

BACHELOR'S DEGREE FINAL PROJECT



**ONCE FOUNDATION: A NON PROFIT ENTITY THAT
APPLIES BUSINESS MANAGEMENT**

BACHELOR'S DEGREE IN FINANCE AND ACCOUNTING

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ABSTRACT

In this paper we will present a case study on business management. In this case study, we will study one of the most popular and relevant nonprofit organizations in Spain, ONCE Foundation.

To analyse their business endeavour we will use the last annual accounts that have been published on their website. By analyzing this we can know their incomes, expenses, their support and how they allocate their investments/reinvestments.

In this manner, we will inquire whether this business entity through their business management possesses a feasible social management, whether their practices are sustainable and transparent and above all whether this business entity possesses autonomy in the mid- and long-term.

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1. INTRODUCTION.

Currently, due to structural changes that have occurred in society (the increase of the rate of unemployment; of the social inequality; the corruption and the economic crisis.), it is necessary to analyse the ONCE Foundation, a non-profit entity with business management. This entity belongs to the social economy sector and it focuses its activities on the social group of disabled people.

The ONCE Foundation belongs to a set of non-public entities which not have any profit; Foundation is the responsible for conducting social action projects, or defend the collective interests of any type. This type of entities have been created with the goal to meet more effectively the needs of certain groups, whose needs cannot be addressed by the public sector for budgetary limitations or a lack of management capacity

We have wanted to shift our focus of attention on non-profit organisations, which have become of great importance in recent years, because of the negative impacts of the economic crisis that have been experienced in the last few years. However, we should also look at the negative impacts of the corruption and scandals which the media announces on a daily basis. Society is increasingly demanding a change of action, society demands a change that contributes to the maintenance of social welfare, integration, equal opportunities and to achieve economic growth without neglecting the social aspects that should also be addressed.

Our study possibly allow us to answer questions such as whether these entities are capable of sustaining themselves with their own resources, whether they generate benefits and whether these benefits together with the subsidies and grants that received by these organisations are really invested in the social work that these organisations provide. If this is the case, we should provide more support to these non-profit entities and we should stimulate their growth.

1.2. OBJECTIVES

The main objective of this project is to see whether the ONCE Foundation is able to maintain itself, obtain benefits and can still fulfil its social work. In order to find this out, we are going to analyse its profitability and its economic solvency, as well as analysing the sustainability of its social management practices through the business management that is conducted by the organisation itself.

In addition to that, we will try to show that the maximization of benefits and social profitability can be achieved at the same time, for example the value of a company is not only based on its economic performance but the value is also based on the benefits that the company contributes to the improvement of the society.

1.3. STRUCTURE

The project is structured into four main sections:

In the first chapter, we are going to explain what non-profit entities are and we will explain the differences that exist between the various existing typologies.

The second chapter deals particularly with the ONCE Corporation, it explains and elaborates on the origins of the ONCE corporation, its mission, its system of government, the agreements with public administration, the social services that it provides and the creation of the ONCE Foundation.

In the third chapter, we will analyse the business management of the ONCE Foundation and the group of social inclusions of the Foundation (FUNDOSA). Furthermore, in order to analyse the performance and the economic impact of the ONCE Foundation, we have realised a study on the economic and financial profitability by analysing a particular set of economic indicators.

Finally, throughout this work and the necessary analysis that will have to be done, we will be able to detect certain economic aspects that help us to predict what these kinds of foundations are achieving over the longerm and how they contribute to the welfare of this particular social group.

2. NON-PROFIT ORGANISATIONS

Non-profit organisations are those organisations that are not classified as public entities, and that among other activities carry out projects to defend and protect disadvantaged groups by professionals and volunteers. Just like for-profit organisations, they produce goods and services, however they are different from for-profit organisations, in the way they distribute their profit, as they do not distribute their profits among the contributors but profit is invested in the entity itself. These non-profit entities make up what is called the Third Sector or Social Economy.

Non-profit entities differ from other entities in their characteristics according to the objectives they pursue, their size and their legal form.

Legally we can classify them into two main groups: Foundations and Associations. We exclude those associations and corporations that have been founded to pursue an interest or motivation to benefit themselves. The basic objective for both associations and foundations is realizing a certain goal and the aim of this goal consists of bringing founders to the patrimonial constitution and the plurality of persons in associations. But both legally should have a general interest in order to be recognised when having public utility.

A foundation according to Art.2 Of the Law 50/2002 of foundations is defined as:“...organizaciones constituidas sin fin de lucro, que por voluntad de sus creadores, tienen afectado de modo duradero su patrimonio a la realización de fines de interés general.” And they are covered by Art.34 of the Spanish Constitution.

Foundations must have some characteristics that are:

- Their main contents are patrimonial
- Have own patrimony, which no longer belongs to their founders
- Have public documents and must be registered in the Register of Foundations to have legal personality
- Have own statutes
- Must be intended social or humanitarian interest, such as the defense of human rights, protection of victims of terrorism, violence, fight for social and labour inclusion of groups at risk of exclusion, promotion of tolerance and others that are enumerated in the Art.3 of Law 50/2002

- Have legal personality from the time of registration of the public documents in the Register of Foundations
- Foundations that carry out their activities within the national territory must be domiciled in Spain. Art.6 Law 50/2002

Associations are new entities compared to foundations. An association is an organization of people who meet regularly and perform a collective activity. It has a legal personality that gives the organisation both rights and obligations. They are recognized in Art.22 of the Constitution and regulated by Organic Law 1/2002 on March 22 and by the Royal Decree 1497/2003 on November 28.

Once registered, the association itself is responsible for the debts and the not associates. The associates themselves hold no liability when it occurs that the association has debts.

Some of the most important features and characteristics of an association are the following:

- Group of natural or legal people (minimum of 3)
- Democratic functioning
- Objectives and/or common activities
- Independence
- Not-for-profit philosophy
- Benefits can be used exclusively for the purposes of the association.

Non-profit entities are not intended to replace the actions of states, but to cover and help in those areas where there are no social or economic policies put in place or when these policies are not capable to address the needs of certain social groups within the society.

In the third sector, there are also certain unique bodies. These bodies are known to be unique because they have a specific legal system that is consistent with its specificity and its importance. In Spain, the main unique bodies are The Spanish Red Cross, Caritas Spain and the ONCE.

The Spanish Red Cross focuses on humanitarian and social activities by working as Public Administration's assistant. It also performs tasks of civil protection inside and outside the country. Its model is orientated towards that of a Foundation-Association or association that seeks to capitalize on the market some by-products of its non-profit activity.

Caritas is a religious body submitted to the ecclesiastical hierarchy and is Vatican dependent. It focuses on helping social groups with economic difficulties and precarious social conditions. This is another association model that relies almost exclusively on altruistic donations from people who support them and from the ecclesiastical hierarchy.

While, the ONCE is a corporation governed by the public law under the State control, performing other functions delegated by the Public Administrations, in addition to its own functions. Its aim is the labour and social integration of blind and disabled Spanish people. It is funded by market operations and its model of Fundación Empresa represents a type of entity that funds purposes of general interest through market operations. It is in this entity where we will focus on the following chapters, conducting a study of business management and an analysis of its profitability as a non-profit entity.

Furthermore, the Development NGOs (non-governmental development organisations) are non-profit entities, whenever it has the legal form of foundations or associations. In Spain, foreign foundations entered in the Registry of Foundations are also recognized as non-profit entities.

3. THE ONCE

3.1. WHAT IS ONCE ?

According to *the Article 5 of Law 5/2011 on March 29, on Social Economy*, the ONCE is a corporation governed by the public law and is of social nature. It is governed by its own specific regulations, it has legal personality and full capacity to work. Its social objectives are aimed at achieving personal autonomy and the integration of blind and visually impaired people, through the provision of social services.

It is an entity that belongs to the Third Sector and classified as a non-profit singular entity of general interest, governed by the principles and values of solidarity in all its social, economic and business activities. It exercises delegated functions of public administrations, under the Protectorate of the State; it is the only entity authorized in matters of games.

The ONCE was founded under the Decree on December 13, 1938, in response to the needs of the Spanish blind people, who until then have created various provincial and local associations financed by selling raffles and other activities. When they joined in a single organization, they have achieved the recognition and protection of the State. So that it could carry out its social objectives, it is authorised to issue and sell a special coupon as an administrative concession and exclusive character, which has been a source of income and financing the institution. The ONCE can perform social services to the Spanish blind, creates jobs for their members and thereby fulfill the function delegated by the government thanks to these resources.

Over the years, the ONCE has grown and modernized itself at the pace of social, political and economic changes that have occurred in Spain. Thus, at the end of the dictatorship and starting from the 1980s, the ONCE has experimented a generational change among its leaders, which led to the beginning a process of legal and organizational removal. These changes had the aim to empower and modernise the operation, the internal democratisation, changes in the marketing of the coupon, computerisation of the company, change of the public image, redesign of social services and new elements and operations in the business field.

Therefore, in 1988, motivated by reasons of solidarity, the ONCE has created the ONCE Foundation to support the group of people with other disabilities, integrating them into society through employment and formation.

Upon reaching the 90s, ONCE continued to change; further expansion occurred and the ONCE evolved along with Spain, the innovations that have been introduced into the portfolio of the ONCE allowed it to maintain the economic level and provided it with the ability to respond to its goals of rehabilitation and personal autonomy, education attention, employment formation, care of the elderly members of the ONCE. It also created the ONCE Guide Dog Foundation in order to facilitate mobility to the blind and visually impaired people. In 1993, the creation of the Business Corporation (CEOSA) was emphasised, with the creation of the CEOSA; other sources of income and employment not only for blind people but with other disabilities could be acquired.

At the end of this decade, in 1998, with its desire for internationalising its solidarity, the ONCE Foundation for the Solidarity with the Blind People in Latin America (FOAL) is created, with projects aimed at formation and rehabilitation. The ONCE is currently active and operating in 19 countries.

