



E.U.C. Sitio de Calahonda

PRESIDENT'S REPORT 2021

I'm writing this report although I'm not even sure if we will be able to hold the annual meeting. We have been in this global pandemic for two years and although the situation has improved with respect to deceases, we continue with truly alarming numbers of infections. Let's trust that we will soon get over this difficult situation and return to normality. I hope to see you next March 31, day of the AGM, provided that the authorities allow the holding of owners' meetings and with preventive measures to avoid contagion, for which the security guidelines set by the authorities will be followed.

From our side, the EUC continues working as usual and of course we must thank all our staff for their good work that makes our urbanisation the best in Mijas and perhaps the best on the Costa del Sol. The maintenance tasks provided by the EUC Sitio de Calahonda to the urbanisation include services such as cleaning, parks and gardens, maintenance and protection of green areas, street maintenance, quick attention to any incident, and of course, our office, with direct attention to the residents and mediation with all the administrations that surround us, Town Hall, Acosol, Endesa, etc.

The EUC Sitio de Calahonda is also present on social networks, offering a lot of information, both through our website, Facebook, and our regular magazine, where you can check our day to day and of course communicate with us. However, we only register incidents through our email or telephone, as the networks are usually anonymous.

As I anticipated in my last report, and in line with the general principles that must govern the actions of the EUC, according to our statutes, we continue to make decisions to adapt our budget to the needs of our urbanisation. At the AGM we will be able to comment in more detail on the decisions made in this regard.

I will comment in a few lines on some of the matters of interest to all, although, due to the time passed since the last report, they will not be very extensive.

MIJAS TOWN HALL.

As on previous occasions we have held meetings with some of those responsible for Mijas Town Hall to continue asking them to provide us with the same services that they provide in other points of the municipality. We understand that as we pay the same taxes, we should get the same services in equal conditions.

Regarding street cleaning, a meeting was held with the councillor in charge, Ms. Laura Moreno, where she explained that in the new rubbish contract specifications (a service for which we pay separately) the street cleaning is included. She has assured us that the street cleaning of urbanisations will be carried out, and therefore ours will also be included. For now, we will have to wait to see how they carry out this service.

A meeting was held with the Councillor for Environment, Ms. Arancha Lopez, where we initially asked them to clean the streams due to the damage caused by the Filomena storm, which last year did a lot of harm in Calahonda. After several months, we can now see the magnificent work that has been done in these streams, all three streams that cross our urbanisation, Arroyo Cujau, Arroyo los Alamos and Arroyo Calahonda have been cleaned in an exceptional way. At this meeting, we discussed the possibility of coordinating with our workers the cleaning that the basic income program sometimes carries out in order to do it more effectively.



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We have also spoken with the councillor for urbanisations and infrastructures, Mr. Jose Carlos Martin to try to somehow bring positions closer together, even if it is by agreement, for the progressive reception of Sitio de Calahonda. In principle, they tell us that the reception is difficult due to the size of Mijas and its urbanisations, but they will explore the possibility of an agreement and carry out some services, as it was done with the public lighting.

A few years ago, the Town Hall requested an external audit to evaluate the state of the urbanisations, and in said report, it was clear that Sitio de Calahonda is in optimal conditions and in accordance with the law for its reception.

As you know, speed problems in our streets are frequent, therefore and after agreeing with the Local Police, we have bought some persuasive radars that indicate the speed drivers are going at. They have been placed in several different places, and it seems that, at least, they warn us if we are going too fast, and make us aware of the issue.

As you may remember, some time ago, the Assembly approved the installation of an automatic registration plate reading system at the exits of the urbanisation with the intention of facilitating traffic control and improving safety in the event of an incident. The EUC requested the mandatory municipal building license as well as a report from the Data Protection Agency. At present, we are still waiting for the Town Hall to grant the building license that allows the system to be implemented.

We have continued our contacts with the Town Hall to enable the collection of unpaid EUC fees by means of enforced recovery in the same way that the Town Hall collects municipal taxes. To this end, we have initiated the claim procedures for some debtors by this method through the Town Hall. We look forward to informing you at future meetings of the outcome of these procedures.

