

REVIEW AND VERIFICATION REPORT
of
Financial Statements at 31st of December 2012

Community of owners of Hacienda Riquelme Golf Resort

To the community of owners "Hacienda Riquelme Golf Resort"

1. Our audit intervention takes place in the legal framework set out in Articles 6 and 7 of Royal Decree 163/1990, of December 20, by which the regulations developed by the law of audit of accounts is agreed, and within the range detailed in article 31 of the statutes of "COMUNIDAD DE PROPIETARIOS DEL COMPLEJO INMOBILIARIO PRIVADO HACIENDA DE RIQUELME GOLF RESORT (From hereon Community of owners) by order received by his President on 9th February 2013.

We have executed a revision and verification of the financial statements of the General Community and of the sub communities of owners of HACIENDA RIQUELME GOLF RESORT that comprise the consolidated balance sheet at 31st of December of 2012, the state of the consolidated profit and loss account, the annual report and the reconciliation of the General Community budget and the consolidated budget of the sub communities, corresponding to the year ending on such date., whose formulation is responsibility of the president of the Community of owners, in accordance to what is detailed in article 26.3 B of their statutes.

Our responsibility is to express an opinion over the aforementioned financial statements as a whole, based in the work done in accordance to the audit norms generally accepted , which require , the examination , through selective trials, of the evidence justifying the financial statements and the evaluation of its presentation , of the accounting principles applied and of the estimations made.

2. The President of the Community of owners presents, for comparative purposes, with each one of the items of the balance sheet and the profit and loss account, apart from the amounts for the year 2012, those corresponding to the previous year, in base to the accounting principles of general acceptance, in agreement with what is established in the article 31.1 of its statutes and what is provided in the commercial legislation. Our opinion refers exclusively to the financial statements for the year 2012. On the 28st of February we

issued our revision and verification report regarding the financial statements for the year 2011 in which we expressed a positive opinion.

3. During the course of the work, we have not observed facts and circumstances that could represent a violation of the legal normative or statutory or the non accomplishment or exceptions to the accreditation of the expenses and income for the year ending the 31st of December 2012.
4. In our opinion, the financial statements for the year 2012 enclosed express, in all significant ways, the true image of the consolidated equity and the consolidated financial situation of the GENERAL COMMUNITY and the SUB COMMUNITIES OF OWNERS OF HACIENDA RIQUELME GOLF RESORT at 31st of December 2012 and the consolidates results of its operations and the settlement of the General Community budget and the sub communities consolidated budget correspondent to the annual year finalized in such date , in accordance to the principles and accounting normative generally accepted in the Spanish normative that applies.

Annexed to the report, stamped by us for identification, a copy of the financial statements object of our revision and verification, that have been formulated by the President of the Community of Owners, in accordance to what is established in the article 26 of their statutes. In no case, can this report be published or exhibited partially or as extract and without accompanying entirely the financial statements referred as annexed.

This report for revision and verification has been prepared exclusive use for the Community of Owners HACIENDA RIQUELME GOLF RESORT and, consequently, may not be used for any other purpose. Therefore, we do not assume any responsibility towards third parties different from the recipients of this report.

AVERAT AUDITORES, S.L.P.

Registered in R.O.A.C. with nº S1766

José Antonio Pérez Alarcón

Murcia, 12th April 2013

Please note that the stamped Audit Report and annexes can be found in the Spanish secure area of HRGR website. The English version is a translation of this report and annexes issued in Spanish and are not stamped.

**CUENTAS ANUALES 2012 SUJETAS A INTERVENCION DE AUDITORES
DE ACUERDO CON LO ESTABLECIDO EN EL ARTICULO 31 DE LOS ESTATUTOS**

**ANNUAL 2012 ACCOUNTS TO BE AUDITED
ACCORDING TO ART. 31 OF THE ESTATUTES**

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Sucina, Murcia, 28 de febrero de 2013