In 2007, the ONCE created the ONCE Foundation for the Care of people with deaf-blindness.

In the same way that the ONCE has been modernising, its portfolio of gambling has also modernised and expanded and, with the prior approval of the government, it has created several types of lottery. In 2004, it has launched the first active game, The Combo, which has transformed in 2008 in to the “7/39” and in 2010, into The SuperOnce. In 2006, the *rascas* have appeared and the online selling from the website has started. In 2011, a special draw occurred at the 11th day of the 11th month in the year 2011 and in the same year the Spanish Parliament adopted the laws of Social Economy and the game and from these laws, the Regulatory Decree of the ONCE, which allowed it to establish agreements with European game operators.

In 2012, the Commissioners for Employment, Social Affairs and Inclusion and the Commissioner for the Internal Market and Financial Affairs visited the ONCE to know whether its social model qualifies as a model that is “unique in Europe”.

In 2013, the ONCE reached 75 years and this was celebrated with a big party in Madrid, where members from all over Spain were gathered. In the same year, it received several awards for its great social and inclusive work, one of the most important rewards is the **Prince of Asturias Award for Concord, 2013**. To complete a very successful year, the ONCE got assigned to realise the end of the year lottery which occurred on the 1st of January.

3.2. THE MISSION OF THE ONCE AND ITS FOUNDATION

The ONCE together with the ONCE Foundation fulfills its function by the proceeds from the sale of the different forms of lotteries and also the sale of these lottery tickets generates a large source of employment that is in line with the security requirements, also this activity is in collaboration with the State and meets the criteria of a responsible game/lottery, as it meets all the national and international criteria that have been set for these particular activities. Thus contributing to the social integration of people with disabilities and improving their quality of life.

The ONCE is also related to a group of companies that are socially committed to the same cause, regardless of whatever the corporate legal form of these companies is. The ONCE and these companies are jointly featured under the name of ILUNION, and have the objective to create employment for people with disabilities and obtaining additional funds for the ONCE and its Foundation.

Likewise, the directors, executives, middle managers and other management officials of the ONCE are governed by the highest standards of personal ethics, professional excellence and organisational responsibility in order to realise its purpose and objectives.

In 2011, the General Council of the ONCE approved document with an ethical code of conduct that is applicable to all the members of the ONCE, these guidelines hold for both the management of the ONCE as well as its workers. This code of conduct has no regulatory character, and it serves as a guide for each of the persons that belong to the ONCE, to esteem it, assume it as own and identified it as part of an ethically responsible company.

The ethical values that the ONCE follows are:

- ✓ Communication
- ✓ Solidarity
- ✓ Confidentiality
- ✓ Equity
- ✓ Confidence
- ✓ Honesty
- ✓ Humility
- ✓ Respect
- ✓ Commitment
- ✓ Professionalism

✓ Responsibility

The social purposes of the ONCE are aimed at the achievement of personal autonomy and integration of members using activities such as inclusive education, formation and job placement, labour rehabilitation, promotion of R&D in the field of blindness and severe visual impairment, boost to the practice of sport and cultural development, and others.

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3.3. SYSTEM OF GOVERNMENT AND SELF-ORGANISATION

The entity is controlled and supervised exclusively by the National Government, through the Council of Protectorate of the ONCE, in which the ministries of Health, Social Services and Equality, Employment and Social Security, Economy and Competitiveness, Finance and Public Administrations, and the ministry of Interior are involved. Moreover, the representatives of the ONCE itself are also represented in this council.

Nowadays, the ONCE is governed by the Royal Decree 358/1991 on March 15, which rearranges the National Organisation for the Spanish Blind. This has suffered several modifications, the latest was made by the Royal Decree 3/2012 on January 11. At the same time, it is also governed by its own statutes drawn up by the General Council of the Entity, modified and published via the Order SPI71015/2011, on April 15.

Therefore, the ONCE is a mixed legal system, partly public, since being a corporation, it has assigned some public functions delegated by the State; and, partly, of associative nature and basis governed by private law.

There are three main parts in the government structure of the ONCE:

- **The General Council:** the highest body of representation of associated members and the direction of the entity.
- **17 Territorial Councils** (one for each autonomous community in Spain), which depends on the General Council, that assumes the capabilities of

representation respectively to the scale of their autonomy. This body oversees the decisions of the General Council.

- The General Management is the body responsible for the direct management of the Organisation and its Specialised Centres for the personal attention of all its members and affiliates. The organs of lower rank, such as the Territorial Delegation, Zone Addresses, Support Addresses and Agencies, depend on it.

Every four years, the ONCE members vote to choose who will represent them in that specific period of four years. The composition of Regional Councils and the General Council comes from the results of the polls/outcome of the votes.

As stated above, since 1988, the organisation also has the ONCE Foundation, which is responsible for providing support to people with disabilities other than blindness, the board of the foundation is composed of representatives from the various entities that are existent in the field of disability, in addition to the ONCE itself.

As mentioned before, The ONCE and the Foundation have a large group of social companies and social integration of people with disabilities, integrated under the name of ILUNION Grupo S.A.

3.3.1. Organisation charts

Global Structure: in the previous section, the general structure of the ONCE has been explained and in this section, this structure will be graphically represented.

It can be observed how the overall structure is divided into three main structures that are respectively: Central Directive Structure, Specialised Structure and Territorial Structure.

➤ **General organisation chart (See Appendix I)**

The General Council is at the head of the Institution. The Territorial Councils, the ONCE Foundation Latin American, the ONCE Foundations and the General Direction of the Organisation are dependent on the general council. In turn, the latter two depend on the group of companies of the ONCE and its Foundation FUNDOSA and CEOSA.

➤ **Functional organisation chart of the ONCE Foundation (See Appendix II)**

The Presidency, the Executive Vice Presidency and the General Direction compose the axis of the functional structure.

The President of the ONCE becomes the President of the ONCE Foundation and its Board of Trustees, being the highest representation.

The rest of the management structure of the Foundation depends on the Vice Presidency, such as the second, third and fourth Vice Presidency.

The General Direction of the ONCE Foundation has the Internal Audit Department and the following executive positions depend on it: general secretary, training department, employment and projects, universal accessibility and innovation directorate, directorate of international social relationships and strategic plans and commissioned to universities, youth and special plans.

The staff and middle management of the ONCE Foundation, with the exception of the internal audit department, are intended to collaborate to achieve a balanced budget, adjusting spending to real incomes as well as looking for additional resources that in reality result into the maximisation of the social objectives of the ONCE Foundation.

The ONCE Foundation will participate and benefit from the management teams, departments and services that will be initiated for the executive brand of ILUNION, cooperating in this way in its support equally.

➤ **Organisation chart of ILUNION (See Appendix III)**

This chart reflects the new management structure of the corporate group of the ONCE and its Foundation.

It consists of a non-Executive President, who will be the highest institutional representation of the corporate group and will preside both the Steering Committee and the Board of Directors, in the absence of the President of the ONCE and its Foundation. This person may act in the CEOSA, S.A. as a representative of the ONCE as sole shareholder and in the FUNDOSA, in accordance with the provisions of the Board of Trustees of the ONCE Foundation.

The president depends on the managing structures that is composed of the following:

Managing Director/General Director, upon who depend the Economic and Financial Corporate Management, Strategy and Business Corporate Management and HR and Media Corporate Management.

Moreover, it has departments of Internal Audit, CSR, Communication and Institutional Relations and Legal Advice

3.4. THE ONCE AND THE PUBLIC ADMINISTRATIONS

Between the ONCE and the public administrations, there are a number of cooperation agreements in various areas such as formation and employment, education, accessibility, new technologies, culture, sport, etc. These conventions are found in all levels: local, regional and state.

ONCE Convention with the ministry

The ONCE maintains an agreement with the Ministries of Education and Science, Ministry of Education, Culture and Sport, and Ministry of Labour and Social Affairs, The ONCE holds agreements with each of these ministries regarding the technological resources that are accessible to students with disabilities, Accessibility Project of the permanent exhibition at the Museo del Traje, educational attention and rehabilitation for foreign children.

ONCE Convention with the Autonomous Communities

The ONCE works with some Autonomous Communities to improve the accessibility of buildings, environments and services to the blind and visually impaired. As well as the improvement and of educational services to students with visual impairment.

ONCE Conventions with municipalities

Cooperation on employment of people with disabilities. The ONCE adapts computer systems with which those people would work at the City Council.

It will develop, together with the city councils, awareness campaigns on architectural, urban and civic behaviour barriers, the contribution of Braille books to the Municipal Library, granting licenses for the establishment of ONCE kiosks, collaboration to improve access to cultural and leisure activities to people with disabilities.

In addition, it has agreements with hospitals, schools, universities and other public administrations in order to achieve inclusion and the improvement of conditions for the visually impaired.

3.5. SOCIAL SERVICES

a. Personal care services. Individualised attention and adjusted to the needs of the affiliate derived from blindness or visual impairment that are necessary for the personal and social development of the member.

The personal care services provided by the organisation are as follows:

- Psychosocial support to the affiliate and the family, if necessary.
- Rehabilitation through training and formation in different techniques that will help the person to move with more autonomy in different environments using optical or electronic aids, in addition to mobility aids such as a cane or guide dog.
- Communications and access to Tiflotechnology and Braille information.
- Educational attention.
- Support for employment.
- Leisure and free time.
- Support to the basic social welfare.

b. Economic and material benefits

These aids are oriented to get an improvement in the members' living conditions as well as access to essential social and community resources for rehabilitation and access to employment for the affiliates.

c. Collective activities

These are activities to develop the concerns of leisure, cultural, artistic and sports for the blind and visually impaired.

d. Adapted material resources

Research, development, production and distribution among members of different products, devices and aids that help access to written information are found in this section.

e. Complementary programmes

It enhances the performance of the services provided by the organisation, programmes for elderly or dependent people, a programme for affiliates with deaf-blindness, etc.

