

Re: THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC._SEC FORM 201S(PRELIMINARY INFORMATION STATEMENT)_04 September 2023

CGFD LD <cgfd_ld@sec.gov.ph>

Mon 9/25/2023 3:06 PM

To:AMKL [REDACTED]

Cc: [REDACTED]

<[REDACTED]>

<[REDACTED]>

<[REDACTED]>

Dear Sir/Madam,

This refers to the Definitive Information Statement (DIS) and Management Report of **The Country Club at Tagaytay Highlands, Inc.**, which was sent via email on 15 September 2023. We found that the said DIS and MR are in order, thus the company is advised that said reports are okay for distribution to its stockholders.

Your feedback is important to help us improve the delivery of our service to the public. To this end, kindly accomplish the Client Satisfaction Survey through this link: https://bit.ly/cgfd_ld_external

Your response is highly appreciated. Thank you.

On Fri, Sep 15, 2023 at 3:53 PM CGFD LD <cgfd_ld@sec.gov.ph> wrote:

Dear Sir/Madam,

This is to acknowledge receipt of your email. This will be forwarded to our handling Specialist.

*On **12 May 2021**, the Commission issued a **NOTICE** with subject "Revised Guidelines on the Submission of Documents, Issuance of Payment Assessment Form, Other Request and Compliance", as a Guidance for the covered companies indicated therein. To view the complete Notice, please click this link - <https://www.sec.gov.ph/notices/revised-guidelines-on-the-submission-of-documents-issuance-of-payment-assessment-form-other-requests-and-compliance/>. This will supersede CGFD Notices dated June 24, 2020 and July 20, 2020 and incorporate submission requirements in SEC Memorandum Circular No. 3, Series of 2021 applicable for CGFD covered companies.*

Insofar as the covered companies enumerated therein are concerned (and with respect to reports, applications, requests and other documents falling within our Department's jurisdiction), only the submissions that are compliant with the requirements provided in the abovementioned Notice and SEC Memorandum Circular No. 3, Series of 2021 shall be considered as filed with the Commission.

We encourage you to regularly monitor the SEC Website (www.sec.gov.ph) and/or the SEC's Facebook page for updates and announcements.

Thank you.

----- Forwarded message -----

From: AMKL [REDACTED]

Date: Fri, Sep 15, 2023 at 3:48 PM

Subject: THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC._SEC FORM 201S(PRELIMINARY INFORMATION STATEMENT)_04 September 2023

To: CGFD LD <cgfd_ld@sec.gov.ph>

Cc: [REDACTED]

<[REDACTED]>

<[REDACTED]>

<[REDACTED]>

Gentlemen:

As directed, we resubmit herewith the Definitive Information Statement of The Country Club at Tagaytay Highlands, Inc.

Thank you.

Regards,

Ann Margaret Lorenzo

Assistant Corporate Secretary



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: **ALL STOCKHOLDERS**

NOTICE is hereby given that there will be an annual meeting of the stockholders of **The Country Club at Tagaytay Highlands, Inc.** (the "Corporation") on **07 October 2023, Saturday at 11:00 AM**, at the Country Club Veranda, Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City, to consider the following:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders
5. Presentation of Results of Operations and Financial Statements 2022
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

The Board of Directors has fixed the close of business on **08 September 2023, Friday** as the record date for the determination of the stockholders entitled to notice of participation via remote communication, and voting in absentia at such meeting, and any adjournment thereof.

For those personally attending, pre-registration is encouraged and you may confirm your personal attendance by registering at www.tagaytayhighlands.com/annual-stockholders-meeting/. Registration may also be done on-site on the day of the annual meeting. Those who prefer to cast their vote in absentia may do so by registering online at www.tagaytayhighlands.com/annual-stockholders-meeting/ from **21 September 2023, Thursday until 30 September 2023, Saturday at 5:30 P.M.** Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how they can cast their votes on matters to be taken up during the meeting using the Corporation's e-voting platform to be set up for the purpose. The e-voting platform will be accessible until **9:00 A.M. of 07 October 2023, Saturday**.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Tektite Towers, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to membership.th@tagaytayhighlands.com on or before **11:00 A.M. on 05 October 2023, Thursday**. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on **05 October 2023, Thursday at 12:00 N.N.** The votes already cast using the e-voting platform by that time will also be tallied on said date.

City of Pasig, Metro Manila, **12 September 2023**.

(Sgd.) **ANN MARGARET K. LORENZO**
Assistant Corporate Secretary

Our Definitive Statement and Financial Reports and Minutes of 2022 Annual stockholders' Meeting can be downloaded at www.tagaytayhighlands.com/annual-stockholders-meeting/.

To access or view **The Country Club at Tagaytay Highlands, Inc.'s 20-IS Definitive Statement**, you may use any of the following methods:

Via www.tagaytayhighlands.com/annual-stockholders-meeting/ website:

- Click on **The Country Club at Tagaytay Highlands, Inc.** from the list under DEFINITIVE INFORMATION STATEMENT AND FINANCIAL REPORTS.

Via QR Code*

- Go to your mobile app store (App Store or Play Store) using your smart phone.
- Type in **QR Code Reader**. Choose an application under the category then download and install in your phone.
- Once installed, simply open the App, point the camera and scan the QR code.
- Once the QR code is in focus, the App will connect you to the site where you can download the 2022 Definitive Information Statement.
- Download the 2022 Definitive Information Statement.

QR CODE



Request for a soft copy

You may reach our team at membership.th@tagaytayhighlands.com to request for soft copy. Please provide your complete name and a valid email address.

Request for a hard copy

The hard copy of the 20-IS Definitive Information Statement shall be made available upon request of the shareholder. Please contact our team membership.th@tagaytayhighlands.com or call us 0917-189-2410 and look for Ms. Lorela A. Digno. Please provide your complete name and postal address.

COVER SHEET

A S O 9 5 0 0 7 8 2 7
S.E.C. Registration Number

T H E C O U N T R Y C L U B A T T A G A Y T A Y
H I G H L A N D S , I N C .
(Company's Full Name)

T A G A Y T A Y H I G H L A N D S C O M P L E X
B A R A N G A Y C A L A B U S O T A G A Y T A Y C I T Y
(Business Address: No. Street City / Town / Province)

MARIA CLARA T. KRAMER
Contact Person
[Redacted] Company Telephone Number

1 2 - 3 1
Month Day

1 0 - 0 7
Month Day

Calendar Year

Annual Meeting

S E C F O R M 2 0 - 1 5
(D E F I N I T I V E)

[Redacted]
Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

2 6 0 7
Total No. of Stockholders

Total Amount of Borrowings
[Redacted] Domestic

[Redacted] Foreign

To be accomplished by SEC personnel concerned

[Redacted]
File Number

LCU

[Redacted]
Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: **ALL STOCKHOLDERS**

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AGENDA¹

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders
5. Presentation of Results of Operations and Financial Statements 2022
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

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For those personally attending, pre-registration is encouraged and you may confirm your personal attendance by registering at www.tagaytayhighlands.com/annual-stockholders-meeting/. Registration may also be done onsite on the day of the annual meeting. Those who prefer to cast their vote in absentia may do so by registering online at www.tagaytayhighlands.com/annual-stockholders-meeting/ from **21 September 2023, Thursday until 30 September 2023, Saturday, at 5:30 P.M.** Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how they can cast their votes on matters to be taken up during the meeting using the Corporation's e-voting platform to be set up for the purpose. The e-voting platform will be accessible until 9:00 A.M. on **07 October 2023, Saturday**.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Tektite Towers, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to membership.th@tagaytayhighlands.com on or before 11:00 a.m. on **05 October 2023, Thursday**. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on **05 October 2023, Thursday** at **12N.N.** The votes already cast using an e-voting platform by that time will also be tallied on said date.

City of Pasig, Metro Manila, 12 September 2023.


ANN MARGARET K. LORENZO
Assistant Corporate Secretary

¹ See next page for the explanation for each agenda item.

RATIONALE FOR AGENDA ITEMS

Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders held last 15 October 2022

Copies of the Minutes of the 2022 Annual Stockholders' Meeting held last 15 October 2022 was made available to the stockholders shortly after the meeting last year at <https://www.tagaytayhighlands.com/wp-content/uploads/2023/03/ASM-221015-TCCATHI.pdf> Stockholders will be asked to approve the Minutes of the 2022 Annual Stockholders' Meeting as recommended by the Board of Directors.

Agenda Item No. 5. Presentation of 2022 Operations and Results

A report on the highlights of the performance of the Corporation for the year ended 2022, together with a summary of the 2022 Audited Financial Statements (AFS), will be presented to the Stockholders. The AFS has been reviewed by the Audit Committee and the Board of Directors and has been audited by the external auditors who declared an unqualified opinion on the same. Stockholders will be given an opportunity to raise questions regarding the operations and report of the Corporation. The stockholders will be requested to approve the President's Report together with the AFS.

Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting.

All actions, proceedings, and contracts entered into, as well as resolutions made and adopted by the Board of Directors, the different committees, and of Management from the date of the last Stockholders Meeting held on 15 October 2022 up to the date of this stockholders' meeting (07 October 2023) shall be presented for confirmation, approval, and ratification.

Agenda Item No. 7. Election of Directors for 2023 to 2024

The candidates named in this Information Statement have been nominated for election to the Corporation's Board of Directors. Their proven expertise and qualifications based on current regulatory standards and the Corporation's own norms will help sustain the Corporation's solid performance that will result to its stockholders' benefit. The profiles of the Directors are further detailed in the Corporation's Information Statement. If elected, they shall serve as such for one (1) year from 07 October 2023 or until their successors shall have been duly elected and qualified.

Agenda Item No. 8. Appointment of External Auditors

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the re-appointment of Reyes Tacandong & Co. as the Corporation's External Auditor for 2023. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2023.

PROXY FORM

The undersigned stockholder of The Country Club at Tagaytay Highlands, Inc. (the "Corporation") hereby appoints _____, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Corporation on **07 October 2023** and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

_____ 1.1. Vote for all nominees listed below:

- 1.1.1. Jerry C. Tiu
- 1.1.2. Jessica Bianca Sy
- 1.1.3. Mischel Gabrielle O. Mendoza
- 1.1.4. Manuel B. Sy (Independent Director)
- 1.1.5. Gina Marie G. Angangco (Independent Director)

_____ 1.2. Withhold authority for all nominees listed above.

_____ 1.3 Withhold authority to vote for the nominees listed below:

2. Approval of minutes of previous Annual Stockholders' Meeting.

_____ Yes _____ No _____ Abstain

3. Approval of the President's 2022 Annual Report with the Audited Financial Statements.

_____ Yes _____ No _____ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to October 7, 2023.

_____ Yes _____ No _____ Abstain

5. Reappointment of Reyes Tacandong & Co. as external auditor.
_____ Yes _____ No _____ Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

_____ Yes _____ No _____ Abstain

Printed name
of Stockholder

Signature of
Stockholder/
Authorized Signatory

Date

This Proxy need not be notarized, and when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this Proxy will be voted "for" the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by Management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 05 OCTOBER 2023 (THURSDAY).

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of _____ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _____;
2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

"RESOLVED, that the Chairman of the Stockholders' Meeting of The Country Club at Tagaytay Highlands, Inc. ("Country Club") be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of the Country Club whether the meeting is regular or special, or at any meeting postponed or adjourned there from, with full authority to vote the shares of stock of the Corporation held in the Country Club and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

"RESOLVED, FINALLY, that the Country Club be furnished with a certified copy of this resolution and the Country Club may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in on _____.

Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____. Affiant exhibited to me his Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. ;
Page No. ;
Book No. ;
Series of
2023.

THIS SECRETARY'S CERTIFICATE SHOULD BE ATTACHED TO PROXY FORMS SUBMITTED BY CORPORATE STOCKHOLDERS.

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC. 2023 ANNUAL STOCKHOLDERS' MEETING

Guidelines for Voting *in Absentia*

The Board of Directors of The Country Club at Tagaytay Highlands, Inc. (the “Club”) has set the date of the Club's 2023 Annual Stockholders' Meeting (**ASM**) on 07 October 2023 at 11:00 A.M. The end of business day on **08 September 2023** (“**Record Date**”) has also been set as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at such meeting and any adjournment thereof.

In light of the pandemic, the Board of Directors of the Club has also approved and authorized stockholders to exercise their right to vote *in absentia* or by proxy, if they opt not to attend the meeting in person.

REGISTRATION

The Stockholders may attend the face-to-face annual meeting, the registration can be done on the date of the annual meeting or online until **September 30, 2023, Saturday, 5:30 P.M.** Stockholders opting to exercise their right to vote in absentia or by proxy will also be required to register online.

To register, the stockholders must send an e-mail to membership.th@tagaytayhighlands.com and submit the following requirements and documents, subject to verification and validation:

1. Individual Stockholders
 - 1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others, in order to validate the registration of the shareholder.
 - 1.2. Stock certificate number
 - 1.3. Active e-mail address/es
 - 1.4. Active contact number/s, with area and country codes
2. Multiple Stockholders or with joint accounts
 - 2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders
 - 2.2. Stock certificate number/s
 - 2.3. Active e-mail addresses of the stockholders
 - 2.4. Active contact numbers, with area and country codes
 - 2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account.
3. Corporate Stockholders
 - 3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to participate and vote for and on behalf of the corporation
 - 3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID,

senior citizen ID, among others, to validate the registration of the authorized representative.

- 3.3. Active e-mail address/es of the authorized representative
- 3.4. Active contact number of an authorized representative, with area and countrycodes

By providing the Club with the foregoing documents for the purpose of validating credentials and registration to participate and vote at the Club's annual stockholders' meeting, **the registering stockholder is deemed to have consented to the Club's processing of his personal data in accordance with the Data Privacy Act.**

For ease of validation, the registering stockholder shall note the following:

- a. The ID submitted must clearly show his/her photo, full name, signature, residential address, and other personal details.
- b. Any duplicate submission and/or inconsistent information/documents may result to a failed registration.

ONLINE VOTING

After registration and upon verification of registration credentials, a link to the voting portal, with instructions, will be sent by the Club to the qualified stockholder's registered e-mail address.

1. Log-in to the voting portal by clicking the link.
2. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of Meeting.
 - 2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.
 - 2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

Note: A stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (5 directors) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.

3. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the "Submit" button. After the electronic ballot has been submitted, the registered stockholder may no longer make any changes.

Please be advised that the voting platform will be made available from **21 September 2023 (Thursday)** until 9:00 am in the morning of **07 October 2023 (Saturday)**.

OPEN FORUM

During the meeting, after all items in the agenda have been discussed, the Club will have the Question-and-Answer Portion, where the representatives of the Club shall answer the questions, as time will allow.

For any concerns, please email us at membership.th@tagaytayhighlands.com

For complete information on the annual meeting, please visit www.tagaytayhighlands.com.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter: **The Country Club at Tagaytay Highlands, Inc.**
(the "Country Club" or "TCCATHI")

3. **Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City, Philippines**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **007827**

5. BIR Tax identification Code: **004-734-253-000**

6. Address of principal office: **Bo. Calabuso, Tagaytay City** Postal Code: **4120**

7. Registrant's telephone number, including area code: **(046) 483-0848**

8. Date, time and place of the meeting of security holders:

Date: **07 October 2023**

Time: **11:00 a.m.**

Place: **The Country Club Veranda**

Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City

9. Approximate date on which the Information Statement is to be sent or given to security holders: **15 September 2023**

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: Not Applicable

Address and Telephone No.: Not Applicable

11. Securities registered pursuant to Sections 8 and 12 of the Code or Section 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each
Class

No. of shares of Common Stock
Outstanding as of 08 September 2023

Proprietary
Shares

5,000

12. Are any or all registrant's securities listed on a Stock Exchange?
Yes [] No [**x**]

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED
TO SEND US A PROXY.**

GENERAL INFORMATION

ITEM 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

DATE: **07 October 2023**

TIME: **11:00 A.M.**

PLACE: **The Country Club Veranda
Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City**

Mailing address: **Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City**

Approximate date on which the Information Statement is to be sent or given to security holders: **15 September 2023**

ITEM 2. DISSENTER'S RIGHT OF APPRAISAL

The matters to be voted upon in the Annual Stockholders' Meeting on **07 October 2023** are not among the instances enumerated in Title X, Section 81 of the Revised Corporation Code whereby the right of appraisal, defined to be the right of any stockholder to dissent and demand payment of the fair value of his shares, may be exercised. The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
3. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

- a. No person who has been a director or officer or a nominee for election as director of the Country Club or associate of such persons, have a substantial interest, direct or indirect in any matter to be acted upon.
- b. No director of the Country Club has informed the Country Club in writing that he intends to oppose any action to be taken by the Country Club at the meeting.

CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

- a. The Country Club has **5,000** outstanding shares as of **31 August 2023**. Each common share shall be entitled to one (1) vote with respect to all matters to be taken up during the annual stockholders' meeting with the exception of the election of directors as indicated in item (c) below.
- b. The record date for determining stockholders entitled to notice of and to vote during the annual stockholders' meeting is on **08 September 2023**.
- c. In the forthcoming annual stockholders' meeting, stockholders shall be entitled to elective (5) members to the Board of Directors. Each stockholder may vote such number of shares for as many as five (5) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by five (5) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by five (5).
- d. Security Ownership of Certain Record and Beneficial Owners

Security Ownership of Certain Record and Beneficial Owners

The following table shows the record and beneficial owners owning more than 5% of the outstanding capital stock of the Country Club as of **08 September 2023**:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONS WITH THE ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENT OF CLASS
Proprietary Share	Belle Corporation* 5th Flr., Tower A., Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila, Philippines	Same as record owner	Filipino	2,324 shares	46.48%
Proprietary Share	Ivory Holdings**		Filipino	267 shares	5.34%

*Belle Corporation is a publicly listed corporation. The following are the incumbent members of the Board of Directors of Belle Corporation are Mr. Willy N. Ocier, Ms. Elizabeth Anne C. Uychaco, Mr. Jackson T. Ongsip, Mr. Jacinto C. Ng Jr., Mr. Armin Antonio B. Raquel Santos, Mr. Amando M. Tetangco Jr., Ms. Maria Gracia P. Tan, Ms. Virginia A. Yap, and Mr. Joseph T. Chua. All the members of the Board of Directors of Belle Corporation are Filipino citizens. Mr. Willy N. Ocier and/or Mr. Jackson T. Ongsip have been designated by Belle Corporation to vote on its behalf.