Resortalia
Community Administration


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		BALANCE DE SITUACION - BALANCE SHEET (31.12.2012)				BALANCE DE SITUACION - BALANCE SHEET (31.12.2011)			
	Notas en Memoria - Memory Item	Sub-comunidades Subcommunities	Comunidad General General Community	Consolidado Consolidated	Sub-comunidades Subcommunities	Comunidad General General Community	Consolidado Consolidated	Comunidad General General Community	Consolidado Consolidated
ACTIVO - ASSETS									
A) ACTIVO NO CORRIENTE - NON-CURRENT ASSETS									
V. Inversiones financieras a largo plazo - Long term investments	6		400.000,00	400.000,00		390.000,00	390.000,00		390.000,00
258 Imposiciones y depósitos en bancos a largo plazo - Long term bank deposits			400.000,00	400.000,00		390.000,00	390.000,00		390.000,00
B) ACTIVO CORRIENTE - CURRENT ASSETS									
I. Existencias - Stocks						400.000,00	400.000,00		400.000,00
487. Arrendos a proveedores - Suppliers accounts			69.347,30	69.347,30		400.000,00	400.000,00		400.000,00
II. Deudas comerciales a otras cuentas a cobrar - Payable debts	6		89.347,30	89.347,30		400.000,00	400.000,00		400.000,00
1. Deudas comerciales a otras cuentas a cobrar - Payable debts			43.818,64	43.818,64		400.000,00	400.000,00		400.000,00
1. Clientes por ventas y prestaciones de servicios - Accounts receivable			45.516,84	45.516,84		400.000,00	400.000,00		400.000,00
480. Propiedades, obligaciones por recibos - Owners, Fees receivable			45.516,84	45.516,84		400.000,00	400.000,00		400.000,00
III. Cuentas de dinero en efectivo y otros activos líquidos equivalentes - Cash and other liquid assets			131.204,00	131.204,00		400.000,00	400.000,00		400.000,00
499			131.204,00	131.204,00		400.000,00	400.000,00		400.000,00
499 Clientes Dúocho sobre 31.12.2010 / Bad Debt Cliente 31.12.2010						400.000,00	400.000,00		400.000,00
499 Diferencia de valor de créditos comerciales - Bad Debt Provision	6		-131.204,00	-131.204,00		400.000,00	400.000,00		400.000,00
IV. Inversiones financieras a corto plazo - Short term investments			191.336,74	191.336,74		182.000,00	182.000,00		182.000,00
548. Inposiciones y depósitos en bancos a corto plazo - Long term bank deposits			191.336,74	191.336,74		182.000,00	182.000,00		182.000,00
551. Cuenta corriente con Comunidad General - Current account with General Community						182.000,00	182.000,00		182.000,00
VI. Efectivo y otros activos líquidos equivalentes - Cash and other liquid assets			197.061,34	197.061,34		182.000,00	182.000,00		182.000,00
1. Tesorería - Cash and bank			197.061,34	197.061,34		182.000,00	182.000,00		182.000,00
TOTAL ACTIVO - TOTAL ASSETS			702.867,28	702.867,28		776.000,00	776.000,00		776.000,00

		BALANCE DE SITUACION - BALANCE SHEET (31.12.2012)				BALANCE DE SITUACION - BALANCE SHEET (31.12.2011)			
	Notas en Memoria - Memory Item	Sub-comunidades Subcommunities	Comunidad General General Community	Consolidado Consolidated	Sub-comunidades Subcommunities	Comunidad General General Community	Consolidado Consolidated	Comunidad General General Community	Consolidado Consolidated
PASIVO - LIABILITIES									
A) PATRIMONIO NETO - OWNERS EQUITY									
A-1 Fondos propios - Owners Equity	6		212.649,28	212.649,28		148.000,00	148.000,00		148.000,00
III. Reservas - Reserves			212.649,28	212.649,28		148.000,00	148.000,00		148.000,00
1. Fondo de Reserva - Reserve Fund			324.136,31	324.136,31		212.649,28	212.649,28		212.649,28
113.0 Fondo de Reserva			324.136,31	324.136,31		212.649,28	212.649,28		212.649,28
VII. Resultado del ejercicio - Results of the period	3		-111.890,02	-111.890,02		148.000,00	148.000,00		148.000,00
129. Resultado del Ejercicio - Results of the period			-111.890,02	-111.890,02		148.000,00	148.000,00		148.000,00
B) PASIVO NO CORRIENTE - NON-CURRENT LIABILITIES									
C) PASIVO CORRIENTE - CURRENT LIABILITIES									
D. Deudas a corto plazo - Short term debt	7		490.107,00	490.107,00		204.644,81	204.644,81		204.644,81
5. Otros pasivos financieros / otros pasivos líquidos - Current account with Subcommunities	7		204.644,81	204.644,81		490.107,00	490.107,00		490.107,00
551 Cuenta corriente con Subcomunidades - Current account with Subcommunities			204.644,81	204.644,81		490.107,00	490.107,00		490.107,00
IV. Acreedores comerciales y otras cuentas a pagar - Accounts Payable	7		204.644,81	204.644,81		204.644,81	204.644,81		204.644,81
2. Otras acreedores - Other Accounts Payable			204.644,81	204.644,81		204.644,81	204.644,81		204.644,81
410. Acreedores varios - Accounts Payable			204.644,81	204.644,81		204.644,81	204.644,81		204.644,81
TOTAL PASIVO - TOTAL LIABILITIES AND OWNERS EQUITY			702.867,28	702.867,28		776.000,00	776.000,00		776.000,00