4. BUSINESS MANAGEMENT OF THE ONCE FOUNDATION

As the foundation is the company object of study, before carrying out the analysis of its economic and financial profitability and social sustainability, we will proceed to know the beginnings and evolution that have had during its existence.

4.1. ONCE FOUNDATION FOR COOPERATION AND THE SOCIAL INTEGRATION OF PEOPLE WITH DISABILITIES

The ONCE Foundation was created by the Spanish National Organisation for the Blind in January 1988, provided with full and independent legal personality. On August 2, 1988, the Ministry of Social Affairs, by means of Ministerial Order, catalogued the entity as particular charity and welfare character for the social and labour inclusion of people with visual or non-visual disabilities, in support of the entity to different groups with different disabilities in the incorporation into the active life and the labour market.

The mission of the ONCE Foundation, as its statutes show, is to contribute to the full inclusion of people with disabilities by helping to make effective the principle of equal opportunities and non-discrimination.

Its key points to promote employment are: providing professional qualifications and job skills through training programs and educational training; encouraging job creation using different routes, according to the Spanish legislation; promoting the creation of occupational placements; and universal accessibility.

In order to carry out its goals and mission, in 1989, the Foundation created FUNDOSA business group, as an instrument to generate employment for the collective to which it is addressed.

The FUNDOSA Group represents an inclusive, consolidated and profitable business model, its existence is a further evidence of its economic sustainability until today, throughout its lifecycle has been growing and diversifying its activities to be able to create quality jobs through own profitable business projects. The group is composed of 40 subsidiaries and 20 affiliated companies spread over the Spanish territory through 351 workplaces, of which 270 are special employment centres.

The group is considered as the largest supplier of products and services in the disability sector with a wide range of services in the technological and industrial sectors, specialised in accessibility and social and health design services.

In order to provide and commercialise the wide range of products and services, FUNDOSA Group has subsidiaries, mostly special employment centres. Moreover, it has other companies in which it has participation and that they have also met the objective of generating stable employment for people with disabilities.

The group operates in five sectors, these are: the **industrial** sector with presence in computer media, laundry and textile; in the field of **technological products and services**, present in emergency plans, web page design, telemarketing. **Services**, where it has several own companies. Servimedia is found there, which is the press agency specialised in social information and it is an essential part of the ONCE Foundation, to publicise its social work. And finally, in the **socio-health** sector, it is a specialist in attention to the third age in both residential and home care.

From the consolidated annual accounts of the group available on the web page of the ONCE, there can be appreciated the most important changes that occurred between the period 2012-2013:

- The operating income in the year 2013 is 1.2 million euros, which shows a decrease of 77% compared to the year 2012, since this amounted to 5.1 million euros as a result of a sale of sanitary integral systems. Therefore, this descent of the operating result is not due to the normal activity of the group.
- The growth in the turnover of the group is 1.4%. As regards the Consolidated Balance Sheet, the total asset of the group is 470 million euros, which shows a growth of 2% with respect to the year 2012.

The group is financed mainly from its own resources, while maintaining its financial structure in 62%, as in the previous year. On the other hand, the debt represents 21% of the total assets and it is also situated under the limits of indebtedness that the General Council allows for the group, which is **34% of the consolidated net equity**.

The evolution of the indebtedness in both the Foundation and the FUNDOSA Group maintains a stability equity fund of 27.1 million euros. This stability equity fund covers more than 5% of the consolidated balance set of the ONCE Foundation of the year 2012.

The financing sources of FUNDOSA Group constitute its consolidated sales by 91% and 9% received subsidies. In regard to the staff, the FUNDOSA Group has reached

16,297 workers in the year 2013, of which 11,369 are people with disabilities, being 70% the level of employability.

Thus, we can say that FUNDOSA achieves economic returns, as well as it has managed to fulfil its mission of social profitability in the year 2013.

It also has FSC Inserta, an entity belonging to the ONCE Foundation, which is responsible for the training and employment of people with disabilities. It has job opportunities, job offers and requests, training courses and its own website, where you can access all the services offered, such as entrepreneurs, talent and, through the transitions, the ordinary labour market from the special employment centres. The company continues the philosophy of the ONCE in its purpose of providing a promising future for a collective with a high risk of social exclusion.

The governing body of the ONCE Foundation is its Board of Trustees, composed of 43 members where the ONCE and the main organisations of people with disabilities in Spain are present, such as: COCEEMFE (Spanish Confederation of people with physical and organic disabilities), FEAPS (Spanish Confederation of organisations in favour of people with intellectual disabilities), CNSE (National Confederation of deaf people), FIAPAS (Spanish Confederation of groups of family members and people with mental illness), ASPACE (Spanish Confederation of federations and associations of care for people with paralysis and allied), CERMI (Spanish Committee of representatives of people with disabilities), and, in 2013, the company Repsol, S.A. joined the board. There is also the representation of the State Administration in this governing body.

The National Government and the ONCE signed an agreement on November 18, 2011, in which it undertakes the creation of 15,000 new jobs for people with disabilities and occupational spaces, as well as the development of training courses for 30,000 disabled beneficiaries.

The commitment to the creation of 11,800 jobs and 2,400 occupational spaces was assigned to the Foundation in this agreement. For the occupational training, it sets the formation of 8,000 people and 6,000 people for the ongoing training formation 6,000 people.

There are many other agreements with the government, such as 41 agreements in the field of Employment and Training, 14 at the universal accessibility level, 13 agreements for institutional level and 50 agreements that are implementing arrangements. Without forgetting the programme for the fight against discrimination, in which the European Social Fund also participates.

4.2 . ACCOUNTING DATA OF THE ONCE FOUNDATION

The Foundation, in order to carry out its consolidated annual accounts, complies with:

- Law 50/2002 of 26 December on Foundations and Law 49/2002 of 23 December on the taxation of non-profit entities.
- General Accounting Plan approved by the Royal Decree 1514/2007, the rules of adaptation of the General Accounting Plan to non-profit entities approved by the Royal Decree 1491/2011 of 24 October, and concession companies of public infrastructure approved by the order EHA 3362/2010 of 23 December.
- Royal Decree of 1159/2010, of 17 September, for which the rules for the formulation of consolidated annual accounts are approved and the General Accounting Plan is partially modified.

ONCE FOUNDATION AND ITS DEPENDENTS

CONSOLIDATED BALANCE SHEET

December 31, 2013

ASSETS	2013	2012
NON CURRENT ASSETS	301.975.029 €	308.625.504 €
Intangible Assets	42.658.232 €	41.042.150 €
Consolidated Goodwill	4.806.089 €	2.221.648 €
Other intangible Assets	37.852.143 €	38.820.502 €
Plant and equipment	170.986.865 €	179.192.666 €
Land and Structures	95.295.845 €	98.894.905 €
Technical installations and other tangible fixed assets	75.573.008 €	80.287.493 €
Fixed assets under construction and advances	118.012 €	10.268 €
Investment property	20.831.544 €	20.164.165 €
Investments in group companies and associates	33.884.004 €	32.465.118 €
Holdings in equity	28.817.733 €	28.458.242 €
Credits to companies	5.066.271 €	4.006.876 €
Long-term investments	21.490.192 €	24.973.253 €
Assets by deferred tax	12.124.192 €	10.788.152 €
CURRENT ASSETS	238.878.123 €	228.234.619 €
Stock	5.529.321 €	5.152.717 €
Users and other accounts receivable for the Association's own activity	44.492.435 €	43.885.128 €
ONCE, debtor for contributions	21.961.267 €	22.279.176 €
Other receivables	22.531.168 €	21.605.952 €
Trade and other receivables	137.277.274 €	127.286.677 €
Clients from sales and provision of services	111.776.221 €	104.599.345 €
Related costumers	557.433 €	568.574 €
Sundry debtors	408.856 €	453.983 €
Other receivables with public administration	24.534.764 €	21.664.775 €

Short-term investments in Group, Multigroup and Associate companies	3.908.858 €	2.097.703 €
Loans to companies	3.885.175 €	2.097.703 €
Other financial assets	23.683 €	
Short-term financial investments	11.836.007 €	7.630.747 €
Short-term accrual accounts	2.038.709 €	1.089.970 €
Cash and other equivalent liquid assets	33.795.519 €	41.091.677 €
TOTAL ASSETS	540.853.152 €	536.860.123 €
EQUITY AND LIABILITIES		
EQUITY	296.249.228 €	292.814.477 €
OWN FUNDS	162.386.265 €	162.030.069 €
Allocation of funding	601.012 €	601.012 €
Reserves	161.428.615 €	160.112.599 €
Net income attributable to the parent company	356.638 €	1.316.458 €
Subventions, endowments, gifts and bequests	130.478.035 €	127.734.508 €
MINORITY INTERESTS	3.384.928 €	3.049.900 €
NON-CURRENT LIABILITIES	76.795.686 €	81.663.488 €
Long-term provisions	6.683.077 €	5.954.554 €
Long-term liabilities	60.965.499 €	65.589.545 €
Payable to credit entities	59.943.601 €	64.708.765 €
Financial lease creditors	283.390 €	360.901 €
Other financial liabilities	738.508 €	519.879,00 €
Other debts with group and associate companies	1.068.145 €	1.335.210 €
Deferred taxes	7.733.330 €	8.458.932 €
Long-term accruals	345.635 €	325.247 €
CURRENT LIABILITIES	167.808.238 €	162.382.158 €
Short-term provisions	1.902.871 €	2.525.955 €
Short-term debts	44.043.665 €	33.981.522 €

Payable to credit entities	39.071.225 €	28.079.853 €
Finance lease creditors	216.959 €	267.651 €
Other financial liabilities	4.755.481 €	5.634.018 €
Other debts with group and associate companies	499.255 €	137.054 €
Creditors	47.905.103 €	49.925.567 €
Suppliers and other creditors	71.217.004 €	73.290.594 €
Suppliers	26.790.659 €	25.926.696 €
Related Suppliers	2.283.084 €	789.775 €
Sundry accounts	19.454.506 €	22.044.270 €
Remuneration payable	7.566.317 €	9.002.392 €
Other debts with public administration	15.122.438 €	15.527.461 €
Short-term accrual accounts	2.240.340 €	2.521.466 €
TOTAL EQUITY AND LIABILITIES	540.853.152 €	536.860.123 €