On the other hand, and after many years of requests, we have been granted the asphaltting of some of our streets by the municipal services. The amount invested in 4 years reaches 800,000 euros, although this year it is planned to start at 180,000 euros.

In a first phase, that will be carried out in 2022 (it was planned for 2021), the asphaltting of sections of Calle José De Orbaneja, Calle Cádiz and a section of Calle Jaén, Calle Julián Lozano, Jardines de Calahonda, Monda and Nerja, a section of Avda. De España. For next year it includes C/Sevilla, C/Coin, C/Ronda, C/Ojen, C/Paises Bajos, C/Jordana and C/Almeria and for the following year C/Orbaneja, C/Viera, C/ Menga and C/Golf.

SECURITY.

Our current security company continues to be Fort Security Spain, S.L., and the truth is that the Board of Directors is quite satisfied with the work that this company has been carrying out in the urbanisation.

They have received many congratulations from the residents of the urbanisation where they attend many calls from people in need. During the last two years we have enjoyed a good situation, in terms of security, except for some cases of squatters. There have been no relevant incidents, however, and after the pandemic, and, given the arrival of visitors to the urbanisation, a slight increase in criminal acts has been observed, which is general, throughout the municipality and the province. For this reason, the Board is studying the necessary measures to guarantee the maximum safety of our residents in the urbanisation, and we hope to be able to normalise the situation promptly.



E.U.C. Sitio de Calahonda

TREASURY:

The EUC enjoys an extraordinary financial situation at the end of the 2021 financial year, where we must highlight the large percentage of collection of fees for the year, which has represented 93.90%, the highest amount in recent years. This has allowed us to end the year with a fund of more than €230,000. However, we see that the debtors' figures remain around €400,000, but work continues from the office to reach agreements or proceed with legal claims. This year, and, thanks to the decisions adopted, to reduce costs due to the elimination of services, it has been possible to present to the Assembly a budget for 2022 with a drop of more than 8%, which represents a reduction in the average fee of each owner from €14 to €12.8 per month approximately.

ENVIRONMENT.

As every year, the usual tasks have been carried out on our trees, some pruning and thinning of pines, cleaning of palm trees, fumigation against the processionary, etc.

Our parks are also maintained and improved as best as possible, although it is a very difficult task due to the continuous action of wild boars on them. They dig up the grass and irrigation systems and it is very difficult to maintain them. In this aspect, as always, we requested help from the Town Hall and after meeting with Ms. Arancha López (Councillor for Environment), she mentioned that they have put out the bid to try to minimize the population of wild boars in the municipality, and that said project includes our urbanisation. It is very important to remember that under no circumstances can these animals be fed. In fact, it should be recalled that cats mustn't be fed in the street, as this also attracts wild boars and they are very dangerous wild animals.

We appreciate the excellent cleaning that has been carried out this year in the streams of Calahonda and we have transferred to Ms. Arancha Lopez, Councillor for Environment, the help needed for the self-protection plan of the green areas. This will be carried out in the coming months as in previous years and they will study the possibility of helping us in its execution.

At this point, I say goodbye, hoping to see you next March 31, where we will gladly answer any questions you may have.

All the best.

Cesar Contreras.

President EUC Sitio de Calahonda

To the members of
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Marbella, 21st February 2022

REPORT ON AGREED-UPON PROCEDURES

Ladies and Gentlemen,

By contrast with what happens in other countries, the Instituto de Contabilidad y Auditoría de Cuentas de España (the Spanish Accounting and Auditing Institute) does not permit the use of the term "audit" when referring to the work performed by an Auditor on the financial statements of Conservation Entities (E.U.C.), as this does not have a financial information standards framework.

Despite the above, we have performed the procedures agreed upon in the engagement letter dated 11th January 2022 and consisting of a series of checks on the attached Financial Statements at 31 December 2021 which, although they may not be considered to be an audit, do correspond to internationally generally accepted audit procedures. Our work was carried out in accordance with the professional guidelines issued by the *Instituto de Censores Jurados de Cuentas* in respect of agreed-upon procedures.