C. P. HACIENDA RIQUELME GOLF RESORT

		ESTADO DE INGRESOS Y GASTOS - PROFIT & LOSS ACCOUNT (31-12-2012)			ESTADO DE INGRESOS Y GASTOS - PROFIT & LOSS ACCOUNT (31-12-2011)		
Notas en Memoria - Memory Item	Sub-comunidades Subcommunities	Comunidad General General Community	Consolidado Consolidated	Sub-comunidades Subcommunities	Comunidad General General Community	Consolidado Consolidated	
1. Importe neto de la cifra de negocios - Total turnover	654.959,96	2.077.722,89	2.647.077,88	1.823.665,54	2.363.945,75	2.363.945,75	
705 Ingresos por facturaciones de cartas - Income from owners fees	654.959,96	2.077.722,89	2.647.077,88	623.695,59	2.363.945,75	2.363.945,75	
7. Otros gastos de explotación - Operating Expenses	698.933,41	2.194.682,60	2.894.816,01	1.810.092,33	2.633.808,46	2.633.808,46	
62 SERVICIOS EXTERIORES - EXTERNAL SERVICES	856.171,61	1.883.693,57	2.539.959,38	1.810.092,33	2.533.808,46	2.533.808,46	
684 Pérdidas, deterioro y variación provisiones operaciones comerciales - Loss, impairment and variation in provisions for trade operators	43.761,60	131.284,80	175.046,40				
679 Dotación al fondo de reserva 2012 - 2012 Reserve Fund Allocation	-	179.704,23	179.704,23				
12. Otros resultados - Other results	22.237,74	399,84	22.628,58	4.759,46	38.855,26	38.855,26	
778 Ingresos excepcionales - Extraordinary incomes	22.237,74	399,84	22.628,58				
A) RESULTADO DE EXPLOTACIÓN - OPERATING RESULT (1+2+3+4+5+6+7+8+9+10+11+12)	-22.735,71	-116.568,87	-139.304,58	51.608,91	-130.027,43	-130.027,43	
13. Ingresos financieros - Financial income	-	6.043,19	6.043,19	14.706,97	11.705,97	11.705,97	
769 Otros ingresos financieros - Other financial income	-	6.043,19	6.043,19	14.706,97	11.705,97	11.705,97	
14. Gastos financieros - Financial expenses	-	1.364,34	1.364,34	1.998,67	1.998,67	1.998,67	
669 Otros gastos financieros - Other financial expenses	-	1.364,34	1.364,34	1.998,67	1.998,67	1.998,67	
B) RESULTADO FINANCIERO (12+13+14+15+16) - FINANCIAL RESULT	-	4.678,85	4.678,85	9.708,30	9.708,30	9.708,30	
C) RESULTADO ANTES DE IMPUESTOS (A+B) - PROFIT BEFORE TAXATION	-22.735,71	-111.890,02	-134.625,73	51.609,61	-120.319,13	-120.319,13	
D) RESULTADO DEL EJERCICIO (C) - PROFIT FOR THE FINANCIAL YEAR	-22.735,71	-111.890,02	-134.625,73	51.609,61	-120.319,13	-120.319,13	