ONCE FOUNDATION AND ITS DEPENDENTS
CONSOLIDATED PROFIT AND LOSS ACCOUNT

December 31, 2013

	2013	2012
CONTINUED OPERATIONS		
INCOME RECEIVED BY THE ENTITY FOR ITS OWN ACTIVITY	72.025.399 €	71.577.061 €
Cash aids and others	- 36.781.753 €	- 37.882.575 €
Net revenues	281.643.392 €	277.733.771 €
Sales	53.414.605 €	51.417.615 €
Issue of services	228.228.787 €	226.316.156 €
Change in stocks	- 11.140 €	- 4.358 €
Supplies	- 74.512.888 €	- 72.331.070 €
Cost of goods	- 38.251.421 €	- 39.576.442 €
Cost of Raw Materials and Other Consumables Used	- 12.537.401 €	- 11.206.706 €
Work carried out by other companies	- 23.660.268 €	- 21.679.848 €
Impairment of goods held for resale, raw materials and other supplies	- 63.798 €	131.926 €
Other Operating Income	27.488.726 €	27.092.576 €
Accessory income and current management	4.076.311 €	3.461.447 €
Operating subsidies on production	23.412.415 €	23.631.129 €
Personnel costs	- 178.204.424 €	-178.643.958 €
Wages, salaries and similar expenses	- 154.231.588 €	-154.328.333 €
Social contributions	- 23.972.836 €	- 24.315.625 €
Other expenses amount	- 73.120.052 €	- 74.134.699 €
Impairment losses	- 3.435.584 €	2.362.592 €
Other management expenses	- 69.684.468 €	- 71.772.107 €
Amortisation	- 20.698.894 €	- 21.738.795 €
Allocation to Profit or Loss of Grants Related to Non-financial Non-current Assets and Other Grants	2.433.092 €	2.788.236 €

Reversals of provisions	667.510 €	791.813 €
Impairment losses and gains/losses on disposal of non current assets	315.107 €	- 2.283.325 €
Impairment loses	186.406 €	- 2.015.575 €
Impairments and losses Income on disposals and other	128.701 €	- 267.750 €
Discount applicable to minority shareholdings		11.156.034 €
Other results	802.081 €	928.225 €
NET OPERATING PROFIT	2.046.156 €	5.048.936 €
Financial income	2.251.046 €	1.816.166 €
From equity interest	239.943 €	66.298 €
From tradable securities and other financial instruments	2.011.103 €	1.749.868 €
Financial expenses	- 4.776.058 €	- 5.235.893 €
Changes in the fair value of financial instruments	- 8.905 €	- 7.494 €
Net foreign exchange	- 16.121 €	- 26.244 €
Impairment losses and income from disposal of financial instruments	- 990.170 €	- 265.857 €
Impairment loses	- 996.789 €	- 392.349 €
Impairment losses and income from disposal of financial instruments	6.619 €	126.492 €
FINANCIAL RESULT	- 3.540.208 €	- 3.719.322 €
Share in profits/losses of equity accounted companies	530.502 €	501.640 €
PRE-TAX EARNINGS	- 963.550 €	1.831.254 €
Profit tax	1.331.902 €	-545.520 €
RESULT FOR THE YEAR FROM INTERRUPTED OPERATIONS	368.352 €	1.285.734 €
CONSOLIDATED INCOME FOR THE PERIOD	368.352 €	1.285.734 €
Income attributed to the Controlling Company	356.638 €	1.316.458 €
Income Attributed to Minority Interests	11.714 €	- 30.724 €

ONCE FOUNDATION
CONSOLIDATED CASH FLOW STATEMENTS

December 31, 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES	-3.116.298 €	7.805.124 €
Pre-tax result	- 963.550 €	1.831.254 €
Adjustments of the result	22.616.373 €	14.843.676 €
Depreciation of fixed assets	20.698.894 €	21.738.795 €
Accumulated impairment losses	810.383 €	2.015.575 €
Variation of provisions	1.927.551 €	1.438.853 €
Government subsidies	- 2.433.092 €	- 2.788.236 €
Impairment losses and gains/losses on disposal of non current assets	- 135.320 €	267.750 €
Financial incomes	- 2.251.046 €	- 1.816.166€
Financial expenses	4.776.058 €	5.235.893 €
Exchange differences	16.121 €	26.244 €
Changes in the fair value of financial instruments	8.905 €	7.494 €
Other income and expenses	- 802.081 €	-11.282.526€
Changes in working capital	- 22.599.671 €	- 4.672.471€
Stock	- 440.402 €	345.486 €
Debtors and other accounts receivable	- 14.003.031 €	13.301.053 €
Other current assets	- 948.739 €	- 3.965.639€
Creditors and other accounts payable	- 4.094.054 €	-12.740.621€
Other current liabilities	- 1.427.571 €	457.072 €
Other non-current assets and liabilities	- 1.685.874 €	- 2.069.822€
Other cash flows from operating activities	- 2.169.450 €	- 4.197.335€
Payment of interest	- 4.463.554 €	- 5.168.734€
Receipt of dividends	239.943 €	49.140 €
Receipt of interest	1.972.381 €	1.832.337 €
Income/expenses from income tax	81.780 €	- 910.078€

CASH FLOWS FROM INVESTING ACTIVITIES	- 12.721.038 €	-17.717.873€
Payment for investment	- 17.426.656 €	-33.703.479€
Group and Associated companies	- 3.334.121 €	- 2.730.413€
Multigroup Companies	- 1.472.209 €	
Intangible assets	- 1.475.166 €	- 1.045.200 €
Property, plant and equipment	- 11.092.381 €	-14.722.606€
Investment property	- 52.779 €	- 6.604.399€
Other financial assets		- 8.600.861€
Other assets Divestment receipts	4.705.618 €	15.985.606 €
Group and associated companies	902 €	15.985.606 €
Other financial assets	4.704.716 €	
NET CASH FLOWS FROM INVESTING ACTIVITIES	8.541.178 €	4.397.108 €
Receivables and (payments) for equity instruments	2.542.049 €	9.716.685 €
Grants, donations and bequests	2.542.049 €	9.716.685 €
Receivables and (payments) for financial liability instruments	6.094.413 €	- 5.165.746€
Emission	30.440.796 €	28.700.000 €
Repayment and amortisation of bank debt	30.440.796 €	28.700.000 €
Loan repayment	- 24.346.383 €	33.865.746 €
Bank Debts	- 24.346.383 €	33.865.746 €
Payment of dividends and remuneration of other equity instruments	- 95.284 €	- 153.831 €
EFFECT OF CHANGES IN RATES OF EXCHANGE		
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	- 7.296.158 €	- 5.515.541€
Cash and cash equivalents at opening date	41.091.677 €	46.607.318 €
Cash and cash equivalents at closing date	33.795.519 €	41.091.677 €

4.3. ANALYSIS OF THE FINANCIAL STATEMENTS OF THE FOUNDATION ONCE

To be able to determine the economic sustainability of the Foundation and its social profitability, we proceed to analyse its annual accounts of the year 2013, in which we will apply a horizontal and vertical analysis to its main items by assets and to the main profit and loss statement accounts. In addition, an analysis of the economic profitability, sustainability and liquidity of the Foundation will be held.

Besides, it is important to keep in mind this is a non-profit entity belonging to the third sector, or social economy, whose main mission is the social profitability, without losing sight of the sustainability of its projects.

Before getting into the key aspects for the analysis of the annual accounts of an organisation, it is suitable to do a descriptive study that makes possible the knowledge of the composition and evolution of the assets of the company as well as its expenses and income.

We will start with a vertical and horizontal analysis of the balance sheet and the profit and loss account of the Foundation. The vertical analysis consists of analysing the composition of assets, equity and liabilities of the entity looking at the relative weight of each of the assets. For the assets, we divide each element that shapes them by the total assets, which will report on the relative importance of each item within it.

$$\frac{\text{Asset item}}{\text{TOTAL ASSETS}} * 100\%$$

Having only available data for 2012 and 2013, we will apply the analysis only to this period of time and thus, we can determine what fundamental changes have occurred in the financial statements of the Foundation.

The analysis made to balance shows the following:

In 2013, the total assets are 540 million euros, which has suffered an increase of 0.74% compared to the total asset of 2012, this growth has its greatest impact on plant and equipment with 31.6% of the total assets. This increase in plant and equipment is due to the investments made in various companies of the FUNDOSA Group, among which the Flisa investments stand out amounting to 8 million euros.

As it can be seen in the following table:

	YEAR 2013	VERTICAL ANALYSIS
Non-current assets	301.975.029 €	55,8%
Current assets	238.878.123 €	44,2%
TOTAL ASSETS	540.853.152 €	100,0%

Table 1 Vertical analysis of the ONCE Foundation's assets. Source: prepared by the author based on the annual accounts of the Foundation.

Non-current assets for 2013 represent the 55.8% of the total assets on the balance sheet, the greatest part of the current assets are conformed by plant and equipment with a percentage value of 56.6%. The current assets represent 44.2% and within this is the item "trade and other receivables", with 57.5%.

For the vertical analysis of equity and liabilities, the calculation is similar. Net worth is mainly composed by own funds with 54.8%, followed by grants, donations and legacies with a percentage value of 44%. In equity, the most important item is the reserves that exceed 99%, comprising the results obtained from the activities of the entity. The other item of own funds is the foundation endowment, with 3.7% of participation.

The results can be seen in the following table:

NET WORTH ANALYSIS	2013	VERTICAL ANALYSIS
NET WORTH	296.249.228 €	100,0%
EQUITY	162.386.265 €	54,8%
Foundation endowment	601.012 €	
Reserves	161.428.615 €	
Attributable results to the parent entity for the year	356.638 €	
Grants, donations and legacies	130.478.035 €	44,0%
EXTERNAL PARTNERS	3.384.928 €	1,1%

Table 2: Net Worth Vertical Analysis, Source: prepared by the author based on the annual accounts of the ONCE Foundation.