**Mr. Joseph T. Chua or, in his absence, the Chairman of the stockholders' meeting have been designated by Ivory Holdings Inc., to vote for and on its behalf.

The top 20 stockholders of Belle Corporation as of **31 August 2023** are as follows:

	STOCKHOLDERS	TYPE / CLASS	OUTSTANDING & ISSUED SHARES
1	Belleshare Holdings, Inc.	Common	2,604,740,622
2	PCD Nominee Corporation (Filipino)	Common	2,546,303,759
3	PCD Nominee Corporation (Non-Filipino)	Common	1,947,427,508
4.	Sysmart Corporation	Common	1,629,355,469
5	Sybase Equity Investments Corporation.	Common	531,320,577
6	Social Security System	Common	442,402,786
7	Ng, Jacinto C. Jr.	Common	135,860,666
8	Eastern Securities Dev. Corp.	Common	111,730,866
9	Premium Leisure Corporation (form. Sinophil Corp)	Common	99,987,719
10	Ng, Jacinto L. Sr.	Common	88,835,833
11	ParallaxResources Inc.	Common	86,308,131
12	SLW Development Corporation	Common	66,082,333
13	F. Yap Securities, Inc.	Common	57,803,732
14	Eastern Sec. Devt. Corp.	Common	50,000,000
15	Willy N. Ocier	Common	47,026,709
16	Ng, Jacinto C. Jr. and/or Ng, Anita C.	Common	18,293,333
17	Lim Siew Kim	Common	6,200,000
18	James Go	Common	4,816,999
19	William T. Gabaldon	Common	4,000,000
20	Pacita K. Yap or Philip K. Yap	Common	3,500,000

Security Ownership of Management

The following is a tabular presentation of the shares beneficially owned by all directors, executive officers, and nominees of the Country Club as of **30 July 2023**:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	Manuel B. Sy [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Jerry C. Tiu [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Hans T. Sy [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Willy N. Ocier [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Ruben C. Tan [REDACTED]	1 share/Beneficial	Filipino	0.02%
Aggregate Security Ownership of Directors and Officers		5 shares		0.10%

Voting Trust Holders of 5% or more

There is no party that holds any voting trust or any similar agreement for 5% or more of the Country Club's voting securities.

Changes in Control

The Country Club is not aware of any arrangement that may result in a change in control of the Country Club.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

a. Directors, Executive Officers, Promoters and Control Persons

The following are the incumbent Directors of the Club who are nominated for re-election as members of the Board of Directors for 2023-2024:

NAME	NATIONALITY	POSITION	AGE	TERM OF OFFICE
Manuel B. Sy	Filipino	Chairman & Lead independent director	65	2021 to present
Jerry C. Tiu	Filipino	President & Director	66	2001 to present

The following are the incumbent officers of the Club:

NAME	NATIO- NALITY	POSITION	AGE	TERM OF OFFICE
Manuel B. Sy	Filipino	Chairman & Lead independent director	65	2021 to present
Jerry C. Tiu	Filipino	President & Director	66	2001 to present
Anna Francesca C. Respicio	Filipino	Corporate Secretary	37	2021 to present
Manuel A. Gana	Filipino	Vice President/Treasurer	65	2000 to present
Maria Clara T. Kramer	Filipino	General Manager	61	2010 to present

Upon recommendation of the Country Club's Corporate Governance Committee composed of Mr. Manuel B. Sy, Ruben C. Tan and Hans T. Sy, as required by the Country Club's Manual of Corporate Governance, Mr. Jerry C. Tiu is nominated for re-election to the position above stated for the year 2023-2024, to hold office as such for one year or until his successor shall have been duly elected and qualified. The candidates for independent director, Mr. Manuel B. Sy, was nominated by Mr. Willy N. Ocier. Mr. Sy is not related to Mr. Ocier who nominated them.

To complete the nominees for election to the Board as regular members, Mr. Hans T. Sy nominated Ms. Mischel Gabrielle O. Mendoza, while Mr. Willy N. Ocier nominated Ms. Jessica Bianca Sy.

Mr. Jerry C. Tiu likewise nominated Ms. Gina Marie G. Angangco as Independent Director to replace Mr. Ruben C. Tan, in order to promote board diversity within the Club.

Presented below are brief write-ups on the nominees' business experience for at least the past five (5) years:

MANUEL B. SY

Chairman/Lead Independent Director

Mr. Sy, Filipino, 65 years old, is the Chairman and Country Club Independent Director of the Country Club since 2022, became an independent director of the club in 2021 and was also an independent director of Tagaytay Midlands Golf Club, Inc. (TMGCI) since 2021 to present.

Also, Mr. Sy is the President of New Golden City Builders & Development Corporation since 1987 to present and President and CEO of Citigold Resources and Development Corporation, since 2000 to present. He is also a Director at Sapphire Residences from 2010 to present, Blue Sapphire from 2010 to present, and Crescent Park Residences from 2010 to present. Mr. Sy is also a director and Treasurer at Penhurst Parkplace since 2007 to present and Corporate Secretary at Total 2000 from 1993 to present. He studied B.S. Civil Engineering at Mapua Institute of Technology.

Jerry C. Tiu

President/Director

Mr. Tiu, Filipino, 66 years old, is the President of the Country Club since 2001, as well as THIGCI, TMGCI and TSLTHI. He is also the President and Director of Tagaytay Highlands Community Condominium Homeowners' Association, Inc., Tagaytay Midlands Community Homeowners' Association, Inc., and Greenlands Community Homeowners' Association, Inc. He is also the Vice-President and Director of The Highlands Prime Community Homeowners' Association, Inc., The HPI's Horizon Community Condominium Owners' Association, Inc., and The Hillside at Tagaytay Highlands Community Homeowners' Association, Inc. Concurrently, He is a Director of Premium Leisure Corp., and APC

Group, Inc.

Mr. Tiu holds a Bachelor of Science degree in Commerce (Marketing) from the University of British Columbia.

Jessica Bianca Sy

Director

Ms. Sy, Filipino, 30 years old, new director of Country Club. She is Assistant Vice President of Prime Holdings, Inc. since 2021. She graduated from the Queensland Institute of Technology with a degree of Architecture and Masters of Architecture.

Mischel Gabrielle O. Mendoza,

Director

Ms. Mendoza, Filipino, 36 years old, new director of Country Club. She has over 13 years of professional experience in Pacific Online Systems Corporation, a company that provides operating and management systems for the lottery industry of the Philippines. She is concurrently the company's Chief Risk Officer and Head of Business Development, and has previously held key positions in Corporate Planning, Administration and Marketing.

Mischel is also a director and co-founder of JIM Weaver Designs Corporation, a retail brand specialized in designing fashion and home accessories catering to Filipino culture and heritage.

In addition, Mischel chairs the Engineering Committee at Discovery Primea Condominium Corporation as a member of its Board of Trustees and is a Cluster Director at The Alexandra Condominium Corporation.

Mischel earned her Bachelor's Degree in Management Engineering from Ateneo de Manila University and received certification for courses taken at Tsinghua University in China and Josai International University in Japan.

Gina Marie G. Angangco,

Independent Director

Ms. Angangco, Filipin, 64 years old, new independent director of Country Club. She is the Senior Executive Vice President, Deputy Chief Executive Officer, and Director of Armscor Global Defense, Inc. She is also the Commander of the 1st National Armaments and Ammunition Battalion, and affiliated reserve unit of the Philippine Army, with a rank of Lieutenant Colonel.

She graduated from the University of the Philippines with a degree in Business Economics (cum laude), and Masters of Business Administration which she completed at the College of Notre Dame, California, USA.

Key Officers

Anna Francesca C. Respicio

Corporate Secretary

Atty. Respicio, Filipino, 37 years old, is the Corporate Secretary of the Club. She is also the Corporate Secretary of Tagaytay Highlands International Golf Club, Inc., Tagaytay Midlands Golf Club, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc. She is likewise the Corporate Secretary of the following reporting and/or listed companies; I-Remit, Inc. (2013 to date), Jolliville Holdings Corporation (2014 to date), Discovery World Corporation (2017 to date), and Sterling Bank of Asia, Inc. (A Savings Bank) (2018 to date).

Atty. Respicio obtained her Bachelor of Arts degree (majored in philosophy) in 2007 and her Juris Doctor degree in 2011 from the Ateneo de Manila University. She likewise passed the real estate brokers licensure examination in 2015. She was admitted to the Philippine bar in April 2012 and is currently a partner at Tan Venturanza Valdez.

Manuel A. Gana

Vice President/Treasurer

Mr. Gana, Filipino, 66 years old, is the Vice President and Treasurer of the Golf Club. He is a Director, and the Vice President and Treasurer of the Tagaytay Highlands International Golf Club, Inc. He is currently a Board Adviser of Belle Corporation, and served as its President and Chief Executive Officer from March 2017 to April 2022. Previously, he served as Belle Corporation's Executive Vice President and Chief Financial Officer from 2000 to 2017, and as Vice President of Finance and Chief Financial Officer from 1997 to 1999 for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (now called Premium Leisure Corp.), a subsidiary of Belle. Prior to his career at the Belle Group, he was a Director of Investment Banking at Nesbitt Burns Securities Inc. in New York, USA. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York, USA), and for Procter & Gamble Philippine Manufacturing Corporation.

Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

Maria Clara T. Kramer

General Manager

Ms. Kramer, Filipino, 62 years old, is the General Manager of Tagaytay Midlands Golf Club, Inc. since July 2010. She is also the concurrent General Manager of Tagaytay Highlands International Golf Club, Inc., and The Country Club at Tagaytay Highlands, Inc. She is also General Manager of Tagaytay Highlands Community Condominium Association Inc., Tagaytay Midlands Community Homeowners' Association, Inc., Greenlands Community Homeowners' Association, Inc. and The Highlands Prime Community Condominium Owners Association Inc. starting 2018. She was a consistent Dean's Lister in Assumption College (San Lorenzo Village, Makati City) where she earned her bachelor's degree. She started her career in hotel industry back in December of 1983 when she joined the sales department of Manila Hotel as Sales Executive. In July 1990, she was hired by L'Fisher Hotel as Front Office Manager and later as PR & Promotions Manager until she got promoted in June 2001 and was tasked to manage the Sales and Marketing Department. As member of the management team, she actively took part in the formulation of major policies and procedures of the Hotel. Ms. Kramer is also involved in various civic and social activities as member and resource speaker focusing on family, marriage and parenting.

b. Material Pending Legal Proceedings

As of **31 July 2023**, there is no material pending legal proceedings to which the Country Club is a party to.

c. Significant Employees

The Country Club has no significant employees.

d. Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the directors, executive officers, or persons nominated by the Country Club to become directors or executive officers of the Country Club.

e. Involvement in Certain Legal Proceedings

The Country Club is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter, or control person were involved during the past five (5) years:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

f. Certain Relationships and Related Transactions

The Country Club has not been involved in any transaction during the last three (3) years in which any of its directors, executive officers, nominees or security holders has direct or indirect material interest.

Belle Corporation owns 2,324 shares or 46.48% of the total outstanding shares of the Country Club.

g. Disagreement with Director

None of the directors have resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of a disagreement with the Country Club on any matter relating to the Country Club's operations, policies or practices.

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Except for the General Manager and President, the Directors do not receive any form of compensation from the Country Club. None of the Directors receive per diem from the Club.

SUMMARY COMPENSATION TABLE

(a) Name and Principal Position	Annual Compensation			
	(b) Year	(c) Salary	(d) Bonus	(e) Others
A Jerry C. Tiu** (President)				
B (Ma. Clara T. Kramer)** (General Manager)				
TOTAL	2023*	P 3,297,798.00		
	2022	P 3,170,960.00		
	2021	P 3,049,000.00		

*Estimated amounts

**They are the only top compensated Executives or Directors of the Country Club.

The Country Club has no other arrangements, including consulting contracts, pursuant to which any director of the Country Club was compensated, or is to be compensated, directly or indirectly, during the Country Club's last completed fiscal year, and the ensuing year.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

Reyes Tacandong & Co. ("RT&Co"), the Company's external auditors for 2023, will be recommended for re-appointment as such for the current year. Representatives of RT&Co are expected to be present at the Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Over the past five (5) years, there was no event where previous external auditor or RT&Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope of procedure.

In compliance with SRC Rule 68, Part I 3(B) (ix) (Rotation of External Auditors) which requires the independent auditor or in the case of an auditing firm, the key audit partners, to comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC, **Ms. Belinda B. Fernando** of RT & Co. has been designated by RT & Co. (the external audit firm) to be the signing partner for the examination of the financial statements of the Company. Ms. Fernando was first designated signing partner for the audit of the Club in 2022.

The Company paid Reyes Tacandong ₱283,360 for external audit services for 2022. For each of the last two (2) fiscal years, Reyes Tacandong & Co. not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

The Audit Committee, composed of Mr. Ruben C. Tan, as Chairman, Mr. Manuel B. Sy, and Mr. Hans T. Sy as Members recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Board of Directors approves the audit fees as recommended by the Audit Committee.

OTHER MATTERS

ITEM 15. ACTION WITH RESPECT TO REPORTS

The Country Club will seek the approval by the stockholders of the Minutes of the previous Stockholders' Meeting during which the following were taken up:

1. Call to Order
2. Certification of Notice & Quorum
3. Approval of the Minutes of the Last Stockholders' Meeting
4. Presentation of Results of Operations and Financial Statements for 2022
5. Ratification of all Acts of the Board of Directors and Officers
6. Election of Directors
7. Appointment of Reyes Tacandong & Co. (RTC) as External Auditors
8. Other Matters, and
9. Adjournment.

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

1. Approval of RFID Boom gates system,
2. Approval for the increase of special budget matrix and bids and awards committee threshold,
3. Designation of authorized representative to transact with Bureau of Internal Revenue,
4. Approval of Corporate's Audited Financial statement for 2022,
5. Approval for the increase of the club's transfer fee rate,
6. Approval of Capital expenditures budget for 2023,
7. Auction of delinquency shares, and
8. Appointment of authorized officers for Extended Producer Responsibility Program.

Management reports which summarize the acts of management for the year 2022 are included in the Country Club's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Annual Report during the period covered thereby.

Management reports will be submitted for approval by the stockholders at the meeting. Approval of the reports will constitute approval and ratification of the acts of management for the past year.

ITEM 19. VOTING PROCEDURES

Each stockholder shall be entitled to one vote, in person or thru proxy for each share with voting right. All elections and all questions, except as otherwise provided by law, shall be decided by the plurality vote of the stockholders present in person or by proxy, a quorum (majority of the issued and outstanding capital stock having powers) being present.

In the election of directors, the five (5) nominees with the greatest number of votes will be elected directors. If the number of nominees for election as directors does not exceed the number of directors to be elected, the Secretary of the Meeting shall be instructed to cast all votes represented at the Meeting equally in favor of all such nominees. However, if the number of nominees for election as

directors exceeds the number of directors to be elected, voting shall be done by ballot, and counting of votes shall be done by two (2) election inspectors appointed by the Chairman of the Meeting.

For motion on other corporate matters that will be submitted for approval and for such other matters as may properly come before the Meeting, a vote of the majority of the shares present or represented by proxy at the meeting is necessary for their approval. For the purpose of this year's annual stockholders' meeting, which will be held in person, the stockholders may vote by attending the meeting in person or through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting, if not able to attend the meeting in person, by either of the following:

- i. by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City, or via electronic copy by sending an e-mail membership.th@tagaytayhighlands.com on or **05 October 2023, Thursday, at 11:00 A.M.**

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

- ii. by registering their votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose. The e-voting portal will be open until **9:00 A.M. of 07 October 2023, Saturday**. The votes for or against the matter submitted shall be tallied by the Secretary.

Items 8, 9, 10, 11, 12, 13, 14, 16, 17 and 18 are not responded to in this report, the Country Club having no intention to take any action with respect to the information required therein.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Tagaytay on 5 September 2023.

**THE COUNTRY CLUB AT TAGAYTAY
HIGHLANDS, INC.**

By:

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JERRY C. TIU
President

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**THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
BUSINESS AND GENERAL INFORMATION**

The Business

The Country Club at Tagaytay Highlands, Inc. (Country Club) was incorporated in 1997 as an exclusive membership club operating on a non-profit basis. Its primary purpose is to promote social, recreational and athletic activities among its members. It is a self-contained community set on a ridge in Tagaytay City which is located approximately 60 kilometers south of Metro Manila and situated on a 7-hectare land below the 18-hole par-71 international championship golf course of Tagaytay Highlands International Golf Club Inc. (THIGCI).

Sale of membership shares to the public started in November 1995 but the Country Club officially opened for business in March 1996. Majority of members are private individuals (about 87.62%) most of which are Filipino nationals and citizens and the remaining 12.38% are corporate members. Members of THIGCI were given preference to purchase the first few shares before they were offered to the public. The Country Club derives its revenues and other income from the monthly dues (37%), restaurant patronage (51%), recreational facilities (4%), room sales (2%), and other income (6%). Collection of monthly dues started in March 1996 at ₱750 per member and was subjected to gradual increases. The following are the monthly dues with the respective periods wherein the increase became effective: ₱1,500 in June 1996, ₱2,000 in January 1998, ₱2,300 in April 2001, ₱2,500 in April 2004, ₱3,100 in January 2006, ₱3,600 in January 2010, ₱4,200 in September 2012, and ₱4,700 in January 2019. Starting March 2020, membership dues was reduced to ₱4,250 due to the VAT exemption.

Sale of food and beverage through the Country Club's restaurants is a major source of income contributing to about 51% of total revenues in 2022. The different specialty restaurants offer a wide array of cuisines (Chinese, Italian, Japanese, Thai and Western), which are sure to satisfy everyone's palate. Members of the Country Club can avail of the restaurants' facilities of THIGCI and TMGCI, these restaurants offer Filipino, Korean, Japanese and Spanish cuisine.