Suiza, Múrcia, 28 de febrero de 2013



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INGRESOS / INCOMES		Resultado 2012	Resultado 2012	Resultado 2013	% Var
		2012	2012	2013	
		2,077,159.69	2,077,222.68	2,077,197.50	
		2,077,159.69	4,678.95	2,077,197.50	
CUOTAS DE COMUNIDAD / COMMUNITY FEES					
RESULTADO POR INGRESOS FINANCIEROS Y EXTRAORDINARIOS / FINANCIAL AND EXTRAORDINARY INCOMES RESULT					
TOTAL					
RECONCILIACION GENERAL / RECONCILIATION GENERAL					
		Resultado 2012	Resultado 2012	Resultado 2013	% Var
		2012	2012	2013	
		254,650.17	254,602.78	265,385.20	4.62%
1	JARDINERIA ZONAS COMUNES / GARDENING COMMUNAL AREAS	66,810.00	66,810.00	72,428.03	8.99%
2	JARDINERIA ZONAS AYTO / GARDENING L. AUTHORITY LAND	186,000.00	186,257.50	190,947.41	-7.85%
3	AGUA DE RIEGO ZONAS COMUNES / IRRIGATION WATER FOR COMMON AREAS	50,000.00	56,802.02	55,602.50	11.81%
4	AGUA DE RIEGO ZONAS AYTO / IRRIGATION WATER FOR L. AUTHORITY LAND	17,516.00	17,516.11	10,905.38	-37.74%
5	PLUGUE PLAGUICIDA / FUMIGATION OF PLAGUES	125,000.00	86,435.65	95,000.00	-24.00%
6	ELECTRICIDAD FALLOS, PISCINAS, FUENTES Y FITS / ELECTRICITY PLAM, POOLS, FOUNTAINS & FITS	36,000.00	49,248.43	53,000.00	51.43%
7	ELECTRICIDAD FALLOS Y FUGAS DE BOMBEO / ELECTRICITY STREET & REPAIRS, LAMPS & CHERRY PICKER	238,650.48	240,034.82	247,331.42	3.66%
8	RUBBISH COLLECTION AND CLEANING COMMUNAL AREAS (NG SEWERS SECURITY) /	292,385.78	295,818.40	299,371.78	2.99%
9	MANTENIMIENTO SISTEMA DE SEGURIDAD / SECURITY SYSTEM MAINTENANCE	12,000.00	6,571.89	12,205.15	2.54%
10	MANTENIMIENTO DE PISCINAS Y FUENTES / POOL AND FOUNTAINS MAINTENANCE	143,545.00	134,574.84	147,235.47	2.54%
11	ADMINISTRADOR / ADMINISTRATOR	71,381.20	72,036.16	75,600.15	6.62%
12	COMUNITY ADMINISTRATOR / SEGURO / INSURANCE	57,994.61	59,269.38	60,889.14	4.96%
13	MANTENIMIENTO SISTEMA DE TV / TV SYSTEM MAINTENANCE	207,700.72	201,891.32	224,659.24	9.16%
14	MANTENIMIENTO GENERAL / GENERAL MAINTENANCE	40,000.00	43,552.60	27,560.08	-31.10%
15	DECOMPOSITORES SISTEMA DE RIEGO / DECORATORS SYSTEM DE RIEGO	0.00	0.00	8,100.86	
16	REPLACE BULBS OF STREET LIGHTS & CHERRY PICKER / MANTENIMIENTO DE FERRAJES / RUBBISH CONTAINERS MAINTENANCE	0.00	37,027.08	10,351.85	
17	CONSUMO AGUA PISCINAS / POOLS WATER CONSUMPTION	25,000.00	31,822.08	36,750.00	5.00%
18	GASTOS VARIOS / MISCELLANEOUS EXPENSES	13,000.00	34,812.83	25,000.00	66.67%
19	INSTALACION CONTADORES / METERS INSTALLATION	500.00	312.84	0.00	
20	PROVISION DEMANDA CONTRA AYTO. MURCIA / PROVISION CLAIM AGAINST TOWN HALL IN MURCIA	8,200.00	8,444.44	0.00	
21	REFLANTING / REFLANTING	10,000.00	3,291.46	0.00	
22	ACONDICIONAMIENTO CON GRAVA, SETOS, FAROLAS, PLANTA ACORRO PUT GRAVEL, HEDGES, LIGHTS, SCREEN COMPOUND	21,892.00	20,184.43	0.00	
23	MANTENIMIENTO SISTEMA INFORMATICO DE RIEGO (RSI) / MAINTENANCE SOFTWARE IRRIGATION SYSTEM (RSI)	0.00	0.00	5,668.00	
24	REPARACION GRESITES PISCINAS / POOL TILES REPAIR	0.00	0.00	8,000.00	
25	PROVISION REPARACIONES CARGOPLACA Y RENOVACIONES / PROVISION REPAIRS CARGO PLATE & RENOVATIONS	0.00	0.00	100,000.00	
26	TRABAJO LUBRICA FASE 7 Y LUBRICA COPO / WORKS REGARDING THE HILL IN PHASE 7 AND IN LUBRICATORS COMPUND	0.00	0.00	1,462.89	
27	DESARROLLO DEL RESERVA / URBANIZATION DEVELOPMENT	0.00	0.00	10,000.00	
28	PROVISION MORTIDUIDAD / DEBT PROVISION	0.00	0.00	0.00	
29	SUBTOTAL	888,015.76	121,284.80	2,043,133.72	7.63%
30	FONDO DE RESERVA / RESERVE FUND	178,704.23	179,704.23	186,763.96	-7.21%
31	TOTAL	2,077,159.69	2,194,889.60	2,218,187.50	6.30%

Suacha, Murcia, 26 de febrero de 2013

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LIQUIDACION PRESUPUESTO AGRUPADO SUBCOMUNIDAD 2012- RECONCILIACION CONSOLIDATED SUBCOMMUNITY 2012 (01/01/2012-31/12/2012)
 PRESUPUESTO AGRUPADO SUBCOMUNIDAD 2013- BUDGET CONSOLIDATED SUBCOMMUNITY 2013

	Presupuesto 2012 - Budget 2012	Gasto 2012 - Expense 2012	Balance	% Gasto - % Expenditure	Presupuesto 2013 - Budget 2013
1 PARTICIPACION COM.GRAL. / PARTICIPATION GENERAL COMMUNITY	1.992.117,92	1.992.117,86	0,06	100,00%	2.119.415,49
2 ELECTRICIDAD EDIFICIO / COMMUNAL ELECTRICITY EXPENSES	108.455,70	114.829,45	-6.373,75	105,88%	122.666,90
3 AGUA EDIFICIO / COMMUNAL WATER EXPENSES	29.314,00	30.354,79	-1.040,79	103,55%	32.212,12
4 MANTENIMIENTO ASCENSORES / LIFTS MAINTENANCE	236.993,82	222.766,56	16.207,26	93,22%	257.990,88
5 LIMPIEZA DE EDIFICIOS Y GARAGES / BUILDING AND GARAGE CLEANING	92.469,79	93.130,15	-670,36	100,73%	99.112,59
6 ADMINISTRADOR / COMMUNITY ADMINISTRATOR	115.655,55	116.388,94	-733,39	100,63%	122.152,51
7 VARIOS / MISCELLANEOUS	53.975,09	54.569,72	-594,63	101,10%	50.348,71
8 MANTENIMIENTO ANTINCENDIOS / FIRE PREVENTION MAINTEN.	13.061,61	24.112,20	-11.050,59	184,60%	12.686,00
9 MANTENIMIENTO ELECTRICO GARAJES / ELECTRICITY MAINTENANCE GARAGES	3.044,40	0,00	3.044,40	0,00%	3.140,26
SUBTOTAL	2.647.077,88	2.648.289,67	-1.211,79	100,05%	2.819.725,56
10 FONDO DE RESERVA / RESERVE FUND			0,00		720,76
11 25% DEL TOTAL DE MOROSOS A 31/12/2010 25% DEBTORS UP TO 31/12/2010		43.761,66	-43.761,66		0,00
12 INGRESOS POR CUOTAS PENALIZACION / PENALTY FEES INCOME		-22.237,68	22.237,68		
TOTAL	2.647.077,88	2.689.813,65	-22.735,77	100,86%	2.820.446,32