Purpose and scope

The following are the procedures agreed upon with the E.U.C. Sitio de Calahonda:

1. We have examined the Entity's minutes book so as to verify that this includes the signed minutes for the latest Annual General Meeting and of the Committee's meetings and that the decisions of an economic nature approved in the Meeting have been carried out. We also verified that bad debt balances are individually approved by the Meeting and that the necessary powers have been approved for taking legal action against delinquent debtors.
2. We have checked that the entity fees charged during the year were calculated on the basis of the coefficient set out in the Entity's statutes and the budget approved in the Annual General Meeting for the year in progress. We also checked the correct calculation of interest applied in accordance with what is stipulated in the entity's statutes and approved by the General Meeting. These checks were carried out using substantive audit tests.

3. We checked that the bank balances were reconciled with the accounts at the year-end. Using substantive audit tests we also compared the movements in the bank statements with the accounts so as to check that these correctly reflect the movements in the bank accounts.
4. Using substantive audit tests we verified that the expenses are backed up by supporting documentation, with the quality of the latter being analysed to determine whether the document is an invoice or a receipt, whether it is acceptable for tax purposes (with tax details and VAT) as applicable.
5. Using substantive audit tests we checked that the total for personnel expenses during the year coincides with the annual payroll summary and with the amounts effectively paid over.

Using substantive audit tests we checked that the payroll summaries coincided with the accounts in all material aspects. We also checked:

- That the payslip was signed where payment was made in cash or by bearer cheque.
 - That the amounts on the payslips coincide with the payroll summary and that the calculations and totals are correct.
6. We checked that the movements (debits and credits) on the suppliers and creditors accounts are correct. We also analysed the composition of the balances with the main suppliers and creditors, analysing the component items of the balances with their corresponding support documentation.
 7. We examined the expenses for the year and the payments made in the following year so as to determine whether the provisions made are adequate and complete, such that all corresponding expenses have been recorded in the year and that there are no expenses or liabilities omitted from the Entity's financial statements.
 8. We verified that the part of insurance premium expense corresponding to the following year has been accounted for as a prepayment and not as an expense for the year.

Results and incidents

The result of our work was satisfactory in all of the above-mentioned tests except for the following:

1. In relation to procedures number 1 and 2 agreed with the Entity we must mention that as a consequence of the health crisis situation caused by COVID-19, the Annual General Meeting could not be held. Consequently, neither the Revised Accounts of the Entity for the year ended December 31, 2020, the owners' bad debt balances for the year 2020, nor the budget for the year ended December 31, 2021, could be approved. The budget from the previous year has been maintained, with variations in several items, which was approved at the Ordinary General Meeting held on July 30, 2020.
2. In relation to procedure number 7 agreed with the Entity and as indicated in note 3 of the attached Financial Statements, the Entity has been accrued the amount of euros 42,120.00 as of December 31, 2021, for the dismissal of three employees from the civil works department. At the date of this report, it is unknown whether there will be an agreement between the parties or whether it will have to be resolved in the Labor Court.

Taking into account the result and incidents of the procedures performed, nothing has come to our attention that would lead us to believe that the attached Financial Statements do not show, in all material aspects, a true and fair view of the financial situation of the E.U.C. Sitio de Calahonda at 31 December 2021 and of the results of its operations in accordance with internationally generally accepted accounting principles and standards as described in note 1 of the aforementioned financial statements.

Statement on the restriction of the use of the report

This report has been drawn up for the purpose referred to above and exclusively for use by the Entity and, therefore, may not be used for any other purpose or distributed to third parties.

FAY & CO. Auditores, S.L.

Bernard Fay Viota
Partner

INSTITUTO DE CENSORES
JURADOS DE CUENTAS
DE ESPAÑA

FAY & CO. AUDITORES,
S.L.

2022 Núm.11/22/00192

Informe sobre trabajos distintos
a la auditoría de cuentas

Translation of reports and financial statements originally issued in Spanish.
In the event of a discrepancy, the Spanish-language version prevails.

