



ECONOMIC-FINANCIAL INFORMATION 2023

**GUGGENHEIM MUSEUM
BILBAO FOUNDATION**



Auditor's Report on Fundación del Museo Guggenheim Bilbao

(Together with the annual accounts of Fundación del Museo Guggenheim Bilbao for the year ended 31 December 2023)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Torre Iberdrola
Plaza Euskadi, 5
Planta 17
48009 Bilbao

Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Trustees of Fundación del Museo Guggenheim Bilbao (commissioned by management)

Opinion

We have audited the annual accounts of Fundación del Museo Guggenheim Bilbao (the "Foundation"), which comprise the balance sheet at 31 December 2023, the income statement for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Foundation at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

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

We are independent of the Foundation in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, 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 Aspects of the Audit

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



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Recognition of revenue from own activity (see notes 4(k) and 22(a))

In view of its significance, revenue recognition is an area susceptible to material misstatement. The Foundation recognises revenue from associate and affiliate fees and user contributions in the period to which they pertain and revenue from promotions, collaborators and sponsors when the corresponding campaigns or events take place, regardless of when the amounts are collected, which requires special attention at the reporting date.

Our audit procedures included gaining an understanding of the process followed by the Foundation in relation to the recognition of revenue from associate and affiliate fees and user contributions and performing tests of detail for a sample of transactions to assess whether they were recognised in the appropriate period and for the correct amount of revenue from associates, users and sponsors. Furthermore, we assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Foundation.

Directors' Responsibility for the Annual Accounts_____

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Foundation in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Annual Accounts_____

Our objectives are to obtain reasonable assurance about whether the 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 prevailing legislation regulating the audit of accounts 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 annual accounts.



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As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Directors of the entity 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 the significant risks communicated to the Directors of Fundación del Museo Guggenheim Bilbao, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the most significant risks.



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We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Estela Cuesta Carcedo

On the Spanish Official Register of Auditors ("ROAC") with No. 24,163

26 April 2024

FUNDACIÓN DEL MUSEO GUGGENHEIM BILBAO

BALANCE SHEET DECEMBER 31, 2023 AND 2022 (Expressed in Euros)

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Property, plant and equipment	765,722	910,270
Land and buildings	104,996	307,253
Technical installations and other items	563,697	603,017
Under construction and advances	<u>97,029</u>	<u>-</u>
Total non-current assets	<u>765,722</u>	<u>910,270</u>
Inventories	732,356	621,892
Goods for use in activity	728,206	617,917
Advances to suppliers	4,150	3,975
Users and other debtors related to own activity	156,235	164,902
Trade and other receivables	896,474	1,046,905
Trade receivables	184,682	207,192
Trade receivables from Group companies and associates	12,272	98,287
Personnel	16,692	15,250
Public entities, other	682,828	726,176
Current investments	5,912	8,565
Debt securities	1,346	-
Other financial assets	4,566	8,565
Prepayments for current assets	70,490	68,006
Cash and cash equivalents	7,270,778	6,853,026
Cash	<u>7,270,778</u>	<u>6,853,026</u>
Total current assets	<u>9,132,245</u>	<u>8,763,296</u>
Total assets	<u>9,897,967</u>	<u>9,673,566</u>

FUNDACIÓN DEL MUSEO GUGGENHEIM BILBAO

BALANCE SHEET DECEMBER 31, 2023 AND 2022 (Expressed in Euros)

<u>Liabilities</u>	<u>2023</u>	<u>2022</u>
Capital and reserves	3,313,957	2,647,706
Foundation reserve		
Foundation reserve	570,962	570,962
Reserves		
Other reserves	2,076,744	1,998,304
Surplus for the year	666,251	78,440
Grants, donations and bequests received	1,290,223	1,234,612
Total equity	4,604,180	3,882,318
Non-current payables	34,131	169,158
Loans and borrowings	-	110,000
Other financial liabilities	34,131	59,158
Total non-current liabilities	34,131	169,158
Current payables	193,858	316,513
Loans and borrowings	111,592	221,432
Other financial liabilities	82,266	95,081
Group companies and associates, current	5,191	-
Trade and other payables	5,060,338	5,305,577
Suppliers	277,494	204,648
Other trade payables	4,118,713	4,533,302
Personnel (salaries payable)	253,833	206,621
Public entities, other	409,170	357,136
Advances from customers	1,128	3,870
Current accruals	269	-
Total current liabilities	5,259,656	5,622,090
Total equity and liabilities	9,897,967	9,673,566

FUNDACIÓN DEL MUSEO GUGGENHEIM BILBAO

INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Euros)