Sucina, Murcia, 28 de febrero de 2013

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ANNUAL REPORT FOR 2012
FOR THE COMMUNITY OF OWNERS OF THE COMPLEX
HACIENDA RIQUELME GOLF RESORT

1. ACTIVITY OF THE HOMEOWNERS

The Community of Owners “HACIENDA RIQUELME GOLF RESORT” is constituted as a community of owners the 6th of September 2007 with the corporate name of “Comunidad de Propietarios Complejo Inmobiliario Privado Hacienda Riquelme Golf Resort”.

Its registered address is Carretera de Avilese – Sucina, Km.6 30590, Sucina, Murcia. Its CIF is H-73587958.

Its purpose establishes to regulate the relations between owners of properties included in the Complex “ Hacienda Riquelme Golf resort” in relation to the indivisible co property of other elements, installations or common services, as well as to attend its preservation and maintenance, including certain equipment and public infrastructures of the Resort, and specially the maintenance of the external aesthetic conditions of the buildings and of its gardens from where they become visible from the streets or other common areas, as established in the Statutes.

In the same way the purpose of the Community of Owners establishes the maintenance and conservation of the equipment and infrastructures that must be assumed by the owners of plots and apartments of the Resort, according to the Area Parcial Plan, the Land Legislation 1/2001 of 24th April, the Murcia Region Land legislation and the R.D. 3288/1978 of 25th August, as per which approved its Land Use Management.

Its fiscal year coincides with the natural year and starts the 1st of January and ends the 31st of December.

The Community of Owners is a non profit organization that does not engage in business, it is not subject to mandatory accounting that is imposed in article 25 for all enterprises in the Commerce Code. Precisely, in point number 1 from article 31 in the statutes highlights the financial state that incorporate its denominated annual accounts, which are: balance sheet and profit and loss account compared to budget. And , further in point number 3 from the same article, it is established that the accounting and annual accounts, before mentioned, will be kept and based on generally accepted principles defined in the framework of the accounting law.

In Hacienda Riquelme Golf Resort we can find 87 communities formed and properly registered in the Land Registry Office from Murcia under the Title Deed 3773/05, granted by “La Hacienda Riquelme SL” under Public Notary Juan Isidro Gancedo del Pino.

Seventy eight of them are the Subcommunities, eight of them are the Phases and one of them is the General Community.

This organization system is established in the Public Deed on 14th December 2005 to repair the Deed of Constitution of the Complex Property "Hacienda Riquelme Golf Resort" Statements of New Building and Horizontal Properties number 3773/05. This Public deed was given by "La Hacienda Riquelme S.L." under Public Notary Juan Isidro Gancedo del Pino.

The society does not use a functional coin different from the euro.

2. ANNUAL ACCOUNTS PRESENTATION BASIS

The balance and the profit and loss account have been formulated following the next criteria:

I. True Image

a) The abbreviated financial statements have been prepared starting from the accounting records of the community of owners and are presented according to the General Accounting Plan approved by Royal Decree 1514/2.007 of 16th of November as well by Royal decree 1515/2007 which approves the General Accounting Plan for SMEs of the same date and other existing legislation in accounting matters with the goal of showing the true image of the patrimony, financial situation and the results of the society.

b) There were no exceptional reasons why, to present the true image, it has been necessary not to apply any of the laws on accounting.

c) There was no need to include additional information in the report, other than the implementation of the legal provisions to show the true image.

II. Accounting Principles Applied

The abbreviated financial statements have been done following the accounting principles established in the Trade Code, in the Company Law and the General Accounting Plan approved by Royal Decree 1514/2.007 of 16th of November as well by Royal decree 1515/2007 which approves the General Accounting Plan for SMEs of the same date.

These accounting principles generally accepted and applied by the society are those of company running, accruals, consistency, prudence, no compensation and relative importance.

III. Critical aspects of measurement and estimation of uncertainty.

a) There are no risks and uncertainty to date of the closing fiscal year that could involve significant changes in the value of the assets or liabilities in the following year.

b) There have been no significant changes in accounting estimates that affect the current year or that may be expected to affect future years.

c). Management believes that there are no important uncertainties related to events or conditions that may contribute significant doubt on the possibility that the company continues to operate normally. Accordingly, these financial statements have been prepared under the principle of a company in function.

IV. Comparison of the information

The principle of uniformity has been maintained by not changing the criteria of the accounting. The comparison of the current year with the previous one has been carried out without any change in its basic structure

V. Elements contained in various Parcels.

To present the balance, the approach has been set by following the General Accounting Plan in regards to the grouping of various main accounts figures always distinguishing between non-current assets and current and between equity, non-current and current liabilities.