Part of the Country Club's commitment to members was also to provide sports and recreational facilities. Prior to the Country Club's opening in March 1996, the outdoor facilities like the tennis courts, fishing pier, mini-golf course, horseback bridle path and the children's playground were already available to members. In July 1996, the two-level Sports Center was officially opened. This houses a 14-lane bowling facility, indoor lap pool, basketball court, badminton court, game room, spas, gym, and a Kidsports - children's play area. In December 1996, major portions of the camping ground called Camp Highlands were also completed and ready to accept members who wish to stay overnight or simply to cool off in the swimming pools. In addition to the aforesaid developments, the Animal Farm was opened in 1997.

The wide array of facilities and the continuing developments in the Country Club are important considerations for members to retain membership with the Country Club and for some to speculate increase in market value of their shares. The Club has completed its renovation of the following facilities in 2019: Sports Center, Highlander Steakhouse, Highlands China Palace, Country Club Veranda, Akasaka, Camp Highlands, Peak Bar, Country Clubhouse, Holy Family Chapel, Genghis Khan, and Trellis.

Bankruptcy, Receivership or Similar Proceedings

The Country Club has not been involved in any bankruptcy, receivership or similar proceedings for the past three (3) years.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

The Country Club has not engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets (not ordinary) for the past three (3) years.

Competition

There is no formal or organized secondary market for the purchase and sale of golf and country Club shares in the Philippines. As such, holders of shares in the Country Club who may wish to sell or dispose of their shares may not readily find a counterparty for the transaction at the desired asking price. At present, there is a growing number of golf and country clubs being established in various parts of the country. This may affect appreciation in the value of investment in the Country Club.

Investments in leisure-oriented developments such as golf and country clubs are influenced by the economic and political conditions in the country. Any adverse economic and political developments in the country may affect the demand for such leisure facilities, and any anticipated appreciation in the prices of golf and country club shares.

Although there are other clubs engaged in the same line of business, the Country Club competes in terms of service and facilities. The Country Club is highly competitive because of its wide array of facilities which includes world-class sports and recreational facilities, specialty restaurants and bars offering different cuisines (Filipino, Chinese, Italian, Japanese, Korean, and Western) and accommodation facilities.

Sources and availability of raw materials

The Country Club's principal suppliers include Werdenberg International Corporation, ESV International Corp., RGL33 Fruits and Vegetable Dealer, JC Seafoods Supply, Delos Reyes Trading, Sanford Marketing Corporation and Alternative Food Corp. There are no existing major supply contracts entered into by the Country Club.

Transactions with and/or dependence on related parties

Related Parties and Transactions Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Government Regulations

The Country Club has complied with licensing and regulatory requirements necessary for its development and operations.

Compliance with Environmental Laws

The Country Club has complied with pertinent environmental laws and regulations and has received the Environmental Certificate Clearance issued by the Department of Energy and Natural Resources.

Employees

The Country Club is run by a team of regular and casual employees as follows:

Regular Employees (based on head count as of 31 August 2023)

GM & Department Heads	35
Supervisors	32
Rank and File	<u>45</u>
Total	112

All regular rank and file employees are subject to the Collective Bargaining Agreement which expires in June 30, 2024. Some of the regular employees are also seconded to Tagaytay Highlands International Golf Club, Inc. and Tagaytay Midlands Golf Club, Inc.

There has been no strike brought about by the Country Club's employees in the past twenty-six (26) years.

Major Business Risks

The Country Club has been sustaining its operational requirements through the collection of monthly dues from each member and the operation of restaurants and sports & recreation facilities. The Country Club has no foreign currency exposures or obligations that will have a material impact on its short-term or long-term liquidity due to the depreciation of the peso. During the early part of the COVID-19 pandemic, the Club was experiencing reduced consumer demand owing to lost income and/or restrictions on consumers' ability to move freely and limitation of the Club's activities such as Country tournament, wedding, and corporate events. When the government lifted the community quarantine, the Club's revenues returned to its normal earning stream in March 2022.

Directors and Executive Officers

Please refer to discussion on *Directors and Executive Officers*.

Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

Market Information

The Country Club has authorized and subscribed 5,000 proprietary shares, of which 46.48% is owned by Belle Corporation and the remaining shares are owned by other Country Club members. There are 2,620 holders of the Country Club's proprietary shares as of September 8, 2023.

Top 20 shareholders are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES	%
Belle Corporation	2,323	46.46%
Ivory Holdings, Inc.	267	5.34%
Highlands Prime Inc.	128	2.56%
Jollibee Foods Corporation	14	0.28%
Camara, Feliciano G.	6	0.12%
APC Group Inc.	6	0.12%
First Gas Holdings Corp.	4	0.08%
Pilipino Star Printing Co., Inc.	3	0.06%
S. P. Properties, Inc.	3	0.06%
Quality Corrugated Box Manufacturing, Corp	3	0.06%
OTHERS	2,243	44.86%
Total	5,000	100.00%

Below are the high and low bid prices for the past three (3) years based on newspapers publications:

	HIGH	LOW
Quarter ended March 2020	150,000	150,000
Quarter ended June 2020	150,000	150,000
Quarter ended September 2020	170,000	170,000
Quarter ended December 2020	190,000	160,000
Quarter ended March 2021	350,000	150,000
Quarter ended June 2021	350,000	120,000
Quarter ended September 2021	300,000	300,000
Quarter ended December 2021	430,000	400,000
Quarter ended March 2022	550,000	550,000
Quarter ended June 2022	700,000	550,000
Quarter ended September 2022	600,000	650,000
Quarter ended December 2022	600,000	600,000
Quarter ended March 2023	600,000	600,000
Quarter ended June 2023	650,000	650,000

The Country Club's securities are not traded in the Philippine Stock Exchange.

Dividends

The Country Club is a non-profit corporation and as such, does not declare dividends to its shareholders. In accordance with the Country Club's Articles of Incorporation and By-Laws, no profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Club at the time of the dissolution or liquidation of the Country Club.

Recent Sales of Unregistered or Exempt Securities

All the Club's securities are registered under the Securities Regulation Code. There were no sale of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities for the past three (3) years.

Management's Discussion and Analysis

The Country Club derived its revenues from membership dues, food and beverage sales, and income from recreational facilities.

Financial Highlights

(In Million Pesos)

	Jun 30	Jun 30	Dec 31	Dec 31	Dec 31
	2023	2022	2022	2021	2020
Balance Sheet					
Total Assets	797.32	706.77	742.79	709.22	684.51
Total Liabilities	167.49	123.44	137.68	149.65	154.75
Total Members' Equity	629.83	583.33	605.11	583.33	559.57
Income Statement					
Total Revenues*	173.73	160.89	340.49	258.26	200.74
Total Cost and Operating Expense	148.89	137.12	240.61	173.07	266.87
Depreciation and amortization	29.99	15.39	54.68	55.83	50.64
Net Income/(Loss)	24.72	23.76	45.54	29.26	(7.34)

*Total Revenue include membership dues

RESULTS OF OPERATIONS

Six-Month Period Ended June 30, 2023 compared to June 30, 2022

REVENUES

For the six-month period ended June 30, 2023, The Country Club performance showed an increase in total revenue amounting to ₱9.60 million or 20.77%, from ₱99.69 million in 2022 to ₱109.29 million in 2023, due to the full operation of the clubs' facilities and restaurants.

Food, Beverage and Sundries

Food, beverage and sundries increased of ₱6.92 million or 8.50%, from ₱81.39 million in 2022 to ₱88.32 million in 2023. This is mainly due to the full operation of the club restaurants and concessionaires.

Sports and Recreation

Sports and recreation increased by ₱0.95 million or 15.75%, from ₱6.08 million in 2022 to ₱7.04 million in 2023. This is due to the higher revenue in campsite, indoor and outdoor facilities, and locker room.

Room Sales

Room Sales increased by ₱0.72 million or 21.51%, from ₱3.35 million in 2022 to ₱4.07 million in 2023. This is due to the increase in room occupancy for the six-month period ended June 30, 2023.

Interest Income

Interest income increased by ₱0.59 million or 1140.96% from ₱0.052 9million in 2022 to ₱0.65 million in 2023. This is due to additional time deposits for the six-month period ended June 30, 2023.

Other Income

Other income increased by ₱0.40 million or 4.55% from ₱8.79 million in 2022 to ₱9.19 million in 2023, mainly due to the commission, reversal of accruals and club events.

COST AND OPERATING EXPENSES

Cost and operating expenses for the six-month period ended June 30, 2023 amounted to ₱148.89 million, an increase of ₱11.76 million or 8.58% compared to ₱137.12 million in the same period in 2022.

Cost of Sales

Cost of sales increased by ₱1.23 million or 2.84%, from ₱43.62 million for the six-month period ended June 30, 2022 to ₱44.86 million for the same period in 2023. This is mainly due to higher related revenues of the club's restaurants.

Cost of Services

Cost of services increased by ₱8.71 million or 11.34%, from ₱76.87 million for the six-month period ended June 30, 2022 to ₱85.59 million for the same period in 2023. This is mainly due to the increase in outside services, supplies, laundry, communication, water and electricity expenses.

General and Administrative Expenses

General and administrative expenses increased by ₱1.81million or 10.91%, from ₱16.61 million for the six-month period ended June 30, 2022 to ₱18.42 million for the same period in 2023. This is mainly due to the increase in insurance expenses, outside services, repairs and maintenance expenses.

MEMBERS' SUPPORT

Members' support increased by ₱3.23 million or 5.29% from ₱61.20 million for the six-month period ended June 30,2022 to ₱64.44 million for the same period in 2023, this was mainly due to the increase in the number of active club members.

PROVISION FOR INCOME TAX- CURRENT

Provision for income tax-current increased by ₱0.11 million or 1,140.78% from ₱0.010 million for the six -month ended June 30,2022 to ₱0.13 million for the same period in 2023, mainly due to the higher interest earned from time deposits of the club.

NET INCOME

As a result, The Country Club registered a net income of ₱24.71 million for the six-month period ended June 30, 2023 in comparison to the net income of ₱23.76 million for the same period in 2022.

December 31, 2022 compared to December 31, 2021

REVENUES

The Country Club generated total revenues and other income amounting to ₱214.00 million for the

year ended December 31, 2022 compared to ₱140.27 million for the year ended December 31, 2021, due to higher patronage and a result of the lifting of community quarantine restriction related to Covid 19 pandemic.

Food, Beverage and Sundries

Food, beverage and sundries increased by ₱56.38 million or 48.04%, from ₱117.37 million for the year ended December 31, 2021 to ₱173.75 million for the year ended December 31, 2022. This is due to the opening of the club outlets and concessionaires that are allowed to operate to its full operation when the community quarantine was lifted in March 2022.

Sports and Recreation

Sport and recreation Increased by ₱8.74 million or 176.34%, from ₱4.96 million in 2021 to ₱13.70 million in 2022. This is due to the higher income of indoor and outdoor facilities, animal farm and locker room.

Rooms Sales

Rooms sales increased by ₱4.22 million or 122.47%, from ₱3.44 million in 2021 to ₱7.66 million in 2022. This is due to higher room occupancies for the year 2022.

Interest Income

Interest income increased by ₱0.23 million or 785.82%, from ₱0.03 million in 2021 to ₱0.26 million in 2022. This is due to the additional time deposits for the year 2022.

Other Income

Other income increased by ₱4.15 million or 28.69%, from ₱14.47 million in 2021 to ₱18.63 million in 2022. This consists of membership transfer fee, commission and assignment fee.

COST AND OPERATING EXPENSES

Cost and operating expenses for the twelve-month period ended December 31, 2022, amounted to ₱295.30 million, an increase of ₱66.39 million or 29.47% compared to ₱228.91 million in the same period in 2021.

Cost of Sales

Cost of sales increased by ₱32.92 million or 54.53%, from ₱60.37 million in 2021 to ₱93.29 million in 2022. This is due to higher cost of food, beverage and sundry inventory cost.

Cost of Services

Cost of services increased by ₱26.94 million or 19.73%, from ₱136.54 million in 2021 to ₱163.49 million in 2022. This is due to higher personnel cost, utilities expenses, repairs and maintenance.

General and Administrative Expenses

General and administrative expenses increased by ₱6.53 million or 20.42%, from ₱31.99 million in 2021 to ₱38.52 million in 2022. The majority of the increase is from taxes and licenses, repair and maintenance.

MEMBERS' SUPPORT

Membership dues increased by ₱8.50 million or 7.20% from ₱118.00 million for the twelve-month period ended December 31, 2021 to ₱126.49 million for the same period ended December 31, 2022. This is due to the increase in the number of active members 2,819 in 2022 compared to 2,702 in 2021.

PROVISION FOR DEFERRED INCOME TAX

Provision for deferred income tax for the year ended December 2022 of ₱1.22 million, mainly due to the club retirement asset.

NET INCOME

The Country Club registered a net income of ₱43.98 million for the twelve-month period ended December 31, 2022 in comparison with the net income of ₱29.26 million for the same period in 2021.

December 31, 2021 compared to December 31, 2020

REVENUES

The Country Club generated total revenue and other income amounting to ₱140.27 million for the year ended December 31, 2021 compared to ₱82.21 million for the year ended December 31, 2020, due to high patronage as a result of more relaxed community restriction related to Covid 19 pandemic.

Food, Beverage and Sundries

Food, beverage and sundries increased by ₱62.04 million or 112.15%, from ₱55.32 million for the year ended December 2020 to ₱117.37 million for the year ended December 2021.

Sports and Recreation

Sports and recreation increased by ₱1.61 million or 48.04%, from ₱3.35 million in 2020 to ₱4.96 million in 2021.

Rooms Sales

Rooms sales increased by ₱1.02 million or 42.14%, from ₱2.42 million in 2020 to ₱3.44 million in 2021.

Interest Income

Interest income decreased by ₱0.04 million or 57.43%, from ₱0.07 million in 2020 to ₱0.03 million in 2021.

Other Income

Other income decreased by ₱6.57 million or 31.24%, from ₱21.05 million in 2020 to ₱14.47 million in 2021. This consists of membership transfer fee, commission, assignment and miscellaneous income.

COST AND OPERATING EXPENSES

Cost and operating expenses for the twelve months period ended December 31, 2021, amounted to ₱228.91 million, an increase of ₱20.85 million or 10.02% compared to ₱208.05 million in the same period in 2020. Due to the higher volume of operating activities as a result of more relaxed community quarantine.

Cost of Sales

Cost of sales increased by ₱32.1 million or 114.00%, from ₱28.2 million in 2020 to ₱60.37 million in 2021. This is due to the higher cost of food, beverage and sundry cost.

Cost of Services

Cost of services decreased by ₱8.42 million or 5.81%, from ₱144.9 million in 2020 to ₱136.54 million in 2021. This is due to the lower cost of personnel and depreciation.

General and Administrative Expenses

General and administrative expenses decreased by ₱2.87 million or 8.22%, from ₱34.86 million in 2020 to ₱31.99 million in 2021. Majority of the decrease is from Taxes & Licenses.

MEMBERS' SUPPORT

Membership dues decreased by ₱0.52 million or 0.44% from ₱118.51 million for the twelve-month period ended December 31, 2020 to ₱117.99 million for the same period in 2021. This due to the decrease in number of active members 2,702 in 2021 compared to 2,618 in 2020.

PROVISION FOR DEFERRED INCOME TAX

Provision for income tax deferred for the year ended December 2021 of ₱0.096 million, mainly due to

the club retirement asset.

NET INCOME

The Country Club registered a net income of ₱29.26 million for the twelve-month period ended December 31, 2021 in comparison with the net loss of ₱7.34 million for the same period in 2020.

December 31, 2020 compared to December 31, 2019

REVENUES

The Country Club generated total revenues and other income amounting to ₱82.21 million for the year ended December 31, 2020, as compared to ₱218.55 million for the year ended December 31, 2019, a decline of 62.38%. The Covid-19 pandemic has caused unprecedented impact to the company's operations due to mandatory quarantine periods, community lockdowns and restrictions on mobility of members.

Food, Beverage and Bundries

Food, beverage and sundries decreased by ₱98.81 million or 64.11%, from ₱154.13 million for the year ended December 2019 to ₱55.32 million for the year ended December 2020.

Sports and Recreation

Sports and recreation decreased by ₱13.58 million or 80.22%, from ₱16.93 million in 2019 to ₱3.35 million in 2020.

Rooms Sales

Rooms sales decreased by ₱12.86 million or 84.15%, from ₱15.28 million in 2019 to ₱2.42 million in 2020.

Interest Income

Interest income decreased by ₱0.13 million or 64.57%, from ₱0.20 million in 2019 to ₱0.07 million in 2020. This is due to the pre-termination of time deposit, last September 2020 and the decrease in rate.

Other Income

Other income decreased by ₱10.95 million or 34.22%, from ₱32 million in 2019 to ₱21.05 million in 2020. This is due to the lower membership transfer fee, commission, and assignment fee.

Interest Expense

Interest expense decreased by ₱0.068 million or 92.91%, from ₱0.073 million in 2019 to ₱0.005 million in 2020. This is due to full payment of the vehicles lease financing in 2020.

COST AND OPERATING EXPENSES

Cost and operating expenses for the twelve months period ended December 31, 2020 amounted to ₱208.05 million, a decreased of ₱125.26 million or 67.22% compared to ₱317.51 million in the same period in 2019.

Cost of Sales

Cost of sales decreased by ₱30.16 million or 51.65%, from ₱53.39 million in 2019 to ₱28.23 million in 2020. This is due to the lower cost of food, beverage, and sundry inventory cost.

Cost of Services

Cost of services decreased by ₱68.44 million or 32.07%, from ₱213.41 million in 2019 to ₱144.96 million in 2020. This due to the lower cost of personnel and utilities expenses.

General and Administrative Expenses

General and administrative expenses decreased by ₱10.85 million or 23.74%, from ₱45.71 million in 2019 to ₱34.86 million in 2020, this is due to decrease in personnel cost.

MEMBERS' SUPPORT

Membership dues increased by ₱2.07 million or 2.00% from ₱116.44 million for the twelve-month period ended December 31, 2019 to ₱118.51 million for the same period in 2020. This is mainly due to the Increase in number of active members 2,618 in 2020 compared to 2,573 in 2019.

NET INCOME

The Country Club registered a net loss of ₱7.34 million for the twelve-month period ended December 31, 2020 in comparison with the net income of ₱15.08 million for the same period in 2019.