E. U. C. SITIO DE CALAHONDA

Balance sheet as at 31 December 2021

ASSETS	Notes	Euros 31.12.2021	Euros 31.12.2020
Provisions of funds		2,813.80	2,963.80
Owners - debtor balances	(2)	415,614.05	434,388.46
Debts previous years		333,344.34	337,237.20
Debts current year		82,269.71	97,151.26
Salaries paid in advance		(0.36)	63.44
Other debtors		70.60	-
Cash and banks		256,636.50	286,267.41
Cash		549.91	550.01
Owners Cash		14,530.32	11,429.41
Banks "Current accounts"		238,699.42	274,183.14
Banks "deposits"		2,856.85	104.85
Prepaid expenses		6,555.83	6,555.83
Total Assets		681,690.42	730,238.94
LIABILITIES			
Short term creditors		177,304.60	177,511.37
Suppliers		12,491.56	9,787.68
Creditors		86,058.14	75,975.90
Salaries payable		1,539.97	-
Items pending application		(6.24)	-
Severance pay accrual	(3)	42,120.00	60,696.45
Owners – credit balances	(2)	15,919.43	15,152.79
Tax Authorities Payable		8,739.26	8,274.45
Social Security Payable		7,142.12	7,075.74
Short term deposits received		3,300.36	548.36
Total Liabilities		177,304.60	177,511.37
E. U. C. FUND			
Fund at the beginning of the year		552,727.57	614,696.59
Surplus / (Deficit) for the year		(48,341.75)	(61,969.02)
Total E. U. C. Fund		504,385.82	552,727.57
Total Liabilities and E. U. C. Fund		681,690.42	730,238.94

E. U. C. SITIO DE CALAHONDA

Income and Expenditure account for the year ended 31 December 2021

	Notes	Euros 31.12.2021	Euros 31.12.2020
INCOME			
Owners' fees		1,154,315.60	1,156,708.17
Ordinary fees		1,140,500.51	1,140,500.91
Extra charge fees		13,815.09	16,207.26
Other income		1,800.01	3,050.56
Total Income		1,156,115.61	1,159,758.73
EXPENSES			
Repairs and maintenance		545,959.26	427,213.12
Personnel costs	(3)	373,027.60	268,869.06
Gardens		14,125.91	12,541.57
Improvements	(4)	30,816.77	30,082.50
Roads		22,609.47	16,781.89
Vehicles		9,921.73	10,043.81
Fire prevention		3,541.66	2,096.92
Garden rubbish collection		87,912.00	82,560.00
Roads cleaning		2,116.40	2,266.66
Others		1,887.72	1,970.71
Professional fees	(5)	83,552.78	57,225.19
Security service		432,385.14	424,199.86
Supplies	(6)	21,329.88	17,752.60
Insurance		12,382.33	11,818.93
Administration		76,911.84	207,915.95
Personnel costs	(3)	71,189.00	201,121.73
Office expenses		5,722.84	6,794.22
Other expenses		31,936.13	75,602.10
Equipment		1,774.35	2,477.81
Directors' fees		15,000.00	15,000.00
General expenses		4,926.59	4,978.54
Contingences		838.38	3,201.06
Reserve Fund	(7)	7,861.49	35,000.00
Bad Debt Quota Adjustment		1,535.32	14,944.69
Total Expenses		1,204,457.36	1,221,727.75
Surplus/ (Deficit) for the year		(48,341.75)	(61,969.02)

E. U. C. SITIO DE CALAHONDA

Notes to the Financial Statements

1. ACCOUNTING PRINCIPLES

The financial statements of the entity have been prepared in accordance with established entities accounting practice, by which:

The accounting treatment of assets acquired by entities differs from the business accounting practice which would require them to be capitalised as fixed assets and depreciated over their useful lives. EUC can not own property, and the concept of spreading cost of acquisition over future years is inappropriate in entity accounting which requires close comparison of costs and funding. Assets are therefore treated as expenses in the year they are acquired.

No provision is made against owners' balances in respect of doubtful debts. Exceptionally, uncollectible debts would be charged against the entity fund.

Income from quotas consists of the quotas notified to owners in respect of the financial year irrespective of the date of collection; uncollected quotas at the year-end being shown in the annual accounts as debtors. Similarly, expenditure is that incurred in the financial year, expenditures remaining unpaid at the year-end being included in the financial statements as liabilities.