To complete the analysis of the consolidated balance sheet of the Foundation, we must obtain the liability which is composed of the current and noncurrent liabilities, being the noncurrent of 31.4% and the current of 68.6%, which is embodied by the item " Current

payables and other accounts payable”, where the debts generated by the entity are taken into account. In the following table, we can observe the recorded results:

LIABILITIES	2013	VERTICAL ANALYSIS
Noncurrent liabilities	76.795.686 €	31,40%
Current liabilities	167.808.238 €	68,60%
TOTAL LIABILITIES	244.603.924 €	100,00%

Table 3: Liabilities Vertical Analysis. Source: prepared by the author based on the annual accounts of the ONCE Foundation.

Furthermore, we perform a horizontal analysis that consists of determining the absolute and the relative variation of each balance sheet account or income statement from period to period, which allows us to determine the increase or decrease of each account and know its behaviour along two or more financial periods.

The following formula is used for the relative variable:

$$\frac{\text{Final value of the item} - \text{Initial value of the item}}{\text{Initial value of the item}} * 100$$

To obtain the absolute variation, we subtract the initial value to the final value:

$$\text{Final value of the item} - \text{Initial value of the item}$$

The consolidated net assets of the ONCE Foundation in 2013 comes to 296 million euros producing a growth rate of 1.17%, with regard to the previous year and being increased to 3.434.751 euros. The increase is primarily due to grants, donations and legacies received that has 130.478.035 euros, coming in a large part of its founders ONCE. Being the donation of this year of 5.562.528 euros, which the Foundation destines to capital investment in the companies of the group, to purchase of plant and equipment and intangible assets and others.

As a non-profit entity, the ONCE Foundation does not have social capital, neither shares nor any negotiable instrument of its assets. Therefore, the endowment reflects only the initial endowment provided by the ONCE.

The consolidated result has been 368.352 euros, with a decrease (-0.71%) with respect to the year 2012 (-71,35%). The result is composed of the result obtained by the FUNDOSA Group and the activities of the ONCE Foundation.

- **Incomes of the Foundation**

On December 31, 2013, the Foundation received an income of 72 million euros from its own activities, being the growth rate over the previous year of 0.63%, i.e., representing an increase of 448.338 euros.

We can see what items make up the income by own activity in the following table:

	In Euros	
	2013	2012
Incomes received from promoters and sponsors	253.869	526.787
Grants attributed to the surplus for the year		
Contributions to the Fight against Discrimination	16.130.500	14.129864
Grants, donations and legacies of exploitation	47.367	0
Continuous training grant	832	3.041
Donations and legacies charged to the surplus for the year		
Contribution of the ONCE aimed to general resources	49.542.538	49.636.193
Other donations	2.067.407	3.016.184
Reinstatement of aid and allocations	3.442.886	4.264.992
TOTAL	72.025.399	71.577.061

Table 4. Income from own activity. Source: Annual accounts of the ONCE Foundation.

The Foundation receives a 3% commission on sales from the ONCE , as we have said on previous occasions. In 2013, it received for this concept a contribution of 55.1 millions euros, being lower than the received in 2012 for the same concept in 4%. This figure appears divided on the financial statements in two accounts, a part appears under the heading “Income of the entity by its own activity” (49.542.538€) and another part in the account of donations and legacies received from the founder (5.562.528€).

It also receives revenue from the European Social Found (ESF) for the development of the programme “Fight against Discrimination” for an amount of 16.1 million euros. Private donations by alternative measures are regulated by Royal Decree 364/2005.

Concerning the operating income, the value amounts approximately to 382 million euros, as a result of the contributions of the group enterprises in 74% through its turnover, which in 2013 reflects a growth of 1.41% over the previous year.

Other results that had lower growth for the year 2013 of 13.59% are also included in operating income, being a decrease of 126.144€, for the year 2012.

Expenditure of the Foundation

The ONCE Foundation is governed by the principle of budgetary balance, in such a way that its income and expenses must add the same.

- **Personnel costs**

The personnel expense represents more than 66% of the operating expenses, so it has great importance, being its value of 178.2 million euros.

There also other expenses such as costs for help and others that collect subsidies granted by the group to carry out its social purpose. Current operating expenses which include leases, repairs and talks, independent professional services, insurance premium, banking services, among others.

- **Financial expenses**

In 2013, they suffered a fall of 8.78% over the previous year and made loans and credits with financial institutions and others.

Actually, the Foundation finances its assets in equity, due to the debts with credit institutions only represent 18% of the total assets, while 55% of liabilities is net worth.

Due to the importance that both economic and financial profitability have for companies, we wanted to study the profitability of the ONCE Foundation through some ratios such as ROA, ROE, etc. We also want to know the liquidity and solvency of this non-profit entity and its medium-term and long-term sustainability.

Economic profitability of ONCE Foundation.

ROA (Return on Assets): it indicates the economic profitability of the company; i.e., the performance of the investments made by a company. This return does not depend on how the company is financed to carry out its activities, nor the fiscal policy that is being applied. Therefore, it is a way of measuring the efficiency of investments.

It relates the result of the company before taxes and interests with the total assets.

$$\text{ROA} = \frac{(\text{Profit} + (\text{Financial expenses} * (1 - T)))}{\text{Average Total Assets}}$$

Where T is the tax rate for income that is equal to 10% for non-exempt foundations.

Data taken from the Annual Accounts of the ONCE Foundation, 2013.

Profit = 368.352,00 €

Financial expenses = 4.776.058,00 €

*Average Total Assets = the sum of total assets in 2013 and the total assets in 2012 is divided by 2, which gives us a value of **538.856.637,50 €***

Average total assets = (540.853.152 + 536.860.123) € / 2 = 538.856.637,50 €

Replacing data in the ROA formula, it is obtained:

$$\text{ROA} = \frac{(368.352,00 \text{ €} - (4.776.058,00 \text{ €} * 0,9))}{538.856.637,50 \text{ €}} = \mathbf{0,008660567} = \mathbf{0,86\%}$$

These numbers indicate that for each euro invested by the company in its investments or assets, it receives a performance of 0.86%, in other words, for each euro invested, it gets 0,0086 euros.

Although the ratio is close to zero, it is a positive and not worrying value, since the nature of the Foundation is not to obtain a high profitability with its assets because it does not have a lucrative nature but seeks to carry out its social work. Using the principle of budgetary balance, proving that a positive profitability does not imply that the company obtains a high final benefit.

FINANCIAL PROFITABILITY

ROE (RETURN ON EQUITY): profitability generated by the equity of the company. It relates the result attributed to owners with resources provided by them to the business activity. It is the capacity that the company has to reward its shareholders.

In the case of the Foundation, equity is composed, among others, by endowment, which is the name that receives the social capital of non-profit companies and which no longer belongs to the founders because of the patrimonial property of foundations.

Financial profitability that the Foundation could generate will not be distributed among its founders, but it will be used for reinvestment of its social work.

$$\text{ROE} = \frac{\text{Profit for the period}}{\text{Net worth}}$$

Data taken from the Annual Accounts of the ONCE Foundation, 2013.

Profit= 368.352,00 €

Net Worth = the sum of net worth in 2013 and in 2012 is divided by 2.

Net Worth = (296.249.228 €+ 292.814.477 €)/2 =294.531.852,50 €

Replacing data in the ROE formula, it is obtained:

Financial profitability of ONCE Foundation

$$\text{ROE} = \frac{368.352,00 \text{ €}}{294.531.852,50 \text{ €}} = 0,001250636 = 0,125\%$$

It means that for each euro that the Foundation invests in its funds, it achieves a return of 0.125%, approximately 0,00125 euros.

We verify with this that the Foundation is primarily funded with its own resources rather than with external funding. Like the ROA, the result is positive but small; nevertheless this result allows the entity to generate enough to achieve a good functioning of its management and power to perform its social work, such as job creation or the fight against discrimination.

Comparing the results of the economic profitability and financial profitability, we realize that ROA is higher than ROE and obviously it is due to the fact that the financial costs of the Foundation are higher than economic profitability.

Financial costs are composed of the quotient between the financial expenses multiplied by the tax rate and the average total liabilities of the company.

That is to say: financial cost = (financial expenses *(1-T)/ average total liabilities

Financial Expenses = **4.776.058,00 €**

Average total liabilities = Average assets – Average net worth =

538.856.637,50 € - 294.531.852,50 € = 244.324.785€

Replacing data:

$$\text{Financial costs} = \frac{4.776.058,00 * 0,9}{244324785} = 0,017593189 = 1,7\%$$

WORKING CAPITAL OF THE FOUNDATION

The working capital of the Foundation for the year 2013 is 71.069.885 euros having a growth rate of 8% with respect to the year 2012 that was 65.852.461 euros. The positive value of the working capital indicates that the company is able to face its short-term payments.

Consequently, having both net worth and working capital greater than zero, we predict that in the entity will be neither long-term nor short-term payment problems.

Average total liabilities = **244.324.785€**

Average total net worth = **294.531.852,50 €**

$$\text{Degree of leverage or coefficient} = \frac{\text{Average total liabilities}}{\text{Average total net worth}} = \mathbf{0,829536035}$$

The obtained value expresses the burden of debt on the net worth of the company, but this is because the Foundation is financed by its own funds.

$$\text{Borrowing limit} = \frac{ROA}{(CF-ROA)} = 0,969543698$$

It means that the entity should not exceed this limit to avoid problems of liquidity and solvency.

To study the liquidity and solvency of the Foundation, we will use the current ratio, and the debt ratios over net worth, on assets, long-term debt and interest coverage.

Current Ratio

This ratio measures the relationship that current assets keep with current liabilities. It indicates the company's ability to generate workable payments in the short term, sufficient liquid resources to meet its payment commitments reported in current liabilities.