Financial Condition and Changes in Financial Condition

Six-Month Ended June 30, 2023 compared to Year Ended December 31, 2022

ASSETS

The Country Club has total assets of ₱796.71 million as of June 30, 2023 compared to ₱742.79 million as of December 31, 2022, an increase of ₱53.92 million or 7.26%. The Club has current assets of ₱1.49 for each peso of current liabilities as of June 30, 2023 compared to ₱1.42 as of December 31, 2022.

Cash and Cash equivalents

Cash and cash equivalents increased by ₱27.31 million or 57.26% from ₱47.69 million as of December 31, 2022 to ₱75.00 million as of June 30, 2023. This is the result of net cash provided by operating activities of ₱54.25 million and increase in other noncurrent assets of ₱8.99 million. This was offset by the addition to property and equipment of ₱35.95 million.

Trade and other Receivables

Trade and other receivables increased by ₱25.28 million or 32.79% from ₱77.10 million as of December 31, 2022 to ₱101.79 million as of June 30, 2023. This is mainly due to the increase in related parties ₱20.27 million or 53.18%, receivables from concessionaires of ₱2.60 million or 111.29% and receivables of function of ₱1.15 million or 61.12%.

Inventories

Inventories decreased by ₱0.08 million or 0.65% from ₱12.33 million as of December 31, 2022 to ₱12.25 million as of June 30, 2023 mainly due to the decrease in the inventory of food and beverage.

Other current assets

Other current assets increased by ₱1.00 million or 1.76% from ₱56.93 million as of December 31, 2022 to ₱57.93 million as of June 30, 2023 mainly due to increase in creditable withholding tax of ₱1.46 million or 4.44% and deferred input vat of ₱0.38 million or 2.05% and this was offset by the decrease in prepaid expenses of ₱0.73 million or 25.86%.

Property and Equipment

Property and equipment increased by ₱6.04 million or 1.23% from ₱491.58 million as of December 31, 2022 to ₱497.62 million as of June 30, 2023. This is mainly due to the depreciation charges amounting to ₱28.25 million and this was offset by the addition to building improvement of ₱6.59 million, facilities and equipment of ₱5.16 million, office, furniture, fixture and equipment of ₱1.45 million.

Investment Properties

Investment properties of The Country Club consist of land not used in operations remained at carrying value as of June 30, 2023 and December 31, 2022 amounting of ₱34.58 million.

Net Retirement Asset

Net retirement asset of The Country Club increased by ₱4.03 million or 77.44% from ₱5.21 million as of December 31, 2022 to ₱9.25 million as of June 30, 2023, mainly due to the contributions to the retirement fund.

Other Noncurrent Assets

Other noncurrent assets decreased by ₱9.07 million or 52.37% from ₱17.32 million as of December 31, 2022 to ₱8.25 million as of June 30, 2023 due mainly to the decrease in advances to contractors and suppliers of ₱7.97 million or 60.17% and deferred input vat on capital goods of ₱1.01 million or 41.57%.

Trade and other Payables

Trade and other payables increased by ₱29.80 million or 21.86% from ₱136.36 million as of December 31, 2022 to ₱166.17 million as of June 30, 2023. This is mainly due to the increase in refundable deposit

of ₱7.58 million or 20.77%, membership dues collected in advance of ₱9.89 million or 38.73%, auctioned members liability ₱6.61 million or 155.05%, accrued expenses of ₱5.63 million or 30.06%, retention payable of ₱2.58 million or 85.59% and this was offset to payables to concessionaires of ₱3.90 million or 40.74%, statutory payables of ₱1.72 million or 49.52%, service charge payable of ₱0.49 million or 39.52% and trade payable of ₱0.27 million or 1.46%

Deferred Tax Liability

Deferred tax liability remained at its value as of June 30, 2023 amounting to ₱1.31 million.

MEMBERS' EQUITY

Members' equity increased by ₱24.71 million or 4.08% from ₱605.11 million as of December 31, 2022 to ₱629.83 million as of June 30, 2023, the increase was mainly due to the net income during the six-month period ended June 30, 2023.

December 31, 2022 compared to December 31, 2021

ASSETS

The Country Club has total assets of ₱742.79 million as of December 31, 2022 as compared to ₱709.22 million as of December 31, 2021, an increase of ₱33.58 million or 4.73%. The Country Club has a current ratio of ₱1.42 for each peso of current liabilities as of December 31, 2022 as compared to ₱1.08 as of December 31, 2021.

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱6.41 million or 15.52%, from ₱41.29 million as of December 31, 2021 to ₱47.70 million as of December 31, 2022. This is the result of the net cash provided by operating activities amounting to ₱57.64 million which was offset by net cash flows used in investing activities of ₱51.28 million and net cash used in financing activities of ₱0.037 million.

Trade and other Receivables

Trade and other receivables amounted to ₱77.11 million and ₱51.88 million as of December 31, 2022 and 2021, respectively. An increase of ₱25.22 million or 48.61% was attributed to the increase in related parties of ₱29.62 million or 348.36%, receivable from functions of ₱1.24 or 190.02%, receivables from concessionaires of ₱0.48 or 35.12%, receivable from credit card ₱0.28 or 28.42% and other receivables ₱1.88 or 531% offset by the decrease receivables from members of ₱8.27 million or 20.50%.

Inventories

Inventories decreased by ₱2.12 million or 14.65% from ₱14.46 million as of December 31, 2021 to ₱12.34 million as of December 31, 2022 due to the lower supplies consumption.

Other Current Assets

Other current assets amounted to ₱56.93 million and ₱54.32 million as of December 31, 2022 and 2021, respectively. The increase is mainly due to prepaid expense of ₱0.04 million or 1.30%, and creditable withholding taxes of ₱4.46 million or 15.61% which was offset by the decrease in deferred input VAT by ₱1.92 million or 24.51%.

Property and Equipment

Property and equipment decreased by ₱8.30 million or 1.66% as of December 31, 2023. This is mainly due to depreciation of ₱54.52 million or 3.34% as a result of increase in office, furniture, fixtures and equipment of ₱3.96 million or 3.64%, facilities and equipment of ₱12.20 million or 2.24% and land improvements of ₱2.08 million or 1.53%.

Investment Properties

Investment properties of the Club consisting of land not used in operations remain at its carrying

value as of December 31, 2022 and 2021 of ₱34.58 million.

Net Retirement Asset

Net retirement asset increased by ₱4.87 million or 1384.53% from ₱0.351 million as of December 2021 to ₱5.22 million as of December 2022, mainly due to the contribution paid to the retirement fund.

Other Non-current Assets

Other non-current assets increased by ₱4.89 million or 39.34% from ₱12.44 million as of December 31, 2021 to ₱17.33 million as of December 31, 2022 due mainly to the increase in advances to contractors and suppliers by ₱7.32 million or 123.61% which was offset by deferred input VAT of ₱2.23 million or 47.69%.

Trade and other Payables

Trade and other payables posted a decrease of ₱13.19 million or 8.82% from ₱149 million as of December 2021 to ₱136 million as of December 2022. This pertains to the decrease in related party of ₱26.42 million or 94.31% and trade payables of ₱5.80 million or 16.81% which was offset by refundable deposit of ₱11.42 million or 45.52% and membership dues collected in advance of ₱1.78 million or 6.51%.

Deferred Tax Liability

Deferred tax liability increased by ₱1.22 million from ₱0.096 million as of December 2021 to ₱1.31 million as of December 2022.

MEMBERS' EQUITY

Members' equity increased by ₱45.54 million or 8.14% from ₱559.57 million in December 31, 2021 to ₱605.11 million in December 31, 2022, attributed to the net increase of ₱43.98 million during the current year and other comprehensive income amounting to ₱1.57 million, which is from the remeasurement gain on defined benefit pension plan.

December 31, 2021 compared to December 31, 2020

ASSETS

The Country Club has total assets of ₱709.22 million as of December 31, 2021 as compared to ₱684.51 million in December 31, 2020, an increase of ₱24.71 million or 3.61%. The Country Club has a current ratio of ₱0.95 for each peso of current liabilities as of December 31, 2021 as compared to ₱0.68 as of December 31, 2020.

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱24.5 million or 146.17%, from ₱16.77 million in December 31, 2020 to ₱41.29 million in December 31, 2021. This is the result of the net cash provided by operating activities amounting to ₱56.81 million which was offset by net cash flows used in investing activities of ₱32.33 million and net cash used in financing activities of ₱0.031 million.

Trade and other Receivables

Receivables amounted to ₱51.88 million and ₱36.98 million as of December 31, 2021 and 2020, respectively. The increase of ₱14.91 million or 40.31% was attributed to the increase in related parties of ₱11.08 million or 68% and receivables from concessionaires of ₱.41 or 43.76% offset by the decrease receivables from functions of ₱.37 million or 36.44% and advances for liquidation by ₱.10 million or 47.07%.

Inventories

Inventories increased by ₱3.07 million or 26.97% from ₱11.39 million in December 31, 2020 to ₱14.46 million in December 31, 2021 due to higher supplies consumption during the period.

Other Current Assets

Other current assets amounted to ₱34.06 million and ₱28.87 million as of December 31, 2021 and 2020, respectively. The increase is mainly due to prepaid expense of ₱2.54 million or 109% and creditable withholding taxes of ₱2.88 million or 11.18%. This was offset by the decrease in deferred input VAT offset decreases of ₱.21 million or 7.44%.

Property and Equipment

Property and equipment decreased by ₱24.13 million or 4.60% due mainly to increase in accumulated depreciation of ₱54.05 million or 3.54% as a result of increase in office, furniture, fixtures and equipment of ₱5.91 million or 5.74%, facilities and equipment of ₱3.74 million or .78% and land improvements of ₱1.73 million or 1.28%. On the other hand, there is a decrease in net operating equipment of ₱0.35 million or 9.18%.

Investment Properties

Investment properties of the Club consisting of land not used in operations remain at its carrying value as of December 31, 2022 and December 31, 2021 amounting of ₱34.58 million.

Net Retirement Asset

The net retirement asset of the Club was P.35 million as of December 31, 2021 mainly due to the contribution paid for retirement fund.

Other Noncurrent Assets

Non-current assets decreased by 3.89% or ₱22.98 million, from ₱590.51 million in December 31, 2020 to ₱567.52 million in December 31, 2021 due mainly to the decrease in property and equipment of ₱24.12 million or 4.60%. This is offset by higher depreciation expense, and advances to contractors and suppliers of ₱3.82 million or 181.79% and deferred input VAT by ₱3.00 million or 10.75%.

Trade and other Payables

Accounts payable and other current liabilities posted an increase of ₱138.01 million in December 31, 2020 to ₱149.55 million in 2021. This pertains to the increase in membership dues collected in advance of ₱9.43 million or 69.26%, payables to concessionaires of ₱4.33 million or 67.04%, refundable deposit of ₱4.17 million or 19.96%, provisions of ₱6.65 million or 762.44% and retention payable of ₱.23 million or 26.31%. On the other hand, there are decreases in related parties of ₱16.16 million or 36.58%, trade accounts payable of ₱.92 million or 3.72%, statutory payable of ₱.67 million or 17.97%

MEMBERS' EQUITY

Members' equity increased by ₱29.81 million or 5.63% from ₱529.76 million in December 31, 2020 to ₱559.57 million in December 31, 2021, attributed to the net increase of ₱29.26 million during the current year and other comprehensive income amounting to ₱.055 million, which is from the remeasurement gain on defined benefit pension plan.

December 31, 2020 compared to December 31, 2019

ASSETS

The Country Club has total assets of ₱684.51 million as of December 31, 2020 as compared to ₱737.70 million in December 31, 2019, a decrease of ₱53.19 million or 7.21%. The Country club has a current ratio of ₱0.68 for each peso of current liabilities as of December 31, 2020 as compared to ₱0.57 as of December 31, 2019.

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱3.22 million or 23.77%, from ₱13.55 million in December 31, 2019 to ₱16.77 million in December 31, 2020. This is the result of the net cash inflows provided by operating activities amounting to ₱31.37 million which was offset by net cash flows used in investing activities of ₱27.79 million and net cash used in financing activities of ₱0.33 million.

Trade and other Receivables

Receivables amounted to ₱36.98 million and ₱38.74 million as of December 31, 2020 and 2019, respectively. The decline of ₱1.76 million or 4.54% was attributed to the decrease in receivables from functions of ₱6.05 million or 85.52% offset by the increase in receivables from members of ₱4.50 million or 15.56% attributed to low collection rate owing to lost income and/or restrictions on members ability to move freely because of the outbreak of COVID-19 pandemic.

Inventories

Inventories decreased by ₱2.33 million or 17.00% from ₱13.72 million in December 31, 2019 to ₱11.39 million in December 31, 2020 due to lower supplies consumption during the period.

Other Current Assets

Other current assets amounted to ₱28.87 million and ₱31.21 million as of December 31, 2020 and 2019, respectively. The decrease of ₱3.83 million or 56.78% is mainly due to current portion of deferred input VAT offset by increase of ₱1.59 million or 6.57% in creditable withholding taxes.

Property and Equipment

Property and equipment decreased by ₱50.21 million or 8.74% due mainly to increase in accumulated depreciation of ₱55.59 million or 3.78% as a result of increases in facilities and equipment of ₱9.75 million or 2.07%, office, furniture, fixtures and equipment of ₱4.38 million or 4.44%, and land improvements of ₱.74 million or 55%. On the other hand, there is a decrease in net operating equipment of ₱96.35 million.

Investment Properties

Investment properties of the Club consisting of land not used in operations remained at its carrying value as of December 31, 2020 and December 31, 2019 amounting of ₱34.58 million.

Non-current Assets

Non-current assets decreased by 7.80% or ₱49.98 million, from ₱640.48 million in December 31, 2019 to ₱590.51 million in December 31, 2020 due mainly to the decrease in property and equipment of ₱50.38 million or 8.77% because of higher depreciation expense, and advances to contractors and suppliers of ₱5.42 million or 72.04%. Conversely, deferred input VAT increase by ₱2.79 million or 92.74% for CAPEX and ₱3.03 million or 15.86% for OPEX.

Trade and other Payables

Accounts payable and other current liabilities posted a decrease of ₱31.31 million or 18.49%, from ₱169.32 million in December 31, 2019 to ₱138.01 million in 2020. This pertains to the decrease in trade accounts payable of ₱18.77 million or 41.11%, refundable deposit of ₱14.94 million or 41.67%, membership dues collected in advance of ₱11.63 million or 46.09%, and retention payable of ₱7.54 million or 89.58%. On the other hand, there was increase in payables to related parties of ₱16.02 million or 56.91%, payables to concessionaires of ₱2.29 million or 54.89%, and provisions of ₱0.67 million or 326.97%.

In addition, non-current liabilities decreased by ₱11.16 million or 39.99% from ₱27.90 million in December 31, 2019 to ₱16.74 million in December 31, 2020. This lower amount is caused by the retirement contributions paid during the year.

MEMBERS' EQUITY

Members' equity decreased by ₱10.40 million or 1.93% from ₱540.16 million in December 31, 2019 to ₱529.76 million in December 31, 2020, attributed to the net loss of ₱7.34 million during the current year and other comprehensive loss amounting to ₱3.06 million, which is from the remeasurement loss on defined benefit pension plan.

Below are the comparative key performance indicators of the Country Club:

Performance Indicators	Formula for Calculation	30-Jun-23 (Unaudited)	31-Dec-22 (Audited)	31-Dec-21 (Audited)
Current ratio	Current assets over current liabilities	1.49 : 1.00	1.42 : 1.00	1.08 : 1.00
Acid test ratio	Quick assets* over current liabilities	1.07 : 1.00	0.92 : 1.00	0.62 : 1.00
Solvency ratio	EBITDA over total liabilities	33%	72%	57%
Total liabilities to equity ratio	Total liabilities over total members' equity	0.27	0.23	0.27
Asset to equity ratio	Total assets over total members' equity	1.27	1.23	1.27
Return on equity	Income after tax over average members' equity	4%	7%	5%
Return on assets	Income before interest expense but after tax over average total assets	3%	6%	4%
Net profit margin	Net income over gross revenue	22%	21%	12%

* Quick assets – Cash plus receivables

During the six months period ending June 30, 2023, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations, in respect of the following:

- i. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Country Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Country Club, including any default or acceleration of an obligation;
- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Country Club with unconsolidated entities or other persons created during the reporting period;
- iv. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Country Club's short-term or long-term liquidity;
- v. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- vi. Significant elements of income or loss that did not arise from the Country Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Country Club's results of operations; and

viii. Material changes in the financial statements of the Country Club from the year ended December 31, 2021, except as reported in the MD&A.

Disagreements with Accountants on Accounting and Financial Disclosure

No principal accountant or independent accountant of the Country Club has resigned, was dismissed or has ceased to perform services during the calendar year covered by this report.

There were no disagreements with the accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope procedure.

Mergers, Consolidations, Acquisitions and Similar Matters

There is no action to be taken with respect to any transaction involving the following:

1. The merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
2. The acquisition by the registrant or any of its security holders of securities of another person.
3. The acquisition by the registrant or any other going business or of the assets thereof;
4. The sale or other transfer of all or any substantial part of the assets of the registrar; or
5. The liquidation or dissolution of the registrant.

ACQUISITION OR DISPOSITION OF PROPERTY

There is no action to be taken with respect to the acquisition or disposition of any property.

RESTATEMENT OF ACCOUNTS

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Country Club.

DISCUSSION ON CORPORATE GOVERNANCE

The Country Club remains focused on ensuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

In compliance with the initiative of the Securities and Exchange Commission ("SEC"), The Country Club submitted its Revised Corporate Governance Manual (the "Manual") to the SEC on September 30, 2020, in compliance with the Code of Corporate Governance for Public Companies and Registered Issuers (SEC Memorandum Circular No. 24, Series of 2019) issued by the SEC on December 19, 2019, and made effective on January 12, 2020. This manual institutionalizes the principles of good corporate governance in the entire Country Club. The Country Club believes that corporate governance, the framework of rules, systems and processes governing the performance of the Board of Directors and Management of their respective duties and responsibilities, and from which the organization's values and ethics emerge, is of utmost importance to the Country Club's shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government, and community in which it operates. The Country Club undertakes every effort possible to create awareness throughout the entire organization.

The Board establishes the major goals, policies, and objectives of the Country Club, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that adequate internal control mechanisms are implemented and properly complied with at all levels.

The Country Club is not aware of any non-compliance with its Revised Manual on Corporate Governance, by any of its officers or employees.

