



QUINTA DO LAGO  
COUNTRY CLUB LIMITED  
&  
QPS, S.A.

2015  
*Financial Information*

Dear Members,

In keeping with our normal processes, set out within the “Articles of Association” and “Club Rules” the more detailed “Reports and Financial Statements for the year ended 31<sup>st</sup> December 2015” will be distributed to Members in October 2016, prior to the AGM which is scheduled for 5<sup>th</sup> November 2016.

The Board has decided to provide Members with a summary of the 2015 results as the relevant numbers are known and have been confirmed.

Summary Comment on 2015 Financial Statements

Members’ attention is drawn to the following points:

2015 ended positively with a net profit of € 11.000 compared with a loss of € 71.000 last year. The expenditure for investment through Reserve Fund was €111.000 in the year.

Recurring income (Management fees) has decreased by 3.5% as a direct result of Members returning weeks and/or not paying the annual management fee. This has been balanced by an increase of nights/weeks rental and the sale of inventories weeks following persistent efforts by the Management. It is felt that this trend is likely to continue and the Club has put considerable effort to explore new sources of revenues (rentals) and to promote new concepts and upgrade the image of the Club.

The Management has exercised strong control over the Club's general expenses and as a result these have been kept at a reasonable level.

However, Operating Costs have increased by 7% compared with last year with the main factors being, the hiring of Hugo Caetano, expansion of short duration rental and the consequential impact on housekeeping and laundry expenses, plus a sharp increase in Taxes.

Please note that the Members will be provided with details of the Operating Budget 2017 in October 2016 and will also vote at the AGM in November 2016 on the Maintenance Programme 2017.

As has been previously outlined the Budget and Maintenance Programme are published in the preceding year for consideration at the AGM.

Finance Committee

April 2016

## QPS, S.A. - 2015 Financial Information

PROFIT AND LOSS ACCOUNT		2015	2014
<b>INCOME</b>	Management Fees	1.055.271,40	1.093.974,71
	Sale Inventory Weeks	57.950,00	7.200,00
	Re-sales	21.787,50	22.500,00
	Other Services (net)	211.672,89	186.717,99
	Interest and Sundries	13.764,32	45.757,86
	<b>Total</b>	<b>1.360.446,11</b>	<b>1.356.150,56</b>
<b>EXPENSES</b>	Operating Costs	1.144.080,29	1.064.216,70
	Sale Inventory Weeks	44.798,00	6.124,00
	Replacements and Renovation	0,00	3.179,50
	Provisions	15.127,50	17.597,41
	Depreciations	117.513,71	96.606,62
	<b>Total Expenses</b>	<b>1.321.519,50</b>	<b>1.187.724,23</b>
	Reserve Fund Results (net)	19.537,50	204.113,81
	<b>Total</b>	<b>1.341.057,00</b>	<b>1.391.838,04</b>
	<b>SURPLUS / -DEFICIT</b>	<b>19.389,11</b>	<b>-35.687,48</b>
	Deferred Tax	-8.246,74	-35.461,53
	<b>PROFIT / -LOSS</b>	<b>11.142,37</b>	<b>-71.149,01</b>
<b>COMPANY BALANCE SHEET</b>		<b>2015</b>	<b>2014</b>
<b>ASSETS</b>	Cash and Bank	711.962,40	734.344,28
	Receivables	178.566,51	172.124,04
	Inventory Weeks	1.068.775,00	952.675,00
	Other Assets	63.596,44	68.039,99
	Equipment and Indoor Swimming Pool	1.065.564,16	1.007.358,46
	Refurbishment and Other Fixed Assets	812.677,12	728.769,85
	Depreciation	-1.074.243,23	-956.729,52
	Building and Furniture	6.138.179,19	6.138.179,19
	Depreciation	-6.138.179,19	-6.138.179,19
	Land	2.661.768,86	2.661.768,86
	Accruals	17.488,76	25.009,41
	<b>Total</b>	<b>5.506.156,02</b>	<b>5.393.360,37</b>
<b>LIABILITIES</b>	Bank - Loan	0,00	0,00
	Creditors, Tax, Social Security	660.151,43	729.638,70
	Reserve Fund & Reserves on Tangible Fixed Assets	604.002,76	589.425,34
	Accruals	112.583,52	105.100,80
	Capital and Reserve Capital	4.118.275,94	4.040.344,54
		5.495.013,65	5.464.509,38
	Profit /-Loss Current Year	11.142,37	-71.149,01
	<b>Total</b>	<b>5.506.156,02</b>	<b>5.393.360,37</b>
<b>OPERATING COSTS</b>	<b>Budget 2016</b>	<b>2015</b>	<b>2014</b>
Administrative & General	123.500	103.613,97	106.385,59
Communication	11.500	9.295,23	10.980,62
Electricity, Gas & Water	133.000	137.166,65	132.527,20
Garden & Grounds	9.100	8.615,56	7.317,50
Housekeeping & Laundry	35.000	33.650,80	26.788,53
Repairs & General Maintenance	72.600	59.282,81	53.592,52
Maintenance Contracts	43.600	38.225,07	37.411,25
Credit Card Fees & Financial Costs	21.000	20.132,20	21.322,15
Salaries, Staff Transport & related Costs	691.100	668.413,36	614.223,14
Property Tax & Other Taxes	63.750	65.684,64	53.668,20
<b>Total Operating Costs</b>	<b>1.204.150</b>	<b>1.144.080,29</b>	<b>1.064.216,70</b>