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}} = 1,423518451 \text{ value of the year 2013}$$

This ratio has an increase of 1.28% with respect to the year 2012, which indicates a greater willingness on the liquidity of the company.

With this increase, the Foundation increases the guarantee given to short-term creditors. It was presumed that this ratio would be optimal, since the working capital of the Foundation has been positive.

Solvency Ratios It indicates the company's ability to return its long-term debts.

Net Debt Ratio It is a measure of financial risk faced by companies, relating liabilities to equity.

$$\text{Net Debt Ratio (year 2013)} = \frac{\text{Liabilities}}{\text{Total net assets}} = 0,825669406 \text{ it has decreased}$$

It represents the weight of liabilities on capital that has fallen in 1% over the previous year, whose value is 0.83344802, indicating an improvement in its debts.

$$\text{Debt ratio on assets (year 2013)} = \frac{\text{Liability}}{\text{Total Assets}} = 0,452255706$$

$$\text{Debt ratio on assets (year 2012)} = \frac{\text{Liability}}{\text{Total Assets}} = 0,45457957$$

The burden of debt on assets shows that the entity is financed with own funds, once again. We can clearly see the difference in value with the previous ratio.

$$\text{Ratio over long-term debts (year 2013)} = \frac{\text{Long-term debt}}{\text{Permanent Funding}} = 0,205861769$$

$$\text{Ratio over long-term debts (year 2012)} = \frac{\text{Long-term debt}}{\text{Permanent Funding}} = 0,21807288$$

Both the ratio of debt on assets and the ratio over long-term debt in the year 2013 achieved a decrease of 1% and 5.6% respectively.

The liquidity and solvency of the ONCE Foundation are positive, the Foundation manages increase its ability to pay over the previous year and shows that it has short-term and medium-term sustainability.

The Foundation achieves a profit of 0.4 million euro in the year 2013 and, although it is lower than in 2012, it manages to fulfil its social mission and have also sustainability.

Taxation and ONCE Foundation.

Being the ONCE Foundation a non-profit entity, it is exempt of the corporation tax by its own activities, according to the Law 49/2002 of the taxation of non-profit entities and the incentives for patronage.

For the calculation of the income tax of the tax group for the fiscal year 2012 and 2013, it is part of the sum of the individual tax assets of the companies comprising the tax group.

The breakdown of corporate tax expenses of the exercises for the years 2012-2013 is described in the following table:

CORPORATE TAX EXPENSES	EUROS	
	2013	2012
Current Tax Expense Tax Group	430.686	1.336.935
Current Tax Expenses Not Tax Group	-117.507	32.737
Expense / Income by deferred tax	1.018.319	-747.647
Positive / Negative Adjustments to direct tax	404	-76518
Income / Expense by profit tax reflected in the income statement	1.331.902	545507

Table 5: Corporate Tax Expenses. Source: Consolidated Annual accounts of the ONCE Foundation 2013.

Social Programmes

Employment and Training Plan

This plan is a General Agreement between the Government of the Nation in which they undertook to carry out the programme plan 15000-30000.

The objective assigned to the Foundation for the year 2013 is the creation of 1500 jobs, 250 occupational placements and training activities for 3200 beneficiaries (2500 in occupational training and 700 in continuous learning).

At the end of the year 2013, the Foundation not only complies with the objective, but surpasses it reaching 4.538 jobs for people with disabilities, 474 occupational placements and 10.919 beneficiaries of training activities which are 8.113 occupational training and 2.808 in continuous training.

Investment in euros in the Plan 15000-30000 in 2013 is as follows:

Plan's limit 15000-30000	Estimated amount in euros
Employment created by other companies or organisations with the support of the ONCE Foundation	34.443.955
Internal job created in the Foundation and FUNDOSA	12.972.877
Occupational Placements	2.045.035
Occupational Training	9.035.609
Continuous Training	102.158
TOTAL	58.599.634

Table 6: Plan's limit 15.000-30.000. Source: Individual Annual Accounts of the ONCE Foundation

Accessibility Plan

This programme aims to achieve an autonomous life and the removal of barriers that prevent or hinder the full social integration of people with physical, mental or sensory disabilities.

To this end, in 2013, a total of 20.1 million euros was invested to carry out the programme, of which 15.3 million came from funds provided by the ONCE, 27.8% of the total.

Corporate Responsibility and Sustainability in the Group of Companies of the ONCE and its Foundation

Both the Foundation and the business group of the ONCE in addition to its social work feel committed to its performance and impact that this can have on society.

The relationship with stakeholders is listed below:

Workers are a group of great relevance, since through them the projects that the organisation has, are carried out, using its experience and professionalism.

Customers and suppliers, with whom they maintain cooperative and loyalty relationships.

Public administrations that carry out social project agreements and these are responsible for controlling if the plans are carried out, auditing providers and beneficiaries.

Protected employment sector, of which is conducted the development and professionalization of the special employment centres.

For the Foundation, it is very important to maintain good governance and full transparency in their actions; solvency and profitability in order to carry out its business management as well as its social management; commitment to the environment and the conservation of its differential value. To show that it can be a social enterprise and achieve sustained on its own resources and it obtains benefit, although it can be reduced, that can be used to continue fulfilling its mission.

5. CONCLUSION.

We have demonstrated through this study with the results of our economic and financial analysis of the ONCE Foundation, that its business management is efficient, because, despite the fact that there are reduced benefits, the organisation can offer quality services that meet the criteria of economic efficiency, commitment and all of this with respect for the environment.

As we have seen through the solvency analysis that has been realised previously, the entity is able to finance itself. Being financially independent also demonstrates that it can be autonomous and is able to manage itself in the long-term in its social activities, which distinguishes it from other non-profit entities that arguably do not possess the same qualities.

In addition, by complying with the principle of budgetary balance and its policy of data transparency, we can say that the company reinvests profits obtained from its operational activities in the social works that are needed by the social collective.

In this context, we can say that the ONCE Foundation complies with the ultimate aim that characterises non-profit societies in helping people with disabilities which affect their normal labour and social development and, in turn, ONCE helps the State in its mission to protect its inhabitants to achieve job stability, economic growth and social welfare. Likewise, achieving political stability for its leaders, advocating for fundamental and human rights, such as giving them social protection and job, no matter whether they are disabled or not, as it is stated in the Constitution

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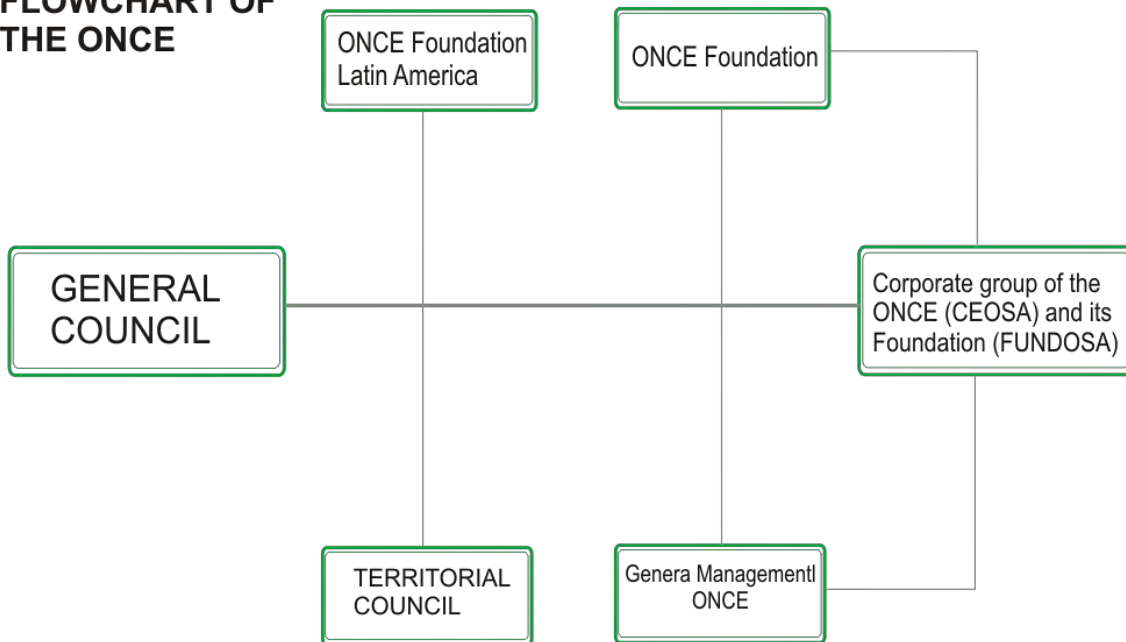
7. APPENDIX

All the information is obtained of the web-page ONCE

7.1.