Similarly, to formulate the profit and loss account, distinguished the different levels of performance, operational, financial, before taxes and total exercise results have been distinguished.

There are no assets and liabilities recorded in two or more items of the balance sheet.

VI. Changes in Accounting Policies

In the formulation of the annual accounts, the principle of uniformity has been maintained not changing the criteria in the accounting over the previous year.

VII. Correction of errors

There have been no adjustments for correction of errors during the exercise.

3. APPLICATION OF RESULTS

The year 2012 has closed with a negative consolidated results of -134.625,73 euros, presenting in the AGM that will be held to approve these annual accounts the following proposed application of the results,

Sharing Basis	2012	2011
Result of Profit and Loss Account Sub communities	-22.735,71	51.609,91
Result of Profit and Loss Account General	-111.890,02	-171.929,04
Total	-134.625,73	-120.319,13

Application	2012	2011
To the Reserve Fund of the Community General	-111.890,02	-171.929,04
To the Reserve fund of the Sub Communities	-22.735,71	
To reduction of fees and several refurbishing		
Pending of application sub communities		51.609,91
Total	-134.625,73	-120.319,13

4. STANDARDS FOR RECORDING AND VALUATION.

The criteria for evaluating the various items in the annual accounts and the calculation methods are as per what is described below:

a. Intangible assets.

There are no elements of intangible assets.

b. Tangible Assets

There are no tangible assets

c. Real Estate Investments

There are no Real estate Investments

d. Exchanges

During the present exercise there have been no exchanges.

e. Financial Instruments

The Financial instruments are classified upon initial recognition as a financial asset, financial liability or an equity instrument in accordance with the economic fund of the contractual agreement and their corresponding definitions.

1. Financial Assets

a. Loans and Receivables

Loans and receivables are initially measured at their fair value, which unless contrary evidence, is the transaction price, which equals the fair value of the consideration paid plus transaction costs directly attributable to it. However, trade credits with a maturity not exceeding one year and not having a contractual interest rate are measured at their nominal value when the effect of not discounting the cash flows is not significant.

The subsequent valuation of these assets are carried out at amortized cost and accounting for the interest accrued in the profit and loss account applying the method of effective interest rate.

At year-end the necessary valuation adjustments are made whenever there is objective evidence of impairment, that is for all the outstanding fees until 31-12-2010. Following and uniformity criteria and in accordance with the principle of materiality all debt prior to 31/12/2010 has been determined to be valued and shared according to following percentages: 75% is applied to the General Community and the remaining 25% to the Subcommunities.

If recovery of fees occurs, it will cause the reversal of the impairment and recognition of income in the Profit and Loss account, keeping the same proportionality that applied to recognize the expense.

The credits reflected in section II. "Trade and other receivables" correspond to the fees of the owners of the years 2008, 2009, 2010 and 2011 for outstanding fees at 31/12/2012. , having transferred the balances amounting the 75 % provisioned by the General Community to the Doubtful Collection Clients in its Asset in order to be covered by the Provision referred.

b. Investments held until maturity.

The investments held to maturity are initially measured at fair value, which unless contrary evidence, is the transaction price, which equals the fair value of the consideration paid plus transaction costs directly attributable to it.

The subsequent valuation of these assets are carried at amortized cost and accounted for the interest accrued in the profit and loss account using the method of effective interest rate.

At year-end valuation the necessary adjustments are made whenever there is objective evidence of impairment, applying the criteria for loans and receivables.

c. Financial assets held for trading.

There are no financial assets held to maturity.

d. Other financial assets at fair value with changes in the profit and loss account

There are no other financial assets at fair value with changes in the profit and loss account.

e. Equity investments in group companies, joint ventures and associates.

There are no equity investments in group companies, joint ventures and associates.

f. Financial assets available for sale

There are no financial assets available for sale.

g. Derecognising of financial assets.

The derecognising of the financial assets occurs when the contractual rights to receive cash flows of such have been relinquished or expired, having transferred substantially all risks and rewards inherent to the ownership of such. When the financial asset is derecognised, the difference between the consideration received and the carrying value of financial asset determines the gain or loss arising on derecognising of the asset as part of the profit in it to produce.

2. Financial Liabilities

a. Debts and Payables

Debts and payables are initially measured at fair value, unless contrary evidence is the price of the transaction, which is equal to the fair value of the consideration received adjusted for transaction expenses directly attributable to them. However, the debts by trading with maturity not exceeding one year and not having a contractual interest rate are measured at their nominal value when the effect of not discounting the cash flows is not significant.

The payment to suppliers is made according to the terms and conditions of payment established in their contracts.

The subsequent measurement is carried at amortized cost. Accrued interest is recorded in the profit and loss account using the method of effective interest rate. However, the debts due to trade up to one year to be initially measured at their nominal value, will continue to value for that amount.

b. Financial liabilities held for trading

There are no financial liabilities held for trading.

c. Derecognition of financial liabilities

The derecognition of a financial liability occurs when the obligation is extinguished. The difference between the carrying amount of the financial liability and the consideration paid is recognized in the profit and loss account in the period in which it occurs.

3. Own equity instruments

The Community does not have its own equity instruments.