2. OWNERS

The movements on owners' balances during the year were as follows:

	Euros
Owners – debtor balances at 31.12.2020	434,388.46
Add: Quotas and interests 2021	1,154,315.60
Less: Collections 2021	(1,173,090.01)
Owners – debtor balances at 31.12.2021	415,614.05
Owners – credit balances at 31.12.2021	(15,919.43)
Owners – net balance	399,694.62

E. U. C. SITIO DE CALAHONDA

Notes to the Financial Statements

3. PERSONNEL COSTS

This balance is made up as follows:

	Euros
Repairs and maintenance	373,027.60
Salaries	202,990.59
Compensations paid (1)	64,800.00
Compensations accrued (2)	42,120.00
Social Security	61,632.43
Others	1,484.58
Administration	71,189.00
Salaries	53,571.00
Social Security	16,268.00
Others	1,350.00
Total	444,216.60

(1) On December 3rd, 2021, the dismissal for objective reasons of three employees from the civil works department was reported, with effect from December 31, 2021. On December 3rd, 2021, the Entity has paid the employees the amount of euros 64,800.00, corresponding to 20 days of salary per year worked.

(2) On February 8th, 2022, the Entity was summoned, in the CEMAC (Mediation, Arbitration and Conciliation Center), for a lawsuit claiming the unfair dismissal of the workers mentioned in note 1 above, with the result of "celebrated without agreement". The Entity has accrued, as an expense in 2021, the amount of euros 42,120.00, for the contingencies that may arise if the employees do not accept the dismissal for objective reasons, or an agreement is not reached in this regard.

4. IMPROVEMENTS

This item is made up as follows:

	Euros
Repair and maintenance sidewalks	12,455.79
Repair and maintenance green areas	1,536.18
Repair and maintenance canopy	21.95
Repair and maintenance- Painting	5,882.73
Repair and maintenance - Electricity	3,106.77
Others	7,813.35
Total	30,816.77

E. U. C. SITIO DE CALAHONDA

Notes to the Financial Statements

5. PROFESSIONAL FEES

This item is made up as follows:

	Euros
Technical architect / Topographer	15,246.00
Legal advice, lawsuits for doubtful debtors and other legal costs	28,232.76
Audit	4,705.72
Agency	4,876.30
Administration "SP y Gestión 20, S.L."	30,492.00
Total	83,552.78

6. SUPPLIES

This balance is made up as follows:

	Euros
Water consumption	5,983.12
Fuel consumption	11,554.09
Electricity	3,792.67
Total	21,329.88

7. Reserve Fund

This balance is made up as follows:

	Euros
Installation and assembly of solar panels (Vematel, S.A.)	5,169.24
Installation of photovoltaic energy system (Juan Luque)	2,692.25
Total	7,861.49

BUDGET CONTROL 31-12-21
E.U.C. SITIO DE CALAHONDA

EXPENSES	Budget	expended	difference	% expend.
I.- Maintenance & Repairs				
1.1 Personel costs	267.360,00	330.907,60	-63.547,60	123,77%
1.2 Gardens	13.400,00	14.125,91	-725,91	105,42%
1.3 Improvements	28.500,00	30.816,77	-2.316,77	108,13%
1.4 Roads	18.500,00	22.609,47	-4.109,47	122,21%
1.5 Vehicles	8.700,00	9.921,73	-1.221,73	114,04%
1.6 Fire precaution	4.200,00	3.541,66	658,34	84,33%
1.7 Garden rubbish collection	79.200,00	87.912,00	-8.712,00	111,00%
1.8 Street cleaning	2.000,00	2.116,40	-116,40	105,82%
1.9 Others	2.000,00	1.887,72	112,28	94,39%
TOTAL I	423.860,00	503.839,26	-79.979,26	118,87%
II.- Profesional services	84.525,00	83.552,78	972,22	98,85%
III.- Security service	425.000,00	432.385,14	-7.385,14	101,74%
IV.- Insurances	11.750,00	12.382,33	-632,33	105,38%
V.- Electric light, water & petrol consumption				
5.1 electricity consumption	1.000,00	3.792,67	-2.792,67	379,27%
5.2 Water consumption	8.600,00	5.983,12	2.616,88	69,57%
5.3 Petrol consumption	11.565,00	11.554,09	10,91	99,91%
TOTAL V	21.165,00	21.329,88	-164,88	100,78%
VI.- Administration office				
6.1 Personal costs	107.000,00	71.189,00	35.811,00	66,53%
6.2 Office expenses	5.700,00	5.722,84	-22,84	100,40%
TOTAL VI	112.700,00	76.911,84	35.788,16	68,24%
VII.- Other expenses				
7.1 Capiatl goods	3.000,00	1.774,35	1.225,65	59,15%
7.2 Director's fees	15.000,00	15.000,00	0,00	100,00%
7.3 General expenses	4.900,00	4.926,59	-26,59	100,54%
7.4 Conting/Emergencies	3.600,00	838,38	2.761,62	23,29%
7.5 Reserve fund	35.000,00	7.861,49	27.138,51	22,46%
TOTAL VII	61.500,00	30.400,81	31.099,19	49,43%
TOTAL I+VII	1.140.500,00	1.160.802,04	-20.126,25	101,78%