APPENDIX I

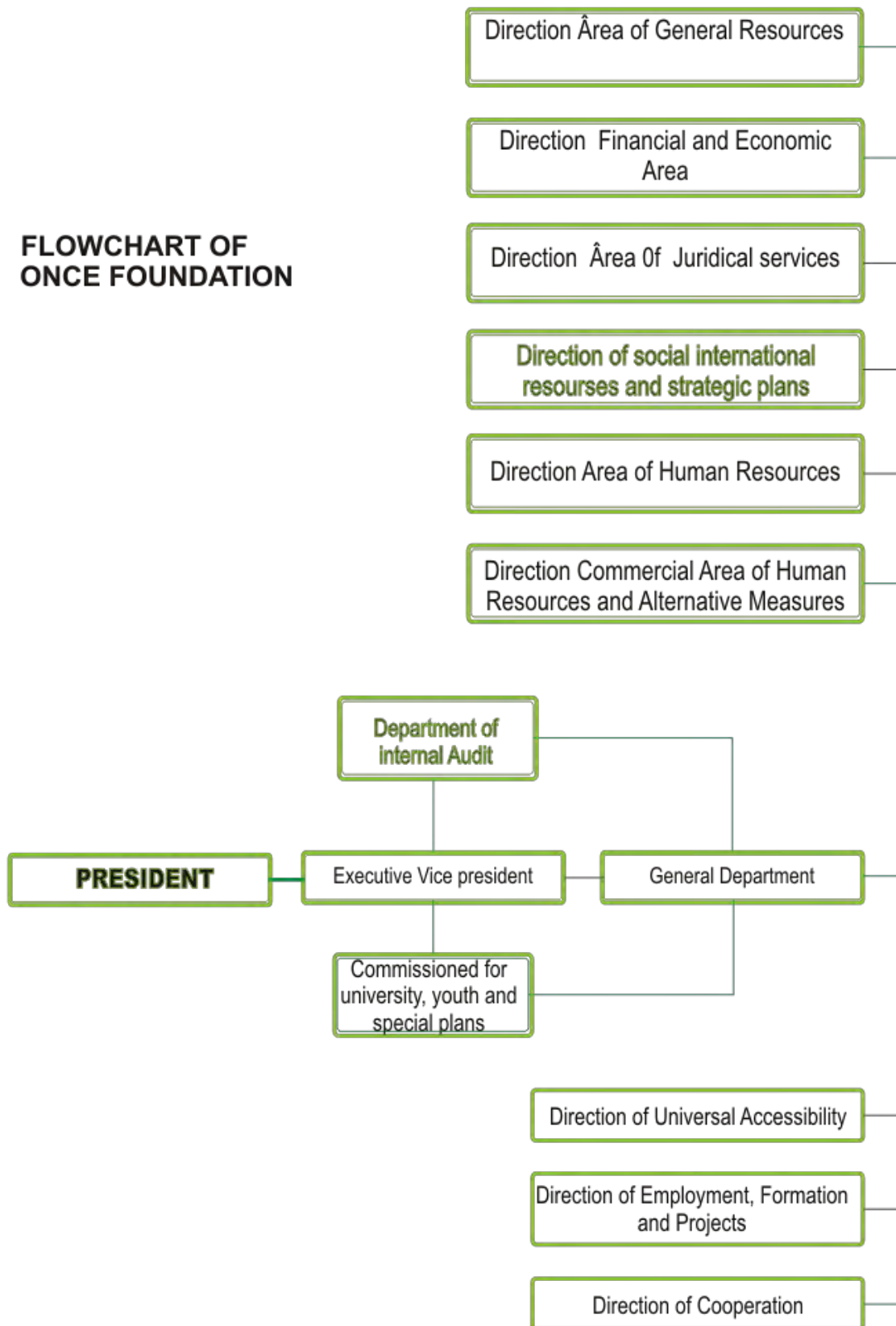
GENERAL FLOWCHART OF THE ONCE



7.2.

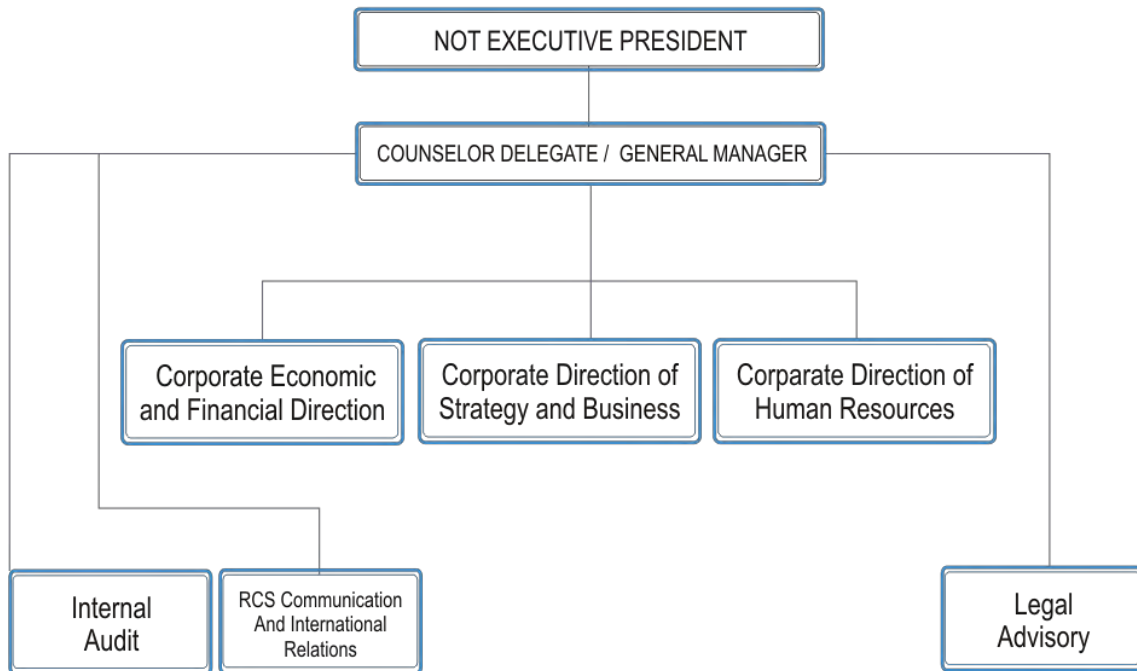
ANNEX II

FLOWCHART OF ONCE FOUNDATION



7.3.

ANNEX III
FLOWCHART OF ILUNION



7.4.

Anexo IV

DETALLE DE ENTIDADES DEL GRUPO (euros)

SOCIEDAD	ACTIVIDAD	PARTICIPACIÓN		CAPITAL	RESERVAS	SUBVENCIONES	RESULTADO DEL EJERCICIO	RESULTADO DE EXPLOTACIÓN	VALORES LIBROS		
		DIRECTA	INDIRECTA						COSTE	DETERIORO DEL EJERCICIO	DETERIORO ACUMULADO
Fundosa Grupo, S.A.U. (a)	Creación de empleo	100	0	99.000.000	8.498.162	0	(8.296.439)	(195.301)	279.030.072	0	0
Asociación para el Empleo y la Formación de Personas con Discapacidad, FSC Inserta (a)	Gestión de empleo para personas con discapacidad	100	0	800.000	557.391	14.525	(695.853)	(695.866)	0	0	0
Asociación FSC Discapacidad para la Formación, Servicios y Colocación de Discapitados (a)	Gestión de empleo para personas con discapacidad	100	0	120.000	(55.734)	0	0	7.726	0	0	0
Fundosa Lavanderías Industriales, S.A.U. (a)	Gestión de Lavanderías Industriales	0	100	26.000.000	46.374.640	5.806.902	2.928.764	5.060.618	53.000.535	0	0
Fisa Cataluña, S.A.U. (a)	Lavandería Industrial	0	100	8.000.000	11.310.464	685.187	(815.412)	(874.167)	13.000.804	0	0
Fisa Canarias, S.A.U. (a)	Lavandería Industrial	0	100	3.000.000	7.116.316	3.866.117	886.379	1.149.967	4.034.867	0	0
Cipo-Fisa, S.L. (a)	Lavandería Industrial	0	50	2.127.240	2.489.621	0	246.779	246.785	1.063.641	0	0
Textil Rental, S.L. (a)	Lavandería Industrial	0	50	1.468.212	2.198.368	0	729.522	734.093	2.188.353	0	0
Lavandería Euskalduna S.L.U. (a)	Lavandería Industrial	0	100	1.280.935	1.009.345	175.012	(1.060.691)	(837.762)	4.975.794	(1.085.263)	(3.575.313)
Lavanderías Industriales Lavanor, S.L. (a)	Lavandería Industrial	0	50	6.020	568.776	0	(214.339)	(49.004)	650.010	(97.964)	(137.575)
Lavandería Industrial Laundry Center, S.L. (a)	Lavandería Industrial	0	100	200.000	(50.453)	75.726	(30.680)	86.540	200.000	(5.407)	(5.407)
Servicios Sociales de Lavandería, S.L. (a)	Lavandería Industrial	0	51	1.550.000	(658.123)	0	(108.176)	(85.560)	811.243	(64.630)	(144.016)
Lavandería Amalia, S.L. (a)	Lavandería Industrial	0	50	9.858	1.581.483	28.262	126.163	203.764	1.292.463	0	(363.032)
Lavandería Industrial Lavechel, S.A. (a)	Lavandería Industrial	0	51,01	564.358	(238.962)	0	(310.196)	(209.903)	770.002	(90.386)	(90.386)
Lavanderías Mecánicas Crisol, S.L. (a)	Lavandería Industrial	0	50	10.818	2.131.131	0	(251.404)	(185.318)	2.159.275	0	0
Limpieza Franco S.A. (a)	Lavandería Industrial	0	50	60.102	1.116.672	0	14.020	64.732	2.500,00	0	0
Fundosa Bugadella Industrial S.A.U. (a)	Lavandería Industrial	0	100	3.000	0	0	(8.931)	(7.929)	3.000	(3.000)	(3.000)
Caradap, S.L. (b)	Fabricación y montaje de ayudas técnicas	0	100	117.402	(3.176.322)	0	(284.078)	(366.337)	706.000	(406.000)	(706.000)
Data Line, S.A.U. (b)	Mecanización de datos	0	100	2.660.000	299.182	0	80.164	(12.082)	9.158.809	80.164	(6.119.463)
Fundosa Control de Datos y Servicios, S.A.U. (b)	Mecanización de datos	0	100	2.500.000	1.832.010	7.490	(71.603)	(37.813)	8.650.246	(76.913)	(4.382.349)
Fundosa Accesibilidad, S.A. (b)	Comercialización de ayudas técnicas	0	98,38	2.184.005	1.919.216	74.239	(936.273)	(1.093.961)	2.946.521	0	0
Fundosa Social Consulting, S.A.U.	Gestión de empleo para personas con discapacidad	0	100,00	786.000	154.563	0	25.820	(148)	1.452.791	25.820	(486.408)
Servicios de Telemarketing, S.A.U. (b)	Marketing telefónico	0	100,00	6.000.000	11.013.839	48.651	1.614.565	1.807.063	16.670.012	0	0
C.E.E. Sertel, S.A.U. (b)	Marketing telefónico	0	100,00	380.000	1.109.738	48.651	649.960	911.629	725.552	0	0
Fundosa Technosite, S.A.U. (b)	Comercialización de bienes y prestación de servicios a través de canales de telecomunicación	0	100,00	60.101	1.530.627	74.884	(1.082.545)	(1.484.013)	1.403.055	(734.066)	(734.066)