UNDERTAKING TO PROVIDE COPIES OF THE ANNUAL REPORT

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT AND ANNUAL REPORT (SEC FORM 17-A) WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

THE CORPORATE SECRETARY
THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC. BO.
CALABUSO, TAGAYTAY CITY
PHILIPPINES


CERTIFICATION

I, **MICHELLE ANGELI T. HERNANDEZ**, Compliance Officer of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.** ("Club"), with SEC registration number AS095-007827 and principal office at Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City, Cavite, Philippines, does hereby certify and state that:


- 1) On behalf of the Club, I have caused this Definitive Information Statement (SEC Form 20-IS) to be prepared;
- 2) I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records; and
- 3) The Club will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail.

IN WITNESS WHEREOF, I have hereunto set my hand this 04 SEP 2023 day of September 2023 in Pasig City.


MICHELLE ANGELI T. HERNANDEZ
Compliance Officer

SUBSCRIBED AND SWORN to before me this 04 SEP 2023 day of September 2023 in Pasig City, affiant exhibiting to me her Tax Identification Number card with number  as competent evidence of her identity.

Doc. No. 470 ;
Page No. 95 ;
Book No. I ;
Series of 2023.


JESERAIRE NOC L. GUISAOT
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 301 (2023-2024)
Commission Expires on December 31, 2024
2704 East Tower, Tektite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 0573118/05.11.23/Pasig
IBP No. 340930/05.08.23/RSM
Roll of Attorneys No. 87050
Admitted to the Bar: 05.02.23



The Country Club at Tagaytay Highlands <country.tagaytayhighlands@gmail.com>

The Country Club At Tagaytay Highlands, Inc._SEC Form 17-A_02May2023

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
To: country.tagaytayhighlands@gmail.com

Tue, May 2, 2023 at 11:44 AM

Thank you for reaching out to ictdsubmission@sec.gov.ph. Your submission is subject for Verification and Review of the Quality of the Attached Document only for **Secondary Reports**. Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order from receipt through the SEC Express System at <https://secexpress.ph/>. Or you may call 8737-8888 for further clarifications.

NOTICE

Please be informed that selected reports should be filed through ***ELECTRONIC FILING AND SUBMISSION TOOL (EFAST)***. <https://cifss-ost.sec.gov.ph/user/login>

such as: **AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)**

Further, pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in **PORTABLE DOCUMENT FORMAT (PDF)** Secondary Reports such as:

17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

ictdsubmission@sec.gov.ph

FOR **MC28**, please go to SEC website:

<https://apps010.sec.gov.ph>

For your information and guidance.

Thank you and keep safe.


CERTIFICATION

I, **FREDERICK D. DEOCARIZA**, Financial Controller, is a duly authorized representative of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC. ("Club")**, with SEC registration number AS095007827 and principal office at Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City, Cavite, Philippines, does hereby certify and state that:

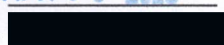
- 1) That on behalf of the Club, I have caused this Annual Report for the period ended 31 December 2022 (SEC Form 17-A) to be prepared.
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records; and
- 3) That the Club will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail;

APR 05 2023

IN WITNESS WHEREOF, I have hereunto set my hand this _____.


FREDERICK D. DEOCARIZA
 Financial Controller

TAGAYTAY CITY

SUBSCRIBED AND SWORN to before me this **APR 05 2023** in _____ City, affiant exhibiting to me his Driver's License No.  as competent evidence of identity.

Doc. No. 381
 Page No. 78
 Book No. 208
 Series of 2023.



ATTY. VALENTIN C. GUANIO
 JP Rizal Avenue, Kaybagal South, Tagaytay City
 Commission Expires on DECEMBER 31, 2024
 PTR No. 5131980/January 3, 2023
 ROLL No. 22908
 IBP LIFETIME RES. NO. 02892
 MCLE COMPLIANCE NO. VII-0016975

A S 0 9 5 0 0 7 8 2 7
S.E.C. Registration Number

T H E C O U N T R Y C L U B A T T A G A Y T A Y
H I G H L A N D S , I N C .

(Company's Full Name)

T A G A Y T A Y H I G H L A N D S C O M P L E X , B A
R A N G A Y C A L A B U S O , T A G A Y T A Y C I T Y
4 1 2 0 , C A V I T E
(Business Address: No. Street City / Town / Province)

Atty. Anna Francesca C. Respicio
Contact Person
8632-0905
Company Telephone Number

1 2 - 3 1
Month Day
Calendar Year

1 7 - A
FORM TYPE

0 5 - 2 8
Month Day
Annual Meeting

Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.

N / A
Amended Articles Number/Section

2 6 0 7
Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
(A Nonprofit Corporation)
Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Calendar Year Ended December 31, 2022

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF CORPORATION CODE OF THE PHILIPPINES

1. For the twelve months ended **DECEMBER 31, 2022**
2. SEC Identification Number : **ASO95007827** 3. BIR Tax Identification No. : **004-734-253-000**
4. Exact name of issuer as specified in its charter: **The Country Club at Tagaytay Highlands, Inc.**
5. **Makati, Metro Manila, Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City, Philippines** **4120**
Address of principal office Postal Code
8. **(046) 8483-0929**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding |
|---------------------|---|
| Proprietary Shares | 5,000 |
11. Are any or all of these securities listed on a Stock Exchange.
Yes [] No [**x**]
12. Check whether the issuer:
(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);
Yes [**x**] No []
(b) has been subject to such filing requirements for the past 90 days.
Yes [] No [**x**]
13. Aggregate market value of the voting stock held by non-affiliates: **P1,530,000,000.00**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the SRC subsequent to the distribution of securities under a plan confirmed by a court or the SEC.

Yes []

No []

NOT APPLICABLE

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

The Country Club at Tagaytay Highlands, Inc. (Country Club) was incorporated in 1997 as an exclusive membership club operating on a non-profit basis. Its primary purpose is to promote social, recreational and athletic activities among its members. It is a self-contained community set on a ridge in Tagaytay City which is located approximately 60 kilometers south of Metro Manila and situated on a 7-hectare land below the 18-hole par-71 international championship golf course of Tagaytay Highlands International Golf Club Inc. (THIGCI).

Sale of membership shares to the public started in November 1995 but the Country Club officially opened for business in March 1996. Majority of members are private individuals (about 87.44%) most of which are Filipino nationals and citizens and the remaining 12.56% are corporate members. Members of THIGCI were given preference to purchase the first few shares before they were offered to the public. The Country Club derives its revenues and other income from the monthly dues (37%), restaurant patronage (51%), recreational facilities (4%), room sales (2%), and other income (6%). Collection of monthly dues started in March 1996 at ₱750 per member and was subjected to gradual increases. The following are the monthly dues with the respective periods wherein the increase became effective: ₱1,500 in June 1996, ₱2,000 in January 1998, ₱2,300 in April 2001, ₱2,500 in April 2004, ₱3,100 in January 2006, ₱3,600 in January 2010, ₱4,200 in September 2012, and ₱4,700 in January 2019. Starting March 2020, membership dues was reduced to ₱4,250 due to the VAT exemption.

Sale of food and beverage through the Country Club's restaurants is a major source of income contributing to about 51% of total revenues in 2022. The different specialty restaurants offer a wide array of cuisines (Chinese, Italian, Japanese, Thai and Western), which are sure to satisfy everyone's palate. Members of the Country Club can avail of the restaurants' facilities of THIGCI and TMGCI, these restaurants offer Filipino, Korean and Spanish cuisine.

Part of the Country Club's commitment to members was also to provide sports and recreational facilities. Prior to the Country Club's opening in March 1996, the outdoor facilities like the tennis courts, fishing pier, mini-golf course, horseback bridle path and the children's playground were already available to members. In July 1996, the two-level Sports Center was officially opened. This houses a 14-lane bowling facility, indoor lap pool, basketball court, badminton court, game room, spas, gym, and a Kidsports - children's play area. In December 1996, major portions of the camping ground called Camp Highlands were also completed and ready to accept members who wish to stay overnight or simply to cool off in the swimming pools. In addition to the aforesaid developments, the Animal Farm was opened in 1997.

The wide array of facilities and the continuing developments in the Country Club are important considerations for members to retain membership with the Country Club and for some to speculate increase in market value of their shares. The Club has completed its renovation of the following facilities in 2019: Sports Center, Highlander Steakhouse, Highlands China Palace, Country Club Veranda, Akasaka, Camp Highlands, Peak Bar, Country Clubhouse, Holy Family Chapel, Genghis Khan, and Trellis.

Bankruptcy, Receivership or Similar Proceedings

The Country Club has not been involved in any bankruptcy, receivership, or similar proceedings for the past three (3) years.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

The Country Club has not engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets (not ordinary) for the past three (3) years.

Competition

There is no formal or organized secondary market for the purchase and sale of golf and country club shares in the Philippines. As such, holders of shares in the Country Club who may wish to sell or dispose of their shares may not readily find a counter-party for the transaction at the desired asking price. At present, there is a growing number of golf and country clubs being established in various parts of the country. This may affect appreciation in the value of investment in the Country Club.

Investments in leisure-oriented developments such as golf and country clubs are influenced by the economic and political conditions in the country. Any adverse economic and political developments in the country may affect the demand for such leisure facilities, and any anticipated appreciation in the prices of golf and country club shares.

Although there are other clubs engaged in the same line of business, the Country Club competes in terms of service and facilities. The Country Club is highly competitive because of its wide array of facilities which includes world-class sports and recreational facilities, specialty restaurants and bars offering different cuisines (Filipino, Chinese, Italian, Japanese, Korean, and Western) and accommodation facilities.

Sources and availability of raw materials

The Country Club's principal suppliers include Werdenberg International Corporation, ESV International Corp., RGL33 Fruits and Vegetable Dealer, JC Seafoods Supply, Delos Reyes Trading, Sanford Marketing Corporation and Alternative Food Corp. There are no existing major supply contracts entered into by the Country Club.

Transactions with and/or dependence on related parties

Related Parties and Transactions Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Government Regulations

The Country Club has complied with licensing and regulatory requirements necessary for its development and operations.

Compliance with Environmental Laws

The Country Club has complied with pertinent environmental laws and regulations and has received the Environmental Certificate Clearance issued by the Department of Energy and Natural Resources.

Employees

The Country Club is run by a team of regular employees as follows:

Regular Employees*	
GM & Department Heads	34
Supervisors	37
Rank and File	<u>40</u>
Total	<u>111</u>

* Based on head count as of December 31, 2022

All regular rank and file employees are subject to the Collective Bargaining Agreement which expires in June 30, 2024. Some of the regular employees are also seconded to Tagaytay Highlands International Golf Club, Inc. and Tagaytay Midlands Golf Club, Inc.

There has been no strike brought about by the Country Club's employees in the past twenty-six (26) years.

Major Business Risk

The Country Club has been sustaining its operational requirements through the collection of monthly dues from each member and the operation of restaurants and sports & recreation facilities. The Country Club has no foreign currency exposures or obligations that will have a material impact on its short-term or long-term liquidity due to the depreciation of the peso. During the early part of the COVID-19 pandemic, the Club was experiencing reduced consumer demand owing to lost income and/or restrictions on consumers' ability to move freely and limitation of the Club's activities such as Country tournament, wedding, and corporate events. When the government lifted the community quarantine, the Club's revenues returned to its normal earning stream in March 2022.

Item 2. Properties

The Country Club is located in Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City. The Country Club has complete ownership over the property. In addition, the property is free from all liens, encumbrances or mortgage. There are no limitations as to the ownership brought about by the terms and conditions of any encumbrances.

The principal properties include the Country Clubhouse, the Sports Center which includes a 14-lane bowling facility, indoor lap pool, basketball court, Volleyball Court, badminton court, squash court, Billiards, table tennis, Tennis court, gym, and a Kidsports – children's play area. Other properties include the Animal farm, a camping ground, Biking trail, Fishing Pier, Futsal, Mini golf course, pedal go cart and newly introduced facility the Airsoft.

Item 3. Legal Proceedings

As of the calendar year ended December 31, 2022, there are no pending material legal proceedings which the Country Club is a party to.

Item 4. Submission of Matters to a Vote of Security Holders

Also, during the year, there were no matters submitted to a vote of the shareholders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Proprietary Shares

The Country Club has issued and outstanding 5,000 proprietary shares as of December 31, 2022, of which 46.50% is owned by Belle Corporation and the remaining shares are owned by other club members. There are 2,325 holders of the Club's proprietary shares.

The top 20 shareholders as of 31 December 2022 are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES	%
Belle Corporation	2,325	46.50%
Ivory Holdings, Inc.	267	5.34%
Highlands Prime Inc.	125	2.50%
Jollibee Foods Corporation	14	0.28%
Camara, Feliciano G.	6	0.12%
APC Group Inc.	6	0.12%
First Gas Holdings Corp.	4	0.08%
S.P. Properties, Inc.	3	0.06%
Pilipino Star Printing Co., Inc.	3	0.06%
Quality Corrugated Box Manufacturing, Corp.	3	0.06%
OTHERS	2,244	44.88%
Total	5,000	100.00%

Market Value of Security

Below are the high and low bid prices for the past three (3) years based on newspaper publications:

	HIGH	LOW
Quarter ended March 2020	150,000	150,000
Quarter ended June 2020	150,000	150,000
Quarter ended September 2020	170,000	170,000
Quarter ended December 2020	200,000	200,000
Quarter ended March 2021	350,000	150,000
Quarter ended June 2021	350,000	120,000
Quarter ended September 2021	300,000	300,000
Quarter ended December 2021	430,000	400,000
Quarter ended March 2022	550,000	450,000
Quarter ended June 2022	600,000	500,000
Quarter ended September 2022	600,000	650,000
Quarter ended December 2022	600,000	600,000

The Country Club's securities are not traded in any of the stock exchanges.

Dividends

The Country Club is a non-profit corporation and as such, does not declare dividends to its shareholders. In accordance with the Country Club's Articles of Incorporation and By-Laws, no profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation of the Country Club.

Recent Sales of Unregistered or Exempt Securities

All the Club's securities are registered under the Securities Regulation Code. There was no sale of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities for the past three (3) years.

Item 6. Management's Discussion and Analysis (MD&A)

The Country Club derived its revenues from the membership dues, food and beverage sales and income from recreational facilities.

Results of Operations

December 31, 2022 compared to December 31, 2021

REVENUES

The Country Club generated total revenues and other income amounting to ₱214.00 million for the year ended December 31, 2022 compared to ₱140.27 million for the year ended December 31, 2021, due to higher patronage and a result of the lifted community quarantine.

Food, beverage and sundries

Food, beverage and sundries increased by ₱56.38 million or 48.04%, from ₱117.37 million for the year ended December 2021 to ₱173.75 million for the year ended December 2022. This is due to the opening of the club outlets and concessionaires that are allowed to operate to its full operation when the community quarantine was lifted in March 2022.

Sports and recreation

Sport and recreation increased by ₱8.74 million or 176.34%, from ₱4.96 million in 2021 to ₱13.70 million in 2022. This is due to the higher income of indoor and outdoor facilities, animal farm and locker room.

Rooms sales

Rooms sales increased by ₱4.22 million or 122.47%, from ₱3.44 million in 2021 to ₱7.66 million in 2022, this is due to the 1,045 occupancies for the year 2022.

Interest Income

Interest income increased by ₱0.23 million or 785.82%, from ₱0.03 million in 2021 to ₱0.26 million in 2022. This is due to the additional funding of BDO time deposit for the year 2022.

Other Income

Other income increased by ₱4.15 million or 28.69%, from ₱14.47 million in 2021 to ₱18.63 million in 2022. This consists of membership transfer fee, commission, assignment and miscellaneous income.

COST AND OPERATING EXPENSE

Cost and operating expenses for the twelve months period ended December 31, 2022, amounted to ₱295.30 million, an increase of ₱66.39 million or 29.47% compared to ₱228.91 million in the same period in 2021.

Cost of sales

Cost of sales increased by ₱32.92 million or 54.53%, from ₱60.37 million in 2021 to ₱93.29 million in 2022. This is due to the higher cost of food, beverage and sundry inventory cost.

Cost of services

Cost of services increased by ₱26.94 million or 19.73%, from ₱136.54 million in 2021 to ₱163.49 million in 2022. This is due to the higher personnel cost, utilities expenses, repair and maintenance.

General and administrative expenses

General and administrative expenses increased by ₱6.53 million or 20.42%, from ₱31.99 million in 2021 to ₱38.52 million in 2022. The majority of the increase is from taxes and licenses, repair and maintenance.

MEMBERS' SUPPORT

Membership dues increased by ₱8.50 million or 7.20% from ₱118.00 million for the twelve-month period ended December 31, 2021 to ₱126.49 million for the same period ended December 31, 2022. This is due to the increase in the number of active members 2,819 in 2022 compared to 2,702 in 2021.

PROVISION FOR DEFERRED INCOME TAX

Provision for deferred income tax for the year ended December 2022 of ₱1.22 million, due to the remeasurement that results a deferred for the year 2022.

NET INCOME

The Club registered a net income of ₱43.98 million for the twelve-month period ended December 31, 2022 in comparison with the net income of ₱29.26 million for the same period in 2021.

December 31, 2021 compared to December 31, 2020

REVENUES

The Country Club generated total revenue and other income amounting to ₱140.27 million for the year ended December 31, 2021 compared to ₱82.21 million for the year ended December 31, 2020, due to high patronage as a result of more relaxed community restriction related to covid 19.

Food, beverage and sundries

Food, beverage and sundries increased by ₱62.04 million or 112.15%, from ₱55.32 million for the year ended December 2020 to ₱117.37 million for the year ended December 2021.

Sports and recreation

Sport and recreation increased by ₱1.61 million or 48.04%, from ₱3.35 million in 2020 to ₱4.96 million in 2021.

Rooms sales

Rooms sales increased by ₱1.02 million or 42.14%, from ₱2.42 million in 2020 to ₱3.44 million in 2021.

Interest Income

Interest income decreased by ₱0.04 million or 57.43%, from ₱0.07 million in 2020 to ₱0.03 million in 2021.

Other Income

Other income decreased by ₱6.57 million or 31.24%, from ₱21.05 million in 2020 to ₱14.47 million in 2021. This consists of membership transfer fee, commission, assignment and miscellaneous income.