	<u>2023</u>	<u>2022</u>
Income from own activity	16,497,854	19,587,031
Associate and affiliate fees	912,736	845,614
Income from promotions, collaborators and sponsors	5,486,671	6,197,752
Grants, donations and bequests taken to surplus for the year	10,098,447	12,543,665
Sales and other revenue from commercial activity	15,066,806	12,526,749
Sales	14,794,980	12,307,119
Services rendered	271,826	219,630
Supplies	(3,198,581)	(2,803,678)
Merchandise used	(2,181,836)	(1,731,281)
Raw materials and other consumables used	(1,060,300)	(1,059,301)
Impairment of merchandise, raw materials and other supplies	43,555	(13,096)
Other operating income	5,003,689	4,510,352
Non-trading and other operating income	4,969,960	4,147,149
Operating grants, donations and bequests related to commercial activity	33,729	363,203
Personnel expenses	(6,919,826)	(6,365,198)
Salaries, wages and similar	(5,359,526)	(4,947,559)
Employee benefits expense	(1,560,300)	(1,417,639)
Other operating expenses	(25,229,700)	(26,716,474)
External services	(25,206,180)	(26,686,900)
Taxes	(21,189)	(21,189)
Losses, impairment and changes in trade provisions	(2,044)	(7,918)
Other operating expenses	(287)	(467)
Amortization and depreciation	(456,631)	(517,985)
Other income/(expenses)	<u>32,480</u>	<u>280</u>
Operating surplus	<u>796,091</u>	<u>221,077</u>
Finance income	63,022	1,620
Marketable securities and other financial instruments		
Other	(63,022)	1,620
Finance costs	(184,139)	(154,562)
Other	(184,139)	(154,562)
Exchange gains/(losses)	<u>(8,723)</u>	<u>10,305</u>
Surplus from financing activities	(129,840)	(142,637)
Surplus before income tax	<u>666,251</u>	<u>78,440</u>
Income tax	-	-
Change in equity recognized in surplus for the year (I)	<u>666,251</u>	<u>78,440</u>
Income and expense recognized directly in equity		
Grants, donations and bequests received	1,158,283	699,392
Change in equity from income and expense recognized directly in equity	<u>1,158,283</u>	<u>699,392</u>
Reclassifications to surplus for the year		
Grants, donations and bequests received	(1,102,672)	(899,970)
Change in equity from reclassifications to surplus for the year	<u>(1,102,672)</u>	<u>(899,970)</u>
Change in equity from income and expense recognized directly in equity (II)	<u>55,611</u>	<u>(200,578)</u>
Total surplus, change in equity for the year (I+II)	<u>721,862</u>	<u>(122,138)</u>

FUNDACIÓN DEL MUSEO GUGGENHEIM BILBAO

(NOTES TO THE ANNUAL ACCOUNTS)

December 31, 2023

Total economic resources used by the Foundation

Expenses / Investments	Euros			
	2023		2022	
	Estimated	Actual	Estimated	Actual
Operating consumption	2,182,640	3,273,261	1,966,396	2,820,445
Personnel expenses	7,072,519	6,919,826	6,269,963	6,365,198
Amortization and depreciation	475,000	456,631	510,000	517,985
Other expenses	25,788,552	25,227,369	23,623,710	26,709,618
Changes in provisions for activity and bad debts	8,500	172,789	8,500	221,671
Interest and similar expenses	163,964	198,134	142,341	175,205
Other expenses	500	3,648	500	215
Subtotal expenses	<u>35,691,675</u>	<u>36,251,667</u>	<u>32,521,410</u>	<u>36,810,337</u>
Acquisitions of fixed assets (except historical heritage assets)	-	312,083	-	78,486
Subtotal investments	<u>-</u>	<u>312,083</u>	<u>-</u>	<u>78,486</u>
Total resources employed	<u>35,691,675</u>	<u>36,563,750</u>	<u>32,521,410</u>	<u>36,888,823</u>

Total economic resources obtained by the Foundation

Income obtained by the Foundation	Euros			
	2023		2022	
	Estimated	Actual	Estimated	Actual
Income from own activity	20,179,649	16,497,854	19,429,733	19,587,031
Revenue from commercial activity	11,144,454	15,097,930	9,518,454	12,556,610
Public sector grants	-	33,729	-	363,203
Other income	4,367,572	4,969,960	3,573,223	4,147,148
Other types of income	-	318,445	-	234,785
Total income obtained	<u>35,691,675</u>	<u>36,917,918</u>	<u>32,521,410</u>	<u>36,888,777</u>
Other economic resources obtained by the Foundation	Euros			
	2023		2022	
	Estimated	Actual	Estimated	Actual
Debts incurred	-	-	-	-
Other financial obligations assumed	-	-	-	-
Total other resources obtained	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FUNDACIÓN DEL MUSEO GUGGENHEIM BILBAO

(NOTES TO THE ANNUAL ACCOUNTS)

December 31, 2023

Statements of Cash Flows

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Surplus for the year before income tax	666,251	78,440
Adjustments for:		
Amortization and depreciation	456,631	517,985
Impairment	(41,511)	21,014
Grants recognized in the income statement	(1,102,672)	(899,970)
Finance income	(63,022)	(1,620)
Finance costs	184,139	154,562
Exchange (gains)/losses	8,723	(10,305)
Changes in operating assets and liabilities		
Inventories	(66,909)	67,123
Trade and other receivables	148,331	(208,559)
Other current assets	(2,484)	(11,040)
Trade and other payables	(245,236)	1,799,896
Other current liabilities	269	-
Other cash flows from operating activities		
Interest paid	(183,979)	(155,429)
Interest received	61,676	1,620
Cash flows/(used in) from operating activities	<u>(179,793)</u>	<u>1,353,717</u>
Cash flows from investing activities		
Payments for investments		
Property, plant and equipment	(312,083)	(78,486)
Proceeds from sale of investments		
Other financial assets	3,999	-
Cash flows used in investing activities	<u>(308,084)</u>	<u>(78,486)</u>
Cash flows from financing activities		
Proceeds from and payments for equity instruments		
Grants, donations and bequests received	1,158,283	699,392
Proceeds from and payments for financial liability instruments		
Issue		
Debts with related parties	5,191	-
Redemption and repayment of		
Loans and borrowings	(220,000)	(220,000)
Debts with related parties	-	(166,417)
Other payables	(37,842)	4,526
Cash flows from financing activities	<u>905,631</u>	<u>317,501</u>
Net increase in cash and cash equivalents	<u>417,752</u>	<u>1,592,732</u>
Cash and cash equivalents at beginning of year	<u>6,853,026</u>	<u>5,260,294</u>
Cash and cash equivalents at year end	<u>7,270,778</u>	<u>6,853,026</u>