MK Plan 21, S.A. (b)	Marketing telefónico	0	75,50	60.101	3.098.407	0	353.950	967.047	765.641	0	0
Personalía S.A. (a)	Servicios socio sanitarios	0	90,00	3.700.000	(2.079.826)	1.744.521	523.020	1.429.867	11.773.726	188.644	(8.513.603)
Esteritex, S.A. (a)	Servicios de esterilización sanitaria	0	100,00	120.400	24.075	0	37.462	102.624	385.101	37.462	(203.163)
Fundosa Reciclaia, S.A.U. (a)	Gestión y reciclaje de equipos eléctricos	0	100,00	2.000.000	(243.127)	1.179.173	(659.547)	(700.265)	3.881.923	(752.947)	(1.605.424)
Fundosa Servicios Industriales Galicia S.L.U. (b)	Formado de volantes y elaboración de componentes del automóvil	0	100,00	248.000	(132.350)	147.861	(68.038)	(65.673)	869.372	(94.940)	(673.899)
Fundosa Galenas, S.A.U. (a)	Explotación de tiendas en hospitales	0	100,00	5.805.991	7.094.700	79.988	1.038.268	644.627	5.806.153	0	0
Fundosa Ultracongelados y Precocinados, S.A.U.	Elaboración de tortillas ultracongeladas	0	100,00	3.576.289	(882.749)	0	23.865	(17.047)	8.010.701	16.707	(5.300.454)
Columbia Cintas de Impresión S.L.U. (a)	Reciclados informáticos	0	100,00	700.000	557.729	1.562	(618.281)	(488.799)	5.452.479	(436.244)	(4.627.434)
Fundosa Textil S.U.A. (a)	Confección de ropa de trabajo	0	100,00	480.000	2.551.899	4.207	(62.572)	(220.962)	1.634.909	0	0
Fundosa Servicios Industriales S.L.U. (b)	Elaboración de piezas para el automóvil y forrado de volantes	0	100,00	270.452	753.400	454.905	305.414	448.936	245.232	0	0
Fabricación Modular Valenciana, S.L. (b)	Fabricación y montaje de productos para empresas de automoción	0	50,00	240.400	2.451.525	31.429	125.495	15.208	120.200	0	0
Modular Logística Valenciana, S.L. (b)	Fabricación y montaje de productos para empresas industriales	0	87,50	1.000.000	878.177	1.015.632	152.040	252.328	1.275.000	0	0
Modular Logística Catalana, S.L. (b)	Formación, rehabilitación y recuperación de personas discapacitadas a fin de lograr su integración laboral y social	0	100,00	3.000	(442)	0	49.223	72.691	3.000	0	0
Fundosa Sport y Ocio, S.A.U.	Explotación y gestión de instalaciones deportivas y de ocio	0	100,00	2.132.000	512.248	31.529	(453.072)	(565.762)	4.022.536	(467.750)	(1.799.830)
Servimedia, S.A.U. (b)	Agencia de prensa	0	100,00	3.450.000	3.921.927	0	(937.009)	(1.188.887)	12.771.528	(937.009)	(6.336.611)
Fábrica de Información y Telecomunicaciones de Extremadura, S.A. (b)	Servicio de atención e información telefónica	0	75,00	625.040	1.599.522	11.890	115.755	96.238	642.177	0	0
Comercializadora, S.A.U.	Comercialización de productos	0	100,00	80.000	1.025.783	0	2.475	11.074	1.202.290	1.835	(94.672)
Gestión de Servicios La Cartuja GESSER, S.L. ©	Creación de empleo para enfermos mentales	0	52,27	18.030	1.068.681	236.802	213.663	215.346	1.803	0	0
Fundosa Servicios Industriales Zona Centro S.L.U. (b)	Manipulado, retractilado, embalaje de todo tipo de periódicos y libros	0	100,00	993.300	878.439	0	(521.139)	(781.624)	6.050.985	(231.938)	(4.411.189)
Be on Diversity S.L.	Prestación de servicios de consultoría	0	50,00	3.006	0	0	(4.401)	(4.401)	1.503	(1.503)	(1.503)

(a) Sociedad auditada por Deloitte, S.L

(b) Sociedad auditada por Ernst & Young, S.L.

(c) Sociedad auditada por Moore Stephens AMS, S.L.

FUENTE: CUENTAS ANUALES FUNDACION ONCE 2013

7.5.

Anexo V DETALLES DE SOCIEDADES ASOCIADAS (euros)

SOCIEDAD	ACTIVIDAD	PARTICIPACION		GANTAL	RESERVAS	SUBVENCIONES	RESULTADO DEL EJERCICIO	RESULTADO DE EXPLOTACION	VALOR EN LIBROS		
		DIRECTA	INDIRECTA						DIESTE	DETERIORO DEL EJERCICIO	DETERIORO ACUMULADO
Iniciativas de Empleo Andaluzas, S.A.	Integración laboral de pacientes mentales de Andalucía	0,00	46,97	1.487.640	(152.238)	0	0	0	698.676	0	0
Multiser del Mediterráneo, S.L.	Mantenimiento de parques y jardines. Impresión de textos. Guarda vehículos.	0,00	48,92	84.142	1.463.955	0	168.715	168.715	27.046	0	0
Proximut, S.L.	Fabricación, distribución y reparación de elementos electrónicos, artículos modera	0,00	48,90	328.153	2.806.911	1.261	586.450	586.450	111.788	0	0
Talleres Protegidos Gureak, S.A.	Creación de empleo	0,00	19,88	4.928.299	67.080.035	10.451.248	2.013.314	2.013.314	979.650	0	0
C.E.E. Apla, S.L. (a)	Elaboración, fabricación y distribución elementos para vehículos y líneas blanca	0,00	45,99	5.008.000	(9.613.831)	123.823	(2.480.459)	(2.480.459)	2.539.200	0	(2.539.200)
Talleres Auxiliares de Subcontratación Industria Navarra, S.A.	Prestación de servicios de jardinería, limpieza, higienización y actividades productivas del sector de automoción	0,00	22,00	6.594.420	1.638.684	4.116.854	40.868	40.868	1.450.772	0	0
Nasermo, S.L.	Fabricación y venta de componentes de electrodomésticos y realización de montaje e instalaciones industriales	0,00	25,00	300.506	1.539.290	244.555	(118.786)	(118.786)	75.126	0	0
Manchalán, S.A.	Fabricación y venta de componentes de electrodomésticos y realización de montaje e instalaciones industriales	0,00	25,00	2.182.500	(405.979)	109.400	307.105	307.105	456.500	0	0
Total Gaming System, S.A.	Producción y comercialización de productos de ocio	0,00	33,00	2.473.356	105.131	0	173.679	173.679	816.226	0	0
Confecciones Novatex, S.L.	Producción y comercialización de productos textiles	0,00	28,85	935.910	(552.833)	276.832	(172.320)	(172.320)	270.000	(44.140)	(129.331)
Bugadería Industrial Mesnet, S.L. (a)	Lavandería Industrial	0,00	45,00	1.012.000	(7.590)	0	(272.117)	(173.752)	455.400	(91.863)	(271.990)
Clintex Lavandería Industrial, S.L. (a)	Lavandería Industrial	0,00	24,97	1.750.000	5.226	2.015.236	217.394	217.394	1.498.200	0	0
CEE Aspase Rioja, S.L.	Servicios diversos a empresas	0,00	30,00	316.100	0	15.760	(35.179)	(35.179)	188.730	1.882	(54.284)
Milon, S.L.	Compraventa de todo tipo de envasados y su manipulación en general	0,00	30,23	51.687	823.226	36.000	137.970	137.970	540.020	0	0
Kateo Legala, S.L.L. (*)	servicios a empresas	0,00	11,06	953.330	15.417.260	2.659.771	225.905	225.905	120.202	0	0
									10227536	(134.121)	(2994805)

(a) Sociedad auditada por Deloitte, S.L.

(*) La Sociedad mantiene representación en el Consejo de Administración de la sociedad participada, a través de la que ejerce influencia significativa en la misma

FUENTE: CUENTAS ANUALES DE LA FUNDACION ONCE

7.6.

Anexo VI

DETALLES DE PARTICIPACIONES EN SOCIEDADES MULTIGRUPO (euros)

SOCIEDAD	ACTIVIDAD	PARTICIPACIÓN		VALOR EN LIBROS	
		DIRECTA	INDIRECTA	COSTE	DETERIORO ACUMULADO
<i>Cipo-Flisa, S.L.</i>	<i>Lavandería Industrial</i>	0,00	50,00	1.063.641	0
<i>Textil Rental, S.L.</i>	<i>Lavandería Industrial</i>	0,00	50,00	2.188.353	0
<i>Lavanderías Industriales Lavanor, S.L.</i>	<i>Lavandería Industrial</i>	0,00	50,00	650.010	(137.575)
<i>Lavandería Amalia, S.L.</i>	<i>Lavandería Industrial</i>	0,00	50,00	1.292.463	(363.032)
<i>Lavandería Mecánicas Crisol, S.L.</i>	<i>Lavandería Industrial</i>	0,00	50,00	2.159.275	0
<i>Fabricación Modular Valenciana, S.L.</i>	<i>Fabricación y montaje de productos para empresas de automoción.</i>	0,00	50,00	120.200	0
<i>Limpieza Franco S.A.</i>	<i>Lavandería Industrial</i>	0,00	50,00	2.500.000	0
<i>Be on Diversity S.L.</i>	<i>Prestación de servicios de consultoría.</i>	0,00	50,00	1.503	(1.503)