

## **Address from the President**

2<sup>nd</sup> June 2025

Dear Members,

Attached to this letter are the Summary Accounts for the year 2024 and the Agenda for the General Meeting to be held on the 17th of June 2025 at 3pm at the Clubhouse.

The AGM is required to formally approve the 2024 Accounts and related technical matters.

A proxy form is also enclosed, which you may wish to complete and return if you are unable to attend.

The Annual Accounts, the audited statutory accounts in Spanish (and the translation in English) are available on the corporate web page [www.lacalagolf.es](http://www.lacalagolf.es).

I wish to comment briefly on our performance in 2024, an update for 2025 and other related matters.

### **Financial Results**

I am very pleased to report an excellent result for 2024.

EBITDA (earnings before interest, tax, management charge, rental, depreciation and exceptionals) was €3.021m versus €2.442m in 2023 – a positive variance of €578k, (+24%).

Total revenues of €9.050m were generated during the year, an increase on 2023 of €1.071m (+13%).

The number of rounds played was 133.964 (a record year) compared to a total of 130.404 in the previous year, with an average yield per golfer of €67.56, an increase of €6.37 per round (+10.4%) compared to 2023.

The Academy revenues were €322k in 2024, a decrease of €9k (–3%) compared with 2023.

The Golf Shop and Buggy Beverage revenues were €1.230m in 2024, an increase of €146k (+13%) compared with 2023.

Payroll and Other Costs totaled €5.506m, an increase of 10% on 2023 mainly due to staffing, increased activity and providing better quality golf experience. This is 61% of revenue in 2024 versus 62% of revenue in 2023. Expenditure to ensure good quality product is key in our business and despite increasing cost pressures, we continue to implement strategies to achieve these objectives.

The Company had bank debt of €756k at end of year 2024 compared to €1,001k at end of year 2023, a decrease of €245k.

The Company's cash balances were €1.326m, compared to €1.954m at year end 2023.

Therefore, the Company was Net Cash positive, €569k at year end 2024 compared to €953k at year end 2023.

The positive situation during the year allowed the Company to continue to invest in its assets.

The company's main shareholder, Ranchos Reunidos S.A. and Group continues to provide financial support when required.

The Company approved 13 share transactions between individual active members during 2024 with an average price of €3,600.

Also, during 2024, the majority shareholder acquired 21 shares from non-active members. An initial 12 shares were acquired at a price of €2,500 each and the final 9 shares at a price of €3,000 each. The majority shareholder owned 81.04% of the Company at year end.

## **Resort Improvement, Investment & Change 2024 and Plans for 2025.**

During 2024 the Company continued to invest in improving the product and golf experience.

The investment spend was €1.045m.

The following is a summary of the major investments in 2024:

- General Course improvements – €149k. (This includes €26k sustainable)
- Upgrade greens and Tee areas (America) – €114k. (Sustainable)
- Continued investment in golf machinery – €372k. (This includes €170k of sustainable machinery)
- Road Infrastructure and Parking project – €410k.

We are planning to invest €689k in 2025. This will be focused on the following:

- Academy Upgrade – €50k. (Sustainable)
- General course improvements – €188k. (This includes €48k of sustainable)
- Golf machinery/equipment – €451k. (This includes €195k of sustainable machinery).

Further investment will also be made in the Resort Infrastructure and Parking project. The project is progressing well and it is expected to be completed by the end of this year.

Some of the key features include:

- An expanded parking area surrounding the Clubhouse. (from 175 parking spaces before works increasing to 335 when completed).
- A new tunnel going from the buggy pick up area, will take golfers directly to the America and Europa courses.
- New road and roundabouts to improve traffic flow from adjoining roads.

The total cost of this project will be €5m and the Company's share of this project is estimated at €1.5m. This includes the €410k investment in 2024.

La Cala continues to work on becoming one of the greenest golf resorts in Europe. The investments in 2024 and in 2025 were and continue to be focused on being more environmentally friendly while using sustainable technology. ESG (Environmental, Social and Governance) is a key pillar of the Company's strategy.

## **General Outlook**

There are still uncertainties due to the continuing conflicts in Ukraine and the Middle East. Furthermore, the United States recent trade tariffs brings more uncertainty to the global economy and is likely to lead to slower economic growth in the foreseeable future.

We are currently experiencing lower demand for our product to date. This has not been helped by the poor weather from February to April. Advance green fee bookings for 2025 are down 3% on 2024. We are still cautiously optimistic for 2025 and we expect to recover the shortfall during the year.