COST AND OPERATING EXPENSE

Cost and operating expenses for the twelve months period ended December 31, 2021, amounted to ₱228.91 million, an increase of ₱20.85 million or 10.02% compared to ₱208.05 million in the same period in 2020. Due to the higher volume of operating activities as a result of more relaxed community quarantine.

Cost of sales

Cost of sales increased by ₱32.1 million or 114.00%, from ₱28.2 million in 2020 to ₱60.37 million in 2021. This is due to the higher cost of food, beverage, sundry cost and spoilage.

Cost of services

Cost of services decreased by ₱8.42 million or 5.81%, from ₱144.9 million in 2020 to ₱136.54 million in 2021. This is due to the lower cost of personnel and depreciation.

General and administrative expenses

General and administrative expenses decreased by ₱2.87 million or 8.22%, from ₱34.86 million in 2020 to ₱31.99 million in 2021. Majority of the decreased is from Taxes & Licenses.

MEMBERS' SUPPORT

Membership dues decreased by ₱0.52 million or 0.44% from ₱118.51 million for the twelve-month period ended December 31, 2020 to ₱117.99 million for the same period in 2021. This due to the decrease in number of active members 2,702 in 2021 compared to 2,618 in 2020.

PROVISION FOR DEFERRED INCOME TAX

Provision for income tax deferred for the year ended December 2021 of ₱0.096 million, due to the remeasurement that results a deferred for the year 2021.

NET INCOME

The Club registered a net income of ₱29.26 million for the twelve-month period ended December 31, 2021 in comparison with the net loss of ₱7.34 million for the same period in 2020.

December 31, 2020 compared to December 31, 2019

REVENUES

The Country Club generated total revenues and other income amounting to ₱82.21 million for the year ended December 31, 2020, as compared to ₱218.55 million for the year ended December 31, 2019, a decline of 62.38%. The Covid-19 pandemic has caused unprecedented impact to the company's operations due to mandatory quarantine periods, community lockdowns and restrictions on mobility of members.

Food, beverage and sundries

Food, beverage and sundries decreased by ₱98.81 million or 64.11%, from ₱154.13 million for the year ended December 2019 to ₱55.32 million for the year ended December 2020.

Sports and recreation

Sport and recreation decreased by ₱13.58 million or 80.22%, from ₱16.93 million in 2019 to ₱3.35 million in 2020.

Rooms sales

Rooms sales decreased by ₱12.86 million or 84.15%, from ₱15.28 million in 2019 to ₱2.42 million in 2020.

Interest Income

Interest income decreased by ₱0.13 million or 64.57%, from ₱0.20 million in 2019 to ₱0.07 million in 2020. This is due to the account pre-termination of BDO time deposit last September 2020 and the decrease in rate.

Other Income

Other income decreased by ₱10.95 million or 34.22%, from ₱32 million in 2019 to ₱21.05 million in 2020. This is due to the lower membership transfer fee, commission, and assignment fee.

Interest expense

Interest expense decreased by ₱0.068 million or 92.91%, from ₱0.073 million in 2019 to ₱0.005 million in 2020. This is due to full payment of the vehicles lease financing in 2020.

COST AND OPERATING EXPENSE

Cost and operating expenses for the twelve months period ended December 31, 2020 amounted to ₱208.05 million, a decrease of ₱125.26 million or 67.22% compared to ₱317.51 million in the same period in 2019.

Cost of sales

Cost of sales decreased by ₱30.16 million or 51.65%, from ₱53.39 million in 2019 to ₱28.23 million in 2020. This is due to the lower cost of food, beverage, and sundry inventory cost.

Cost of services

Cost of services decreased by ₱68.44 million or 32.07%, from ₱213.41 million in 2019 to ₱144.96 million in 2020. This is mainly due to the reduction of reporting of the employees because of the covid-19 pandemic that leads to a lower cost for personnel.

General and administrative expenses

General and administrative expenses decreased by ₱10.85 million or 23.74%, from ₱45.71 million in 2019 to ₱34.86 million in 2020, this is due to the personnel cost.

MEMBERS' SUPPORT

Membership dues increased by ₱2.07 million or 2.00% from ₱116.44 million for the twelve-month period ended December 31, 2019 to ₱118.51 million for the same period in 2020. This is mainly due to the Increase in number of active members 2,618 in 2020 compared to 2,573 in 2019.

NET INCOME

The Club registered a net loss of ₱7.34 million for the twelve-month period ended December 31, 2020 in comparison to the net income of ₱15.08 million for the same period in 2019.

Financial Condition and Changes in Financial Condition

December 31, 2022 compared to December 31, 2021

ASSETS

The Country Club has total assets of ₱742.79 million as of December 31, 2022 as compared to ₱709.22 million as of December 31, 2021, an increase of ₱33.58 million or 4.73%. The Country club has a current ratio of ₱1.42 for each peso of current liabilities as of December 31, 2022 as compared to ₱1.08 as of December 31, 2021.

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱6.41 million or 15.52%, from ₱41.29 million as of December 31, 2021 to ₱47.70 million as of December 31, 2022. This is the result of the net cash provided by operating activities amounting to ₱57.64 million which was offset by net cash flows used in investing activities of ₱51.28 million and net cash used in financing activities of ₱0.037 million.

Trade and other Receivables

Trade and other receivables amounted to ₱77.11 million and ₱51.88 million as of December 31, 2022 and 2021, respectively. An increase of ₱25.22 million or 48.61% was attributed to the increase in related parties of ₱29.62 million or 348.36%, receivable from functions of ₱1.24 or 190.02%, receivables from concessionaires of ₱0.48 or 35.12%, receivable from credit card ₱0.28 or 28.42% and other receivables ₱1.88 or 531% offset by the decrease receivables from members of ₱8.27 million or 20.50%.

Inventories

Inventories decreased by ₱2.12 million or 14.65% from ₱14.46 million as of December 31, 2021 to ₱12.34 million as of December 31, 2022 due to the lower supplies consumption.

Other Current Assets

Other current assets amounted to ₱56.93 million and ₱54.32 million as of December 31, 2022 and 2021, respectively. The increase is mainly due to increase of prepaid expense of ₱0.04 million or 1.30%, and creditable withholding taxes of ₱4.46 million or 15.61% which was offset by deferred input VAT decreases by ₱1.92 million or 24.51%.

Property and Equipment

Property and equipment decreased by ₱8.30 million or 1.66% due mainly due increase in accumulated depreciation of ₱54.52 million or 3.34% as a result of increases in office, furniture, fixtures and equipment of ₱3.96 million or 3.64%, facilities and equipment of ₱12.20 million or 2.24% and land improvements of ₱2.08 million or 1.53%.

Investment Properties

Investment properties of the Club consisting of land not used in operations remain at its carrying value as of December 31, 2022 and 2021 of ₱34.58 million.

Net Retirement Asset

Net retirement asset increased by ₱4.87 million or 1384.53% from ₱0.351 million as of December 2021 to ₱5.22 million as of December 2022, mainly due to the contribution paid for retirement fund.

Other Non-current Assets

Other non-current assets increased by ₱4.89 million or 39.34% from ₱12.44 million as of December 31, 2021 to ₱17.33 million as of December 31, 2022 due mainly to the increase in advances to contractors and suppliers by ₱7.32 million or 123.61% which was offset by deferred input VAT of ₱2.23 million or 47.69%.

Trade and other Payables

Trade and other payables posted a decreased of ₱13.19 million or 8.82% from ₱149 million as of December 2021 to ₱136 million as of December 2022. This pertains to the decrease in related party of ₱26.42 million or 94.31% and trade payables of ₱5.80 million or 16.81% which was offset by refundable deposit of ₱11.42 million or 45.52% and membership dues collected in advance of ₱1.78 million or 6.51%.

Deferred Tax Liability

Deferred tax liability increased by ₱1.22 million from ₱0.096 million as of December 2021 to ₱1.31 million as of December 2022.

MEMBERS' EQUITY

Members' equity increased by ₱45.54 million or 8.14% from ₱559.57 million in December 31, 2021 to ₱605.11 million in December 31, 2022, attributed to the net increase of ₱43.98 million during the current year and other comprehensive income amounting to ₱1.57 million, which is from the remeasurement gain on defined benefit pension plan.

December 31, 2021 compared to December 31, 2020

ASSETS

The Country Club has total assets of ₱709.22 million as of December 31, 2021 as compared to ₱684.51 million as of December 31, 2020, an increase of ₱24.71 million or 3.61%. The Country club has a current ratio of ₱1.08 for each peso of current liabilities as of December 31, 2021 as compared to ₱0.84 as of December 31, 2020.

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱24.5 million or 146.17%, from ₱16.77 million as of December 31, 2020 to ₱41.29 million as of December 31, 2021. This is the result of the net cash provided by operating activities amounting to ₱56.81 million which was offset by net cash flows used in investing activities of ₱32.33 million and net cash used in financing activities of ₱0.031 million.

Trade and other Receivables

Trade and other receivables amounted to ₱51.88 million and ₱36.98 million as of December 31, 2021 and 2020, respectively. The increase of ₱14.91 million or 40.31% was attributed to the increase in related parties of ₱11.08 million or 68.00% and receivables from concessionaires of ₱0.41 or 43.76% offset by the decrease receivables from functions of ₱0.37 million or 36.44% and advances for liquidation by ₱0.10 million or 47.07%.

Inventories

Inventories increased by ₱3.07 million or 26.97% from ₱11.39 million as of December 31, 2020 to ₱14.46 million as of December 31, 2021 due to the higher supplies consumption.

Other Current Assets

Other current assets amounted to ₱34.06 million and ₱28.87 million as of December 31, 2021, and 2020, respectively. The increase is mainly due to increase of prepaid expense of ₱2.54 million or 109%, and creditable withholding taxes of ₱2.88 million or 11.18% which was offset by deferred input VAT decrease by ₱0.21 million or 7.44%.

Property and Equipment

Property and equipment decreased by ₱24.13 million or 4.60% due mainly to increase in accumulated depreciation of ₱54.05 million or 3.54% as a result of increases in office, furniture, fixtures and equipment of ₱5.91 million or 5.74%, facilities and equipment of ₱3.74 million or 0.78% and land improvements of ₱1.73 million or 1.28%. On the other hand, there is a decrease in net operating equipment of ₱0.35 million or 9.18%.

Investment Properties

Investment properties of the Club consisting of land not used in operations remain at its carrying value as of December 31, 2022 and December 31, 2021 amounting of ₱34.58 million.

Net Retirement Asset

Net retirement asset of the Club amounting of ₱0.35 million as of December 31, 2021 mainly due to the contribution paid for retirement fund.

Other Non-current Assets

Other non-current assets decreased by 3.89% or ₱22.98 million, from ₱590.51 million as of December 31, 2020 to ₱567.52 million as of December 31, 2021 due mainly to the decrease in property and equipment of ₱24.12 million or 4.60% because of higher depreciation expense, and advances to contractors and suppliers of ₱3.82 million or 181.79% and deferred input VAT by ₱3.00 million or 10.75%.

Trade and other Payables

Trade and other payables posted an increase of ₱138.01 million as of December 31, 2020 to ₱149.55 million as of December 2021. This pertains to the increase in membership dues collected in advance of ₱9.43 million or 69.26%, payables to concessionaires of ₱4.33 million or 67.04%, refundable deposit of ₱4.17 million or 19.96%, provisions of ₱6.65 million or 762.44% and retention payable of ₱0.23 million or 26.31%. On the other hand, there are decreases in related parties of ₱16.16 million or 36.58%, trade accounts payable of ₱0.92 million or 3.72%, statutory payable of ₱0.67 million or 17.97%.

Deferred Tax Liability

Deferred tax liability as of December 2021 amounted to P0.096 million.

MEMBERS' EQUITY

Members' equity increased by ₱29.81 million or 5.63% from ₱529.76 million as of December 31, 2020 to ₱559.57 million as of December 31, 2021, attributed to the net increase of ₱29.26 million during the current year and other comprehensive income amounting to ₱0.055 million, which is from the remeasurement gain on defined benefit pension plan.

December 31, 2020 compared to December 31, 2019

ASSETS

The Country Club has total assets of ₱684.51 million as of December 31, 2020 as compared to ₱737.70 million as of December 31, 2019, a decrease of ₱53.19 million or 7.21%. The Country club

has a current ratio of ₱0.68 for each peso of current liabilities as of December 31, 2020 as compared to ₱0.57 as of December 31, 2019.

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱3.22 million or 23.77%, from ₱13.55 million as of December 31, 2019 to ₱16.77 million as of December 31, 2020. This is the result of the net cash inflows provided by operating activities amounting to ₱31.37 million which was offset by net cash flows used in investing activities of ₱27.79 million and net cash used in financing activities of ₱0.33 million.

Trade and other Receivables

Trade and other receivables amounted to ₱36.98 million and ₱38.74 million as of December 31, 2020 and 2019, respectively. The decline of ₱1.76 million or 4.54% was attributed to the decrease in receivables from functions of ₱6.05 million or 85.52% offset by the increase in receivables from members of ₱4.50 million or 15.56% attributed to low collection rate owing to lost income and/or restrictions on members' ability to move freely as a result of the outbreak of COVID-19 pandemic.

Inventories

Inventories decreased by ₱2.33 million or 17.00% from ₱13.72 million in December 31, 2019 to ₱11.39 million in December 31, 2020 due to consumption during the period.

Other Current Assets

Other current assets amounted to ₱28.87 million and ₱31.21 million as of December 31, 2020 and 2019, respectively. This is mainly due to decrease of ₱3.83 million or 56.78% in current portion of deferred input VAT offset by increase of ₱1.59 million or 6.57% in creditable withholding taxes.

Property and Equipment

Property and equipment decreased by ₱50.21 million or 8.74% due mainly to increase in accumulated depreciation of ₱55.59 million or 3.78% as a result of increases in facilities and equipment of ₱9.75 million or 2.07%, office, furniture, fixtures and equipment of ₱4.38 million or 4.44%, and land improvements of ₱0.74 million or 55.00%. On the other hand, there is a decrease in net operating equipment of ₱96.35 million.

Investment Properties

Investment properties of the Club consisting of land not used in operations remain at its carrying value as of December 31, 2020 and December 31, 2019 amounting of ₱34.58 million.

Non-current Assets

Non-current assets decreased by 7.80% or ₱49.98 million, from ₱640.48 million as of December 31, 2019 to ₱590.51 million as of December 31, 2020 due mainly to the higher depreciation expense, and advances to contractors and suppliers of ₱5.42 million or 72.04%. Conversely, deferred input VAT increased by ₱2.79 million or 92.74% for CAPEX and ₱3.03 million or 15.86% for OPEX.

Trade and other Payables

Trade and other payables posted a decreased of ₱31.31 million or 18.49%, from ₱169.32 million as of December 31, 2019 to ₱138.01 million as of December 31, 2020. This pertains to the decreases in trade accounts payable of ₱18.77 million or 41.11%, refundable deposit of ₱14.94 million or 41.67%, membership dues collected in advance of ₱11.63 million or 46.09%, and retention payable of ₱7.54 million or 89.58%. On the other hand, there are increases in payables to related parties of ₱16.02 million or 56.91%, payables to concessionaires of ₱2.29 million or 54.89%, and provisions of ₱0.67 million or 326.97%.

In addition, non-current liabilities decreased by ₱11.16 million or 39.99% from ₱27.90 million as of December 31, 2019 to ₱16.74 million as of December 31, 2020. This lower amount is caused by the retirement contributions paid during the year.

MEMBERS' EQUITY

Members' equity decreased by ₱10.40 million or 1.93% from ₱540.16 million as of December 31, 2019 to ₱529.76 million as of December 31, 2020, attributed to the net loss of ₱7.34 million during the current year and other comprehensive loss amounting to ₱3.06 million, which is from the remeasurement loss on defined benefit pension plan.

Annex 68-E
Schedule of Financial Soundness Indicators
The Country Club at Tagaytay Highlands, Inc.
As at December 31, 2022, 2021, and 2020

		31-Dec-22	31-Dec-21	31-Dec-20
<i>Performance Indicators</i>	<i>Formula for Calculation</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Current ratio	Current assets over current liabilities	1.42 : 1.00	1.08 : 1.00	0.68 : 1.00
Acid test ratio	Quick assets* over current liabilities	0.92 : 1.00	0.62 : 1.00	0.39 : 1.00
Solvency ratio	EBITDA over total liabilities	0.72 : 1.00	0.59 : 1.00	0.35 : 1.00
Debt to equity ratio	Total liabilities over total members' equity	0.23 : 1.00	0.27 : 1.00	0.29 : 1.00
Asset to equity ratio	Total assets over total members' equity	1.23 : 1.00	1.27 : 1.00	1.29 : 1.00
Return on equity	Net income (loss) over total members' equity	8%	5%	(1%)
Return on assets	Net income (loss) over total assets	6%	4%	(1%)
Net profit margin	Net income (loss) over total revenue	23%	23%	(4%)

* Quick assets – Cash plus receivables

During the year ended December 31, 2022, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations, in respect of the following:

- i. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Country Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Country Club, including any default or acceleration of an obligation;
- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Country Club with unconsolidated entities or other persons created during the reporting period;
- iv. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Country Club's short-term or long-term liquidity;
- v. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- vi. Significant elements of income or loss that did not arise from the Country Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Country Club's results of operations; and
- viii. Material changes in the financial statements of the Country Club from the year ended December 31, 2022, except as reported in the MD&A.

Other Required Disclosures

1. The Club's annual financial report is in compliance with generally accepted accounting principles. The accounting policies and methods of computation followed in the annual financial statements as of December 31, 2022 are the same as compared with the annual financial statements as of December 31, 2021.
2. There are no material events or uncertainties known to management that had a material impact on the seasonal aspects of the Club's results of operations.
3. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
4. There are no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.
5. There are no material events subsequent to the end of the fiscal period that have not been reflected in the financial statements for the period December 31, 2022.
6. There are no material changes in the composition of the club during the fiscal period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
7. The Club has no contingent liabilities or contingent assets.
8. There are no material contingencies existing as of the fiscal period that can have a material effect in the decision making of the financial statement users.

