
SUMMARY

Summary of Report 32/2015, relating to the Private Foundation for the Santa Creu i Sant Pau Hospital, Parliamentary Resolution 234/X

Barcelona, 17 February 2016

The Public Audit Office for Catalonia has issued Report 32/2015 relating to the Private Foundation for the Santa Creu i Sant Pau Hospital, to comply with Parliamentary Resolution 234/X.

The report, which was presented by Board Member Mr Andreu Morillas, was approved by the Audit Office Board at its meeting on 22 December 2015.

The audit described in this report had its origins in Resolution 234/X passed by the Parliament of Catalonia, which requested that the Audit Office audit the accounting values of the outlying properties owned by the Foundation. The audit work refers to financial year 2012.

In 2012 the Outlying Properties Division of the Foundation was responsible for managing a total of nine hundred and thirty-three buildings relating to ninety urban or country properties, mostly coming from donations, inheritances and devises, located in twenty-two municipal boroughs in Catalonia; most were leased out to third parties.

As at 31 December 2012, the net accounting value of these buildings was € 156.19m, after depreciation costs and losses from deterioration.

According to the latest valuation undertaken by independent experts in the last quarter of 2012, these assets had a market value of € 180.84m. Five of them represented 40.3% of the total market value of all the properties.

The Audit Office considers that, in spite of the differences in values between the Foundation's own valuers' reports, and those ordered by the Audit Office in the course of its review, the accounting values for the Foundation's properties at the close of the 2012 financial year are reasonable, except in the case of the Can Masdeu property, which shows a difference between the two valuations of €4.81m, because there are discrepancies relating to the surface area and utilisation of these properties in the valuers' assessments.

Between 2008 and 2014, the Foundation allocated part of the revenues derived from managing these properties to purposes not directly related to the funding of its healthcare activities: € 15.30m to finance the renovation of the hospital's historic premises, €3.93m for

building the new hospital, €2.13m to construct the new building for the research foundation and € 1.65m for study grants and the Social Action Plan. All these activities are part of the objectives of the Foundation, according to its Statutes.

The annual accounts also show that the Division's positive results from previous financial years, of €73.59m, were kept in its assets and served to offset, in part, the balance for negative accumulated results, of € 170.56 m, arising from the Foundation's other activities.

In the Conclusions section, the Audit Office presents three findings relating to the procurement procedure used to hire the firm of valuers, to how a charge levied on properties received as a devise was formalised and to the invoicing of services between companies within the group.

This summary is solely for information purposes. The audit report (in Catalan and Spanish) can be consulted at www.sindicatura.cat.