We continue to invest in our sales and marketing, particularly on digital marketing, as well as working with key golf tour operators throughout Europe to diversify and grow the business.

Costs are closely controlled but without compromising on the quality of the courses and related facilities. Cost pressures continue throughout our business.

We wish to thank again our Board Colleagues, the Management and the Team, together with the Captains, Vice Captains and Committee Members for their hard work, assistance and dedication throughout the year. I would also like to acknowledge the support of our active membership base.

In conclusion, the Company continues to make excellent progress and had a very successful year in 2024. Reporting an EBITDA of €3.021m with a positive net cash position is an excellent outcome.

It has been a challenging start to 2025, with forward bookings and performance lower than same time last year. However, while we are still positive, we are mindful of the uncertainties as outlined above.

The Company's main priorities are to maximize performance to ensure high standard product and service, allow key investments and at the same time continuing to reduce gross bank debt.

Yours sincerely,

**David Kelly.**  
**President.**

**LA CALA GOLF CLUB, S.L.**  
**ACTUAL JANUARY/DECEMBER 2024 Vs 2023**  
**PROFIT & LOSS ACCOUNT**

DESCRIPTION	(Euros'000) ACTUAL 2024	(Euros'000) ACTUAL 2023	(Euros'000) VARIANCE	%
GREEN FEES & BUGGY HIRE & OTHER	7.498	6.564	934	14%
ACADEMY	322	331	(9)	-3%
GOLF SHOP & BUGGY BEVERAGE	1.230	1.084	146	13%
TOTAL REVENUE	9.050	7.980	1.071	13%
PROSHOP MATERIAL COSTS	448	402		
BUGGY COST	41	116		
ACADEMY	35	35		
TOTAL DIRECT COST OF SALES	524	553	29	5%
GROSS PROFIT	8.526	7.427	1.100	15%
ENERGY COST	384	348		
PAYROLL COST	2.623	2.391		
SECURITY	118	98		
ADMIN. & GENERAL (*)	594	496		
MARKETING (**)	378	351		
MAINTENANCE & CAPITAL REPLACEMENT	1.408	1.302		
TOTAL PAYROLL AND OTHER COSTS	5.506	4.984	(521)	-10%
EARNINGS BEFORE INTEREST, TAXES, DEPREC. & OTHERS	3.021	2.442	578	24%
MANAGEMENT CHARGE	633	479		
NON RECURRENT EXPENSES (INCOME)	(13)	30		
RENTAL THIRD GOLF COURSE AND OTHERS	505	494		
NET FINANCIAL EXPENSES	(19)	3		
DEPRECIATION FIXED ASSETS	512	425		
CORPORATE TAX	352	216		
NET PROFIT	1.050	796		

(\*) **ADMIN & GENERAL analysis**

Admin, HHRR, IT, Techn, Golf management & related supp services	131	109
TownHall local taxes	99	96
External services	364	291
	594	496

(\*\*) **MARKETING analysis**

Intercompany marketing	302	266
External marketing	77	85
	378	351

**LA CALA GOLF CLUB , S.L.****BALANCE SHEET AT 31st DECEMBER 2024 AND 2023**

	31/12/2024 (Euros'000)	31/12/2023 (Euros'000)
<b>FIXED ASSETS</b>	<b>8.837</b>	<b>8.324</b>
Deferred tax assets	175	227
<b>CURRENT ASSETS:</b>		
Stocks	288	203
Due from related companies	1.656	631
Trade debtors and other	206	203
Cash at Bank and in Hand	1.326	1.954
<b>TOTAL CURRENT ASSETS</b>	<b>3.476</b>	<b>2.990</b>
<b>CURRENT LIABILITIES:</b>		
Due to Ranchos Reunidos, S.A. & group	1.032	1.203
Creditors and Accruals	1.958	1.650
Bank Loan and credit facility	203	245
<b>TOTAL CURRENT LIABILITIES</b>	<b>3.193</b>	<b>3.098</b>
<b>NET CURRENT ASSETS</b>	<b>283</b>	<b>(108)</b>
<b>NON - CURRENT LIABILITIES:</b>		
Bank Loan and credit facility	553	756
Guarantee and deposits received	18	16
Deferred Tax liabilities	2	8
Provision for commitments with staff	302	294
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>875</b>	<b>1.074</b>
<b>NET ASSETS</b>	<b>8.419</b>	<b>7.369</b>
<b>FINANCED BY:</b>		
Share capital	6.945	6.945
Reserves / Results of prior years	424	(372)
Subventions	0	0
<b>Net Result for the year</b>	<b>1.050</b>	<b>796</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>8.419</b>	<b>7.369</b>