9. The Club did not purchase any interest in another entity that is to be considered as a business combination under PFRS 3.
10. The Club did not make an early adoption of PFRS 9 (Financial Instruments: Recognition and Measurement) which is effective for annual periods beginning on or after January 1, 2015. The adoption of the first phase of PFRS 9 will have no impact on the classification and measurement of the Club's financial assets and financial liabilities.
11. The application of the amendment on PAS 27 (Separate Financial Statements) will have no significant impact on the Club's financial position or financial performance.
12. The application of the amendment on PAS 28 (Investments in Associates and Joint Ventures) will have no significant impact on the Club's financial position or financial performance.
13. The amendment on PFRS 1 (Government Loans) does not apply to the Club.
14. The amendment of PFRS 7 (Financial Instruments: Disclosures – Offsetting of Financial Assets and Financial Liabilities) only affect disclosures to financial statement and have no impact on the Club's financial position or performance.
15. There will be no impact on the Club's financial position and performance for the application of PFRS 10 (Consolidated Financial Statements)
16. The application of PFRS 11 (Joint Arrangements) will have no impact on the Club's financial position and performance.
17. The application of PFRS 12 (Disclosure of Interests in Other Entities) will have no impact on the Club's financial position or performance.
18. The Club does not anticipate that the adoption of PFRS 13 (Fair Value Measurement) will have a significant impact on the financial position or performance.

Item 7. Financial Statements

The audited statement of financial position as of December 31, 2022 and 2021, and the statements of comprehensive income, statement of changes in members' equity and statements of cash flows for the years ended December 31, 2022, 2021 and 2020 are attached herewith as part of this Form 17-A. Also accompanying the financial statements is a statement of management's responsibility over them.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

No principal accountant or independent accountant of The Country Club has resigned, was dismissed or has ceased to perform services during the calendar year covered by this report.

There was no disagreement with the accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope procedure.

Independent Public Accountants, External Audit Fees and Services

Reyes Tacandong & Co. ("RT&Co") is the Company's external auditor for 2021-2022, will be recommended for re-appointment as such for the current year. Representatives of RT&Co are expected to be present at the Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Over the past five (5) years, there was no event where previous external auditor or RT&Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope of procedure.

In compliance with the SRC Rule 68, paragraph 3 (b) and (ix) (Rotation of External Auditors) which states that signing partner shall be rotated after every five (5) years of engagement with a two-year cooling-off period for the re-engagement of the same signing partner, the Company engaged Belinda B. Fernando of RT&Co. for the examination of financial statements of 2021-2022.

The Company paid Reyes Tacandong & co. ₱260,360 for external audit services for 2022 and ₱220,000 for 2021. For each of the last two (2) calendar years, Reyes Tacandong & Co. did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

The Audit Committee, composed of Mr. Ruben C. Tan, as Chairman, Mr. Johnip G. Cua, and Mr. Hans T. Sy as Members, recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Board of Directors approves the audit fees as recommended by the Audit Committee.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The following are the incumbent Directors and Principal Officers of the Country Club:

Name	Nation ality	Position	Age	Term of Office
Manuel B. Sy	Filipino	Chairman & Lead independent director	65	2021 to present
Jerry C. Tiu	Filipino	President & Director	65	2001 to present
Hans T. Sy	Filipino	Director	67	1992 to present
Willy N. Ocier	Filipino	Director	66	2022 to present
Ruben C. Tan	Filipino	Independent director	67	2017 to Present
Manuel A. Gana	Filipino	Vice President/Treasurer	65	2000 to present
Maria Clara T. Kramer	Filipino	General Manager	61	2010 to present
Anna Francesca C. Respicio	Filipino	Corporate Secretary	37	2021 to present

A brief write-up on the incumbent directors and principal are as follows:

MANUEL B. SY

Chairman/Lead Independent Director

Mr. Sy, Filipino, 65 years old, is the Chairman and Lead Independent Director of the Country Club since 2022, became an independent director of the club in 2021 and he was also an independent director of TMGCI since 2021 to present.

Also, Mr. Sy is a President of New Golden City Builders & Development Corporation since 1987 to present and President and CEO of Citigold Resources and Development Corporation, since 2000 to present. He is also a Director at Sapphire Residences from 2010 to present, Blue Sapphire from 2010 to present, and Crescent Park Residences from 2010 to present. Mr. Sy is also a BOD and Treasurer at Penhurst Parkplace since 2007 to present and Corporate Secretary at Total 2000 from 1993 to present. He studied B.S. Civil Engineering at Mapua Inst. Of Tech.

Jerry C. Tiu

President/Director

Mr. Tiu, Filipino, 65 years old, is the President of the Country Club since 2001. He is also an Independent Director of Philippine Global Communications, Inc. since 2009. He is the President and a Director of Tagaytay Highlands Golf Club, Inc., Tagaytay Midlands Golf Club, Inc., and The Spa & Lodge at Tagaytay Highlands, Inc. He is an Independent Director of the Pacific Online Systems Corporation since February 21, 2007 and was appointed as the Lead Independent Director last May 31, 2017. He also works as president and director in Macroasia corporation, PAL holdings Inc., LTG Inc., Eton Properties Philippines Inc., Philippine National Bank and in PNB General Insurers Co, Inc. He is likewise the President and a Director of Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Community Homeowners' Association, Inc., and Greenlands Community Homeowners' Association, Inc. Moreover, he is the Vice-President

and a Board of Trustee of The Highlands Prime Community Condominium Owners' Association, Inc., The HPI's Horizon Community Condominium Owners' Association, Inc. and The Hillside at Tagaytay Highlands Community Homeowners' Association, Inc. He holds a Bachelor of Science degree in Commerce (Major in Marketing) from University of British Columbia.

Hans T. Sy

Director

Mr. Sy, Filipino, 67 years old, is the Director of the Country Club since 1996. He is also the Director of the Board of THIGCI and a Director of TMGCI. Currently, he is the Chairman of the Executive Committee of SM Prime Holdings, Inc. where he has been a director since 1994, and served as its President until September 2016. He has held key positions in businesses related to banking, real estate development, mall operations, as well as leisure and entertainment. In the SM Group, his other current positions include Adviser to the Board of SM Investments Corporation, Chairman of China Banking Corporation, and Chairman of National University. Mr. Sy is a Bachelor of Science in Mechanical Engineering Graduate of De La Salle University.

Willy N. Ocier

Chairman

Mr. Ocier, Filipino, 66 years old, is the Director the Country Club since 2022 to present. He was a former Chairman of the Country Club since 1992 to 2021. Likewise, he is the Chairman of the Board of The Spa and Lodge at Tagaytay Highlands, Inc. (TSL) since 1992 to 2020 and Tagaytay Midlands Golf Club, Inc. (TMGCI) since 1996 to 2021, He is also the Vice Chairman of the Board of Tagaytay Highlands International Golf club, Inc. (THIGCI) since 1992 up to present.

He is a Chairman of Belle Corporation, Chairman of Pacific Online Systems Corporation, Chairman of the Board and a Director of APC Group, Inc., Premium Leisure Corp., and Total Gaming and Technologies, Inc. He is a Director of Leisure and Resorts World Corporation, Vantage Equities, PhilEquity Management, Inc., Toyota Corporation Batangas and AbaCore Capital Holdings, Inc. He is also the Chairman, President and Chief Executive Officer of Philippine Global Communications, Inc. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation. He graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, *honoris causa*.

Ruben C. Tan

Independent Director

Mr. Tan, Filipino, 67 years old, is an Independent Director of the Country Club, as well as TMGCI, THIGCI and TSL. Likewise, he is the Director of Blue Ridge Mineral Corporation and Eagle Crest Mining & Development Corporation (2012-present). Director of RJT Ramipaen Holding Inc. (2011-present), RCHAMPS Reality Corporation and MIGWINS Reality Corporation (2009-present), MAGADEV properties Inc. (2002-present), JESSALEX Inc. (2000-present). He is also the President of Glendale Mining & Development Corporation (1997-Present), Citimex, Inc. (1984-Present), Cedarside Industries, Inc. (1996-Present), and Barrington Carpets, Inc. (1989-Present). He is the Corporate Secretary of CWC-Prime Industries Corporation (2012-present), Tile Trends Inc. (2000-present), Prime Floorcoverings Incorporated (1994-present). Mr. Tan holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

Principal Officers

Manuel A. Gana

Vice President/Treasurer

Mr. Gana, Filipino, 65 years old, is the Vice President and Treasurer of the Country Club (2000-present). Likewise, he is the Director and Treasurer of Tagaytay Highlands International Golf Club, Inc. Mr. Gana is the Director, and Chief Executive Officer of Belle Corporation. He joined Belle in 1997 as Vice President for Corporate Development and Special Projects, during which time he was also assigned as the Vice President-Finance and Chief Financial Officer for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (now called Premium Leisure Corporation), a subsidiary of Belle. Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

Ma. Clara T. Kramer

General Manager

Ms. Kramer, Filipino, 61 years old, is the General Manager of the Country Club since 2010. She is also the concurrent General Manager of THIGCI, TMGCI, TSL, THCCAI, TMCHAI, GCHAI, THPCCOAI, THHCCOAI, and THTHCHAI. She serves as the Business Unit Head and Senior Vice-President of Tagaytay Highlands Estate (Belle Corporation). She was a consistent Dean's Lister in Assumption College (San Lorenzo Village, Makati City) where she earned her bachelor's degree. She started her career in the hotel industry back in December of 1983 when she joined the sales department of Manila Hotel as Sales Executive. In July 1990, she was hired by L'Fisher Hotel as Front Office Manager and later as PR & Promotions Manager until she got promoted in June 2001 and was tasked with managing the Sales and Marketing Department. As a member of the management team, she actively took part in the formulation of major policies and procedures of the Hotel. Ms. Kramer is also involved in various civic and social activities as a member and resource speaker focusing on family, marriage and parenting.

Anna Francesca C. Respicio

Corporate Secretary

Atty. Respicio, Filipino, 37 years old, is the Corporate Secretary of the Club. She is likewise the Corporate Secretary of the following reporting and/or listed companies; First Abacus Financial Holdings Corporation. (2017 to date), I-Remit, Inc. (2013 to date), Jolliville Holdings Corporation (2014 to date), Discovery World Corporation (2017 to date), and Sterling Bank of Asia, Inc. (A Savings Bank) (2018 to date).

Atty. Respicio obtained her Bachelor of Arts degree (majored in philosophy) in 2007 and her Juris Doctor degree in 2011 from the Ateneo de Manila University. She likewise passed the real estate brokers licensure examination in 2015. She was admitted to the Philippine bar in April 2012 and is currently a partner at Tan Venturanza Valdez.

Significant Employee

The Country Club has no significant employees.

Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the Club to become directors or executive officers.

Involvement in Certain Legal Proceedings

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc., some of its members initiated a Complaint for Estafa (I.S. No. 08K-89713) against ULC, the Universal Rightfield Property Holdings, Inc., and the Universal Leisure Corp., as well as their respective officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan, an incumbent Director and the Corporate Secretary of the Corporation. The Complaint was submitted for resolution in 2009 and was acted upon and dismissed by the City Prosecutor of Manila (OCP) only on March 18, 2013. Complainants belatedly filed a motion for reconsideration for which reason, among others, the OCP denied the motion on June 16, 2014. A Petition for Review dated March 31, 2014 was filed by the Complainant before the Department of Justice (DOJ). On August 7, 2014, Atty. Tan filed his Comment to the said Petition. In a Resolution dated April 17, 2015, the Petition for Review was denied and the DOJ dismissed the complaint for estafa.

The Country Club is not aware of any of the following events wherein any of its directors, executive officers, underwriter or control persons were involved during the past five (5) years up to the latest date:

- (A) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Except for the General Manager and President, the Directors and Executive Officers do not receive any compensation from the Country Club.

Annual Compensation

Named Group:

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Claire T. Kramer (General Manager)	2021-2022			
Jerry C. Tiu (President)	2021-2022			
TOTAL SALARIES	2020	P 2,904,615		
	2021	P4,384,455		
	2022	P 4,685,347		

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

The following table shows the record and beneficial owners owning more than 5% of the outstanding capital stock of the Country Club as of December 31, 2022:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD/BENEFICIAL OWNER	AMOUNT AND NATURE OF RECORD/BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Proprietary share	Belle Corporation * 5 TH Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex, CBP 1-A, Pasay City 1300, Philippines	2,325 shares	46.50%
Proprietary share	Ivory Holdings	267 shares	5.34%

*Belle Corporation is a publicly-listed corporation. Its Board of Directors is composed of Messrs. Willy N. Ocier, Elizabeth Anne C. Uychaco, Jackson T. Ongsip, Jacinto C. Ng, JR. Armin Antonio B. Raquel Santos, Virginia A. Yap, Joseph T. Chua, Maria Garcia p. Tan and Amando M. Tetangco Jr. Belle Corporation, having 46.50% shareholdings, is an associate of the Club.

The top 20 stockholders of Belle Corporation as of 31 December 2022 are as follows:

	STOCKHOLDERS	TYPE/ CLASS	OUTSTANDING & ISSUED SHARES
1	Belleshare Holdings, Inc.	Common	2,604,740,622
2	PCD Nominee Corporation (Filipino)	Common	2,542,885,933
3	PCD Nominee Corporation (Non-Filipino)	Common	1,950,754,668
4	Sysmart Corporation	Common	1,629,355,469
5	Sybase Equity Investments Corporation.	Common	531,320,577
6	Social Security System	Common	442,402,786
7	Ng, Jacinto C. Jr.	Common	135,860,666
8	Eastern Securities Development Corp.	Common	111,730,866
9	Premium Leisure Corporation (form. Sinophil Corp)	Common	99,987,719
10	Ng, Jacinto L. Sr.	Common	88,835,833
11	Parallax Resources Inc.	Common	86,308,131
12	SLW Development Corporation	Common	66,082,333
13	F. Yap Securities, Inc.	Common	57,803,732
14	Eastern Sec. Devt. Corp.	Common	50,000,000
15	Willy N. Ocier	Common	47,026,709
16	Jacinto Jr. Ng and/or Anita C. Ng	Common	18,293,333
17	Lim Siew Kim	Common	6,200,000
18	James Go	Common	4,816,999
19	William T. Gabaldon	Common	4,000,000
20	Pacita K. Yap or Philip K. Yap	Common	3,500,000

(2) Security Ownership of Management

The following is a tabular presentation of the shares beneficially owned by all directors and executive officers of the Company as of December 31, 2022:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	Manuel B. Sy [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Jerry C. Tiu [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Hans T. Sy [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Willy N. Ocier [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Ruben C. Tan [REDACTED]	1 share/Beneficial	Filipino	0.02%
Aggregate Security Ownership of Directors and Officers		5 shares		0.10%

(3) Voting Trust Holders of 5% or more

There is no party that holds any voting trust or any similar agreement for 5% or more of the Country Club voting securities.

(4) Changes in Control

The Country Club is not aware of any arrangement that may result in a change in control of the Country Club.

Item 12. Certain Relationships and Related Transactions

The Country Club has not been involved in any transaction during the last five (5) years in which any of its directors, executive officers, nominees, or security holders has direct or indirect material interest.

Belle Corporation is the parent company of the Country Club owning 2,325 shares or 46.50% of the total outstanding shares of the Country Club.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Club remains focused on ensuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

In compliance with the initiative of the Securities and Exchange Commission ("SEC"), the Club submitted its Corporate Governance Manual (the "Manual") to the SEC. This manual institutionalizes the principles of good corporate governance in the entire Company. The Club believes that corporate governance, the framework of rules, systems, and processes governing the performance of the Board of Directors and Management of their respective duties and responsibilities, and from which the organization's values and ethics emerge, is of utmost importance to the Club's shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government, and community in which operates. The Club undertakes every effort possible to create awareness throughout the entire organization.

The Club has complied with the relevant SEC circulars and rules on good corporate governance. The Club also appointed members of various Board level committees. These committees consist of the Corporate Governance Committee (tasked with ensuring compliance with and proper observance of corporate governance principles and practices), the Board Risk Oversight Committee (tasked to assist the Board in overseeing the Club's practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting financial and business risks and associated internal controls, and the Audit Committee (tasked to represent and assist the Board in its general oversight of the Club's accounting and financial reporting processes, audits of the financial statements, and internal control and audit functions.)

A Compliance Officer was also appointed. Members of various committees are elected annually and to serve for a term of one (1) year.

As proof of compliance with leading practices and principles of Good Governance, the Club has formally adopted a manual on Corporate Governance and regularly submits to SEC its Corporate Governance Self-Rating Form.

The Board establishes the major goals, policies, and objectives of the Club, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that an adequate internal control mechanism is implemented and properly complied with at all levels.

The Club is not aware of any non-compliance with its Manual on Corporate Governance, by any of its officers or employees.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

	Financial Statements (meeting the requirements of RSA Rule 48-1)
Exhibit "E"	Property and Equipment
Exhibit "F"	Accumulated Depreciation
Exhibit "I"	Indebtedness to Affiliated and Related Parties
Exhibit "K"	Proprietary Certificates

(b) Reports on SEC Form 17-C

The following SEC Form 17-C was filed pursuant to the provision of the Security Regulation Code:

Date Filed	Information
26 August 2022	Setting of Annual Meeting and Record Date
20 October 2022	Result of Annual Meeting and Organizational Meeting of the Board

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Tagaytay City on April 14, 2023.

By:

[Redacted Signature]

JERRY C. TIU
Director / President

[Redacted Signature]

MARIA CLARA T. KRAMER
General Manager

[Redacted Signature]

FREDERICK D. DEOCARIZA
Financial Controller

SUBSCRIBED AND SWORN to before me this APR 14 2023 day of 2023 affiants exhibiting to me their Competent Evidence of Identity, as follows:

NAME	COMPETENT EVIDENCE OF IDENTITY (C.E.I.)	EXPIRY DATE	PLACE OF ISSUE
JERRY C. TIU	PASSPORT NO. [Redacted]	January 22, 2030	DFA NCR EAST
MARIA CLARA T. KRAMER	PASSPORT NO. [Redacted]	February 17, 2029	DFA NCR SOUTH
FREDERICK D. DEOCARIZA	DRIVER'S LICENSE [Redacted]	November 23, 2031	

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Page No. 74
Book No. 68
Series of 2023.