PROPOSAL BUDGET 2022
E.U.C. SITIO DE CALAHONDA

	2022	2020	Variacion	expen. 21
I.- Maintenance expenses				
1.1. Operative services personel	191.000,00	267.360,00	-28,56%	330.907,60
1.2. Gardens	15.500,00	13.400,00	15,67%	14.125,91
1.3. Improvements	0,00	28.500,00	-100,00%	30.816,77
1.4. Roads	14.500,00	18.500,00	-21,62%	22.609,47
1.5. Vehicles	4.000,00	8.700,00	-54,02%	9.921,73
1.6. Fire precaution	12.500,00	4.200,00	197,62%	3.541,66
1.7. Garden rubbish collect.	82.000,00	79.200,00	3,54%	87.912,00
1.8. Cleaning of streets	2.000,00	2.000,00	0,00%	2.116,40
1.9. Others	2.000,00	2.000,00	0,00%	1.887,72
TOTAL I	323.500,00	423.860,00	-23,68%	503.839,26
II.- Profesional services				
TOTAL II	74.000,00	84.525,00	-12,45%	83.552,78
III.- Security service				
3.1 Security service	445.000,00	425.000,00	4,71%	432.385,14
3.2 Instal. Vehicles control cameras	39.500,00	0,00		0,00
TOTAL III	484.500,00	425.000,00	14,00%	432.385,14
IV.- Insurance				
TOTAL IV	10.500,00	11.750,00	-10,64%	12.382,33
V.- Electric, water, petrol consumption				
5.1. Electricity consumption	2.300,00	1.000,00	130,00%	3.792,67
5.1. Water consumption	7.500,00	8.600,00	-12,79%	5.983,12
5.2. Petrol consumption	7.500,00	11.565,00	-35,15%	11.554,09
TOTAL V	17.300,00	21.165,00	-18,26%	21.329,88
VI.- Administration office				
6.1. Personel cost	74.000,00	107.000,00	-30,84%	71.189,00
6.2. Office expenses	5.700,00	5.700,00	0,00%	5.722,84
TOTAL VI	79.700,00	112.700,00	-29,28%	76.911,84
VII.- Other expenses				
7.1. Capital goods	4.000,00	3.000,00	33,33%	1.774,35
7.2. Directors' fees	15.000,00	15.000,00	0,00%	15.000,00
7.3. General expenses	4.500,00	4.900,00	-8,16%	4.926,59
7.4. Conting./Emergencies	3.000,00	3.600,00	-16,67%	838,38
7.5. Reserve fund	30.000,00	35.000,00	-14,29%	7.861,49
TOTAL VII	56.500,00	61.500,00	-8,13%	30.400,81
Total euros	1.046.000,00	1.140.500,00	-8,29%	1.160.802,04

523.000,00 €
50% Ppto = ----- = 0,317€/pto.
1.650.108,94

523.000,00 €
50% Ppto = ----- = 76,72 €/ud.
6817