4. Bonds delivered and received

The Community does not receive Bonds for operating leases or services.

f. **Stocks**

No items in this category.

g. **Transactions in foreign currency**

There have been no transactions in currencies other than euro.

h. Income Tax

Does not apply in the homeowners association, since it is a non profit organization that does not carry on business it is not subject to the accounting requirement imposed by the Commercial Code Article 25 for all entrepreneurs.

i. Profit Tax

Does not apply in the homeowners association, since it is a non profit organization that does not carry on business it is not subject to the accounting requirement imposed by the Corporation Tax Article 121.1, since all its incomes have an specific finality (community fees) ,and are not an economic commercial activity.

j. Income and expenditure

The Income and expenses are recognized in the profit and loss account based on the actual flow of goods and services they represent and regardless of the moment when the monetary or financial flow occurs.

For operational reasons and since their impact does not represent a significant economic effect on the enclosed financial statements and following the principles of uniformity that we apply every year, the consumption of the energy supply of the last billing period is recorded in January-February books of the following year.

Income from the sale of goods and services is valued at the fair value of the consideration received or receivable resulting there from and unless evidence of the contrary, is the agreed price for such goods or services.

The revenue from services is recognized by considering the percentage of completion of service to the close of the year, when the amount of income, the degree of implementation, the costs already incurred and still to be incurred can be measured reliably and it is likely that the Company receives the benefits or economic returns resulting from the transaction.

In the case of services whose outcome can not be estimated reliably, revenue is recognized only by the amount of the expenses recognized that are recoverable.

Annexed to this Report is the budget reconciliation for 2012 of the General Community and the consolidated budget reconciliation for 2012 of the Subcommunities, were you may see the differences with regards to was budgeted and comments that we consider of interest.

k. Provisions and Contingencies

No items in this category.

l. Personnel Costs

No items in this category.

m. Grants, donations and bequests

No items in this category.

n. Business Combinations

There are no transactions or legal business that may be defined as business combinations.

o. Joint Ventures

There is no economic activity controlled jointly with another person or entity.

p. Criteria used in related party transactions.

There are no related party transactions.

5. TANGIBLE, INTANGIBLE AND INVESTMENT PROPERTY.

There are no tangible, intangible and investment properties.

6. FINANCIAL ASSETS

The breakdown of Long-term consolidated financial assets is the following:

<i>Loans, derivatives and other</i>	2012	2011
<i>Financial assets at amortized cost</i>		
Other financial assets	400.000,00 €	300.000,00 €
Commercial Credits		
Total	400.000,00 €	300.000,00 €

The breakdown of Short-term consolidated financial assets is the following:

<i>Loans, derivatives and other</i>	2012	2011
<i>Financial assets at amortized cost</i>		
Other financial assets	191.336,74 €	512.197,31 €
Commercial Credits	492.422,39 €	474.192,76 €
Total	683.759,13 €	986.390,07 €

The breakdown of the maturity of the consolidated financial assets in the short term is the following:

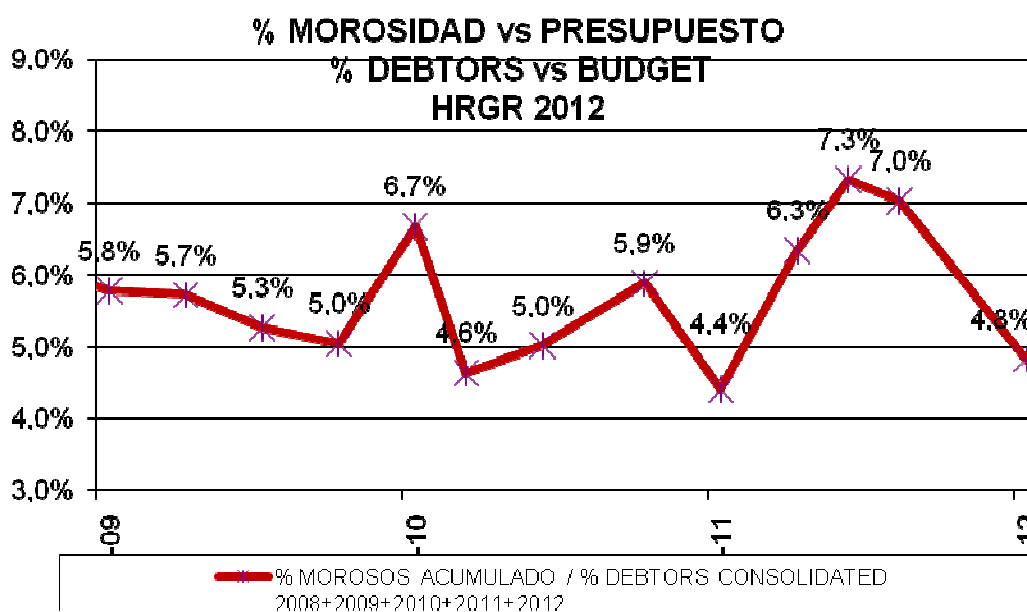
	2013	2014	2015	2016	2017ss	Total
<i>Trade and other payables</i>						
Clients	492.422,39 €					492.422,39 €
Other financial Assets	191.336,74 €	400.000 €				591.336,74 €
Total	683.759,13 €	400.000 €				1.083.759,13 €

The parcel of receivables of this Community of Owners “clients” corresponds to the existing debt in relation to the payment of the fees of the Community that all owners are obliged to.

