513.353,52	(32.854,17)
Temporary differences			(5.000,12)
Taxable base (tax result)			(20.000,47)
Compensation of negative tax base			-
Pending deductions			42,00
Withholdings and prepayments			-
Tax return to companies			-

The negative tax bases pending compensation are detailed below:

	TAX YEAR 2022	TAX YEAR 2021
	Amount	Amount
<b>Total</b>	<b>139.893,40</b>	<b>86.211,41</b>
Negative tax bases - 2023	52.681,99	
Negative tax bases - 2022	20.000,47	20.000,47
Negative tax bases - 2020	55.773,69	55.773,69
Negative tax bases - 2019	3.496,48	3.496,48
Negative tax bases - 2017	6.940,77	6.940,77

**Fiscal credit**

According to current legislation, negative tax bases can be offset with the tax benefits of the following years. The Association expects to be in a position to make such offsets. Consequently, the balance of the tax credit account for loss compensation is as follows:



## INSTITUTE FOR INTEGRATED TRANSITIONS

	Loss compensation tax credit
Opening balance for the year 2022	16.552,74
Final balance of fiscal year 2022/beginning of fiscal year 2023	21.552,86
Final balance for fiscal year 2023	34.723,35

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

As of 31 December 2023, non-prescribed taxes of the Association were pending inspection; but in the opinion of the Board of Directors, there are no significant contingencies that could arise from an eventual inspection.

### 12 INCOMES AND EXPENSES

#### A. STAFF COSTS

Below is the relevant section from the accompanying financial statements:

	Tax year 2023	Tax year 2022
a) Wages and salaries	934.725,58	896.026,36
b) Social security charges	217.728,44	208.119,82
TOTAL	1.152.454,02	1.104.146,18

### 13 RELATED PARTY TRANSACTIONS

During 2023, the members of the Board of Directors of the Association did not require or receive any compensation for the exercise of their office; did not receive loans or advances; and are owed no obligations for pensions or life insurance.

### 14 OTHER INFORMATION

- The average number of people employed in 2023 by the Association in the headquarters in Spain amounts to fourteen, with the following breakdown by category and sex:

Management, a man  
 Project leader, a man  
 Project support, three men and four women  
 Administration, one man and four women

- The average number of people employed in 2023 by the Association in the branch office of Colombia amounts to ten, with the following breakdown by category and sex:

Project leader, a woman  
 Project support, two men and six women  
 Administration, a woman



## INSTITUTE FOR INTEGRATED TRANSITIONS

3. During 2023, the Association maintained a bank account in Colombia to be able to operate through the branch office located there:

ENTITY	BANK ACCOUNT NUMBER (4 LAST NUMBERS)
Grupo Bancolombia	#0617

The Board of Directors, on 17 May 2023, and in compliance with current legislation, approved these simplified annual accounts for the financial year from 1 January 2023 to 31 December 2023, which consist of:

- Simplified Balance Sheet at 31 December 2023.
- Simplified Statement of Results for the year ending 31 December 2023.
- Statement of Changes in Net Equity for the year ending 31 December 2023.
- This Simplified Annual Report for the 2023 tax year.

Emmanuel Gyimah-Boadi

Jon Greenwald

A handwritten signature in black ink, appearing to read 'Emmanuel Gyimah-Boadi'.

President

A handwritten signature in black ink, appearing to read 'Jon Greenwald'.

Secretary