At close of the fiscal year 2012, the percentage of total debt in the Community of Owners Hacienda Riquelme Golf Resort is about 4.8% of the total invoiced until end date of the exercise.

It is not considered necessary to recognize a provision for bad debts due to the special legal protection that the outstanding community fees have under the Horizontal Property Law and due to the follow up that is being done by the Administration, lodging for the Sub communities judicial claims for pending fees with a high percentage of success.

The following shows the evolution of the debt % at the end of each financial year in relation to the turnover accrued to that date:



The Community of Owners maintains during the year 2012 deposits in two banks, as per the following detail:

- La Caixa : 300.000 €. 2 deposits of 150.000 € each Liquid interest obtained as of 31/12/2012 amounting 859,79 € . Another 8.295 € settled in accounts will be included as Financial Incomes in 2013. Both deposits will end on 15th March 2014.
- Cajamurcia : 100.000 € . Deposit renewed on 13/11/2012 .Liquid interests obtained during 2012 of 283,69 €. Deposit ends on 13th June 2014
- Cajamurcia : 90.000 € . Liquid interests obtained during 2012 of 1.095,75 €. It was cancelled on 12th May 2012
- Cajamurcia : 80.000 € . Liquid interests obtained during 2012 of 974 €. It was cancelled on 18th May 2012
- Cajamurcia : 80.000 € . Liquid interests obtained during 2012 of 974 €. It was cancelled on 18th May 2012

7. FINANCIAL LIABILITIES

There are no long term liabilities.

The breakdown of the consolidated short term financial liabilities is the following:

Loans, derivatives and other	2012	2011
<i>Financial liabilities at amortized cost</i>		
Other debits	204.644,61 €	262.197,31 €
Comercial debits	375.551,15 €	582.427,01 €
Total	580.195,76 €	844.624,32 €

The maturity by years of the financial instruments of the consolidated liabilities at year-end 2011 is as follows:

	2013	2014	2015	2016	2017ss	Total
Trade Creditors	375.551,50 €					375.551,50 €
Other Debt	204.644,61 €					204.644,61 €
<i>Total</i>	580.195,76 €					580.195,76 €

The Community of Owners has no debt with real estate guarantees.

The Community of Owners has no credit loans, credit facilities or other loans outstanding at year end.

8. EQUITY

The equity consists of the Reserve Fund and the Results for the year to 31st December, 2012.

The reserve fund established by 31 December 2012 amounts to 691.254,71 € and corresponds to the consolidated reserve fund for 2012 for an amount of 825.880,44 € deducting the 2012 Loss Result amounting 134.625,73 €.

In addition, there is a Fund for Bad Debt Provision amounting 175.046,46 €, to cover doubtful receivables from debtors owing fees prior to 31.12.2010 as of 31.12.2012.

The consolidated results for the period December 31, 2012 totaled -134.625,73 Euros, whose proposed distribution is expressed in the note 3 of this report.

The Community of owners established in its Constitution Statutes for the Community in article 5 bis "Common Elements" to provide a fund at all times whose destiny is to be reserved for maintenance and repair works on the estate, which is a 20% of the last approved ordinary budget.

9. FISCAL STATUS

Not applicable in the Community of Owners (see note 4 of the report)

10. INCOMES AND EXPENSES

The breakdown corresponding for other operating expenses from the profit and loss consolidated account is the following:

7. Other operating expenses	2012	2011
External Services	2.894.616,01 €	2.533.808,46 €
Total	2.894.616,01 €	2.533.808,46 €

The net amount of turnover, as reflected in section 1 of the consolidated profit and loss account, is detailed as follows,

1. Net Turnover	2012	2011
Income from Community fees	2.647.077,88 €	2.363.945,75 €
Total	2.647.077,88 €	2.363.945,75 €

There have been no sales of goods or services produced by non-monetary exchange of goods and services.

The breakdown corresponding to other results of the consolidated profit and loss account is the following:

12. Other results	2012	2011
Exceptional Income	22.628,58 €	39.835,28 €
Total	22.628,58 €	39.835,28 €

11. ENVIRONMENTAL INFORMATION.

The Owners Associations have no liability, expenses, assets, provisions or contingencies regarding environmental nature that could be significant regarding the assets, liabilities, financial position and results of it. Therefore, no specific disclosures have been included in this report of the annual accounts in reference to information of environmental nature.

12. NOTES TO THE BUDGET

With reference to the liquidation of the consolidated budget of the Sub communities, it is considered necessary to indicate that the budget does not provide the item for the purpose of maintaining the facades of buildings detailed in Article 5 ° A A) 3 of the Statute, due to the lodging of a lawsuit by 76 Sub communities for construction defects against the construction company, the developer, surveyors and architects in charge, which includes, among it the repair of those building facades. Once those works or refurbishments have been finalized and according to their results, it will be estimated if a budget is required for this concept for future years.

President of the Community of owners,

Signatures,