[Handwritten Signature]

ATTY. VALENTIN C. GUANILLO
JP Rizal Avenue, Taybagal South, Tagaytay City
Commission Expires on DECEMBER 31, 2024
PTR No. 5131980/January 3, 2023
ROLI No. 22908
IBP LIFETIME RRR NO. 02892
MCLE COMPLIANCE NO. VII-0016975

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on _____ 2023.

By:



ANNA FRANCESCA C. RESPICIO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 24 APR 2023 day 2023 of at Pasig City, Metro Manila, affiant having exhibited to me her Philippine Passport No. [REDACTED] issued on 15 December 2021 at DFA Manila and TIN [REDACTED] as her competent evidence of identity.

JANINE T. TUTANES
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 202 (2023-2024)
Commission Expires on December 31, 2024
2704 East Tower, Teklite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 9004903/01.04.23/Pasig
IBP No. 260918/01.05.23/RSM
Roll of Attorneys No. 79361
Admitted to the Bar: 05.16.22

Doc. No. 124 ;
Page No. 26 ;
Book No. 1 ;
Series of 2023.

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
(A Nonprofit Corporation)

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

	<u>Page No.</u>
Financial Statements	
Statement of Management's Responsibility for Financial Statements	
Report of Independent Public Accountants	
Statements of Financial Position as at December 31, 2022 and 2021	
Statements of Comprehensive Income	
For the years ended December 31, 2022 and December 31, 2021 and December 31, 2020	
Statements of Changes in Members' Equity	
For the years ended December 31, 2022 and December 31, 2021 and December 31, 2020	
Statements of Cash Flows	
For the years ended December 31, 2022 and December 31, 2021 and December 31, 2020	
Notes to Financial Statements	

Supplementary Schedules Required by Annex 68-J

A.	Financial Assets	Attached
B.	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	NA
C.	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	NA
D.	Long-term Debt	NA
E.	Indebtedness to Related Parties (Long-term Loans from Related Companies)	Attached
F.	Guarantees of Securities of Other Issuers	NA
G.	Capital Stock	Attached

**THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
SUPPLEMENTARY SCHEDULE REQUIRED BY ANNEX 68-J
DECEMBER 31, 2022**

Schedule A. Financial Assets

Not Applicable: The Country Club has no financial assets at fair value through profit or loss.

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2022

Name and Designation	Balance as at January 1, 2022	Additions	Deductions		Current	Non-Current	Balance as at December 31, 2022
			Amount Collected	Amount Written Off			
Not Applicable: The Country Club has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2022.							

Schedule C - Amounts Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
As at December 31, 2022

Due from subsidiaries

Name and Designation	Balance as at January 1, 2022	Additions	Deductions		Current	Non-Current	Balance as at December 31, 2022
			Amount Collected	Amount Written Off			
Not Applicable: The Country Club has no amounts receivable from and payable to related parties which are eliminated during consolidation of financial statements as at December 31, 2022.							

Schedule D - Long Term Debt
As at December 31, 2022

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long term debt" in related balance sheet
Loans Payable	-	-	-
Not Applicable: The Country Club has no long-term debt as at December 31, 2022.			

Schedule E - Indebtedness to Related Parties
As at December 31, 2022

Name	Balance, January 1, 2022	Balance, December 31, 2022
BELLE CORPORATION	1,983,555	1,593,019
THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.	-	-
TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.	26,025,773	-
TAGAYTAY MIDLANDS GOLF CLUB, INC.	-	-
	28,009,328	1,593,019

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2022

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
Not Applicable: The Country Club has no guarantees of securities of other issuers as at December 31, 2022.				

Schedule G - Capital Stock
December 31, 2022

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related parties	Directors, Officers and Employees	Others
Common	5,000	5,000	-	2,325	4	2,671

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
(A Nonprofit Corporation)

INDEX TO EXHIBITS

FORM 17-A

	<u>Page No.</u>
Financial Statements	
(3) Plan of Acquisition, Reorganization, Arrangements, Liquidation, or Succession	NA
(5) Instruments Defining the Rights of Security Holders, Including Indentures	NA
(8) Voting Trust Agreement	NA
(9) Material Contracts	NA
(10) Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	NA
(13) Letter re: Change in Certifying Accountants	NA
(16) Report Furnished to Security Holders	NA
(18) Subsidiaries of the Registrant	NA
(19) Published Report Regarding Matters Submitted to Vote of Security Holders	NA
(20) Consent of Experts and Independent Counsel	NA
(21) Power of Attorney	NA
(29) Additional Exhibits	NA
NA Not Applicable	

-



Reign Panganiban

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: COUNTRY.TAGAYTAYHIGHLANDS@gmail.com
Cc: [REDACTED]

Mon, May 1, 2023 at 10:32 PM

Hi THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.,

Valid files

- EAFS004734253AFSTY122022.pdf
- EAFS004734253RPTTY122022.pdf
- EAFS004734253ITRTY122022.pdf
- EAFS004734253TCRTY122022-03.pdf
- EAFS004734253TCRTY122022-01.pdf
- EAFS004734253TCRTY122022-02.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-PQRQRMXR08DCG96G7PZYTZSN07H58G87J**
Submission Date/Time: **May 01, 2023 10:32 PM**
Company TIN: **004-734-253**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **The Country Club at Tagaytay Highlands, Inc. (the Company)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditors appointed by the stockholders for the periods December 31, 2022 and 2021, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Manuel B. Sy
Chairman of the Board

Jerry C. Tiu
President

Maria Clara T. Kramer
General Manager

Frederick D. Deocariza
Financial Controller

TAGAYTAY CITY

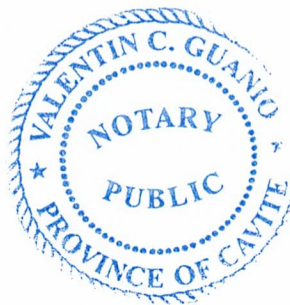
12 APR 2023

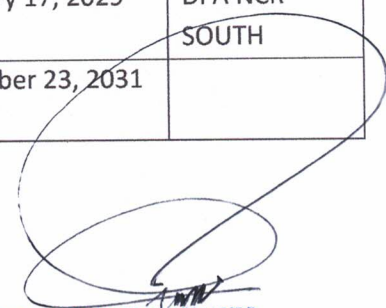
Signed this _____ day of _____, 2023.

SUBSCRIBED AND SWORN to before me this _____ day of 12 APR 2023 2023 affiants exhibiting to me their competent evidence of identity, as follows

NAME	Competent Evidence of Identity	Expiry Date	Place of Issue
MANUEL B. SY	DRIVERS LICENSE# [REDACTED] TIN# [REDACTED]	October 29, 2031	
JERRY C. TIU	PASSPORT# [REDACTED] TIN# [REDACTED]	January 22, 2030	DFA NCR EAST
MARIA CLARA T. KRAMER	PASSPORT# [REDACTED] TIN# [REDACTED]	February 17, 2029	DFA NCR SOUTH
FREDERICK D. DEOCARIZA	DRIVERS LICENSE# [REDACTED] TIN# [REDACTED]	November 23, 2031	

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Page No. 66 ;
Book No. 228 ;
Series of 2023 .




ATTY. VALENTIN C. GUANILLO
JP Rizal Avenue, Kaybagal South, Tagaytay City
Commission Expires on DECEMBER 31, 2024
PTR No. 5131980/January 3, 2023
ROLI No. 22908
IBP LIFETIME RES. NO. 02892
MCLE COMPLIANCE NO. VII-0016975

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	5	0	0	7	8	2	7
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COMPANY NAME

T	H	E	C	O	U	N	T	R	Y	C	L	U	B	A	T	T	A	G	A	Y	T	A	Y	H	I	G	H	L	A	N	D	S	,			
I	N	C	.																																	

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

T	a	g	a	y	t	a	y	H	i	g	h	l	a	n	d	s	C	o	m	p	l	e	x	,	B	a	r	a	n	g	a	y	C	a			
l	a	b	u	s	o	,	T	a	g	a	y	t	a	y	C	i	t	y	,	P	h	i	l	i	p	p	i	n	e	s							

Form Type

A	A	F	S
---	---	---	---




Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable




N	/	A
---	---	---

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
		
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
2,607	Last Saturday of May	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Ms. Ma. Clara T. Kramer			

CONTACT PERSON'S ADDRESS

Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City, Philippines

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITORS' REPORT

The Members and the Board of Directors
The Country Club at Tagaytay Highlands, Inc.
Tagaytay Highlands Complex, Barangay Calabuso
Tagaytay City, Philippines

Opinion

We have audited the accompanying financial statements of The Country Club at Tagaytay Highlands, Inc. (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A (Annual Report) for the year ended December 31, 2022, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS and SEC Form 17-A for the year ended December 31, 2022 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Other Matter

The financial statements of the Company as at and for the year ended December 31, 2020 were audited by another auditor, whose report dated May 28, 2021, expressed an unmodified opinion on those financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & Co.



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. [REDACTED]

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 81207-SEC Group A

Issued January 30, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 9564560

Issued January 3, 2023, Makati City

April 1, 2023

Makati City, Metro Manila

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.

STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱47,698,489	₱41,291,651
Trade and other receivables	5	77,108,021	51,884,952
Inventories	6	12,339,018	14,456,443
Other current assets	7	56,933,138	54,324,489
Total Current Assets		194,078,666	161,957,535
Noncurrent Assets			
Property and equipment	8	491,587,006	499,890,495
Investment property	9	34,581,711	34,581,711
Net retirement asset	18	5,216,396	351,384
Other noncurrent assets	10	17,329,748	12,437,158
Total Noncurrent Assets		548,714,861	547,260,748
		₱742,793,527	₱709,218,283
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11	₱136,366,907	₱149,553,410
Noncurrent Liabilities			
Deferred tax liability	20	1,313,588	95,614
Total Liabilities		137,680,495	149,649,024
Equity			
Proprietary membership certificates	13	500,000,000	500,000,000
Additional paid-in capital	13	1,048,932,564	1,048,932,564
Deficit		(941,621,930)	(985,600,430)
Cumulative remeasurement loss on net retirement asset	18	(2,197,602)	(3,762,875)
Total Equity		605,113,032	559,569,259
		₱742,793,527	₱709,218,283

See accompanying Notes to Financial Statements.

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(With Comparative Figures for 2020)

	Note	2022	2021	2020
REVENUES				
Food, beverage and sundries		₱173,749,868	₱117,365,086	₱55,320,777
Sports and recreation		13,702,701	4,958,601	3,349,452
Room sales		7,660,290	3,443,230	2,422,375
		195,112,859	125,766,917	61,092,604
COSTS AND EXPENSES				
Cost of sales	15	93,287,678	60,370,425	28,230,378
Cost of services	15	163,488,271	136,544,326	144,963,938
General and administrative expenses	16	38,524,945	31,992,719	34,858,821
		295,300,894	228,907,470	208,053,137
OTHER INCOME (CHARGES)				
Interest income	4	264,702	29,882	70,199
Interest expense		–	–	(5,226)
Other income - net	17	18,628,151	14,474,708	21,049,649
		18,892,853	14,504,590	21,114,622
DEFICIENCY OF REVENUES OVER COSTS AND EXPENSES BEFORE MEMBERS' SUPPORT				
		(81,295,182)	(88,635,963)	(125,845,911)
MEMBERS' SUPPORT				
Membership dues		126,491,656	117,990,526	118,507,213
EXCESS (DEFICIENCY) OF REVENUES AND MEMBERS' SUPPORT OVER COSTS AND EXPENSES				
		45,196,474	29,354,563	(7,338,698)
PROVISION FOR DEFERRED INCOME TAX	20	1,217,974	95,614	–
NET INCOME (LOSS)		43,978,500	29,258,949	(7,338,698)
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item not to be reclassified to profit or loss -</i>				
Remeasurement gain (loss) on net retirement asset	18	1,565,273	551,921	(3,060,328)
TOTAL COMPREHENSIVE INCOME (LOSS)		₱45,543,773	₱29,810,870	(₱10,399,026)
BASIC AND DILUTED INCOME (LOSS) PER PROPRIETARY MEMBERSHIP CERTIFICATE				
	14	₱8,796	₱5,852	(₱1,468)

See accompanying Notes to Financial Statements.

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(With Comparative Figures for 2020)**

	Note	2022	2021	2020
PROPRIETARY MEMBERSHIP CERTIFICATES	13	₱500,000,000	₱500,000,000	₱500,000,000
ADDITIONAL PAID-IN CAPITAL	13	1,048,932,564	1,048,932,564	1,048,932,564
DEFICIT				
Balance at beginning of year		(985,600,430)	(1,014,859,379)	(1,007,520,681)
Net income (loss)		43,978,500	29,258,949	(7,338,698)
Balance at end of year		(941,621,930)	(985,600,430)	(1,014,859,379)
CUMULATIVE REMEASUREMENT LOSS ON NET RETIREMENT ASSET	18			
Balance at beginning of year		(3,762,875)	(4,314,796)	(1,254,468)
Remeasurement gain (loss)		1,565,273	551,921	(3,060,328)
Balance at end of year		(2,197,602)	(3,762,875)	(4,314,796)
		₱605,113,032	₱559,569,259	₱529,758,389

See accompanying Notes to Financial Statements.

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(With Comparative Figures for 2020)**

	Note	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		₱45,196,474	₱29,354,563	(₱7,338,698)
Adjustments for:				
Depreciation and amortization	8,10	54,689,401	55,835,848	60,993,902
Retirement expense	18	3,021,401	3,607,709	4,991,187
Reversal of accruals	17	(1,639,308)	(1,145,363)	(4,456,901)
Interest income	4	(264,702)	(29,882)	(70,199)
Unrealized foreign exchange loss (gain)	17	(37,955)	(31,071)	30,706
Interest expense		-	-	5,226
Operating income before working capital changes		100,965,311	87,591,804	54,155,223
Decrease (increase) in:				
Trade and other receivables		(25,187,771)	(14,905,248)	1,747,655
Inventories		2,117,425	(3,070,833)	2,331,548
Other current assets		1,855,737	(427,477)	3,912,157
Increase (decrease) in trade and other payables		(11,547,195)	12,689,761	(10,080,711)
Net cash generated from operations		68,203,507	81,878,007	52,065,872
Contributions to plan assets	18	(5,106,960)	(18,403,926)	(12,145,793)
Income tax paid		(4,464,386)	(2,876,230)	(1,585,827)
Benefits paid	18	(1,214,180)	(1,747,889)	(7,063,638)
Interest received		229,404	29,882	97,712
Net cash provided by operating activities		57,647,385	58,879,844	31,368,326
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	8	(46,212,790)	(31,535,915)	(27,382,762)
Increase in other noncurrent assets		(5,065,712)	(2,856,962)	(403,018)
Cash used in investing activities		(51,278,502)	(34,392,877)	(27,785,780)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loans		-	-	(324,413)
Interest		-	-	(6,169)
Cash used in financing activities		-	-	(330,582)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,368,883	24,486,967	3,251,964
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		37,955	31,071	(30,706)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		41,291,651	16,773,613	13,552,355
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	₱47,698,489	₱41,291,651	₱16,773,613

See accompanying Notes to Financial Statements.

	Note	2022	2021	2020
COMPONENTS OF CASH AND CASH EQUIVALENTS				
	4			
Cash on hand		₱1,160,010	₱1,183,730	₱527,459
Cash in banks		22,107,438	29,886,366	16,042,369
Cash equivalents		24,431,041	10,221,555	203,785
		₱47,698,489	₱41,291,651	₱16,773,613

See accompanying Notes to Financial Statements.

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(With Comparative Information for 2020)

1. Corporate Information

The Country Club at Tagaytay Highlands, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 10, 1997. The Company was established to promote social, recreational and athletic activities among its members on a non-profit basis, the nucleus of which will be the construction, development, and maintenance of a club house, swimming pools, horseback-riding field, botanical gardens, and other sports, health and recreational facilities.

The registered office address of the Company is located at Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City.

On September 29, 1995, the SEC granted the Company its permit to offer its proprietary membership certificates to the public (see Note 13). Belle Corporation (Belle), a publicly-listed company in the Philippines, owns 46.50% of the Company's proprietary membership certificates as at December 31, 2022 and 2021.

The Company's financial statements as at and for the years ended December 31, 2022 and 2021 (with comparative figures and information for 2020) was approved and authorized for issuance by the Board of Directors (BOD) on April 1, 2023, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) and SEC provisions.

The significant accounting policies used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso except when otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for plan assets which is measured at fair value and retirement liability which is measured at the present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 21 to the financial statements.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. There is no transition relief for first-time adopters.
- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The ‘costs of fulfilling’ a contract comprise the ‘costs that relate directly to the contract’. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets). At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated.

- Annual Improvements to PFRS 2018 to 2020 Cycle:
 - Amendment to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendment.
 - Amendment to PFRS 16, *Leases - Lease Incentives* – The amendment removed from Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

The adoption of the amended PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amendments to PFRS Issued but not yet Effective

Relevant amendments to PFRS which are not yet effective for the year ended December 31, 2022 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2024 -

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity’s right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 – Noncurrent Liabilities with Covenants for that period.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Classification of Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost, and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial instrument largely depends on the Company’s business model and on the purpose for which the financial instruments are acquired or incurred and whether these are quoted in an active market.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost.

As at December 31, 2022 and 2021, the Company does not have financial assets at FVOCI and financial assets and liabilities at FVPL.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

This category includes cash and cash equivalents, trade and other receivables, and refundable deposits (presented under “Other noncurrent assets” account).

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

This category includes trade and other payables (excluding statutory payables and membership dues collected in advance).

Reclassification of Financial Assets

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

Impairment of Financial Assets at Amortized Cost

The Company recognizes an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Company uses specific identification approach in determining the loss given default (recoverable amount or outstanding balance).

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, which comprise of cash and cash equivalents, nontrade receivables, and refundable deposits (presented under "Other noncurrent assets" account), the Company applies the general approach in measuring the ECL. The ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. Otherwise, the financial instrument is classified as equity.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method. All costs directly attributable to acquisition such as the purchase price, transport cost and taxes that are not subsequently recoverable from taxing authorities are included as part of the cost of inventories.

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of marketing and distribution. In determining the net realizable value, the Company considers any adjustment necessary for obsolescence.

When the net realizable value of inventories is lower than its cost, the inventories are written down to its net realizable value and the excess of the cost over the net realizable value is charged to profit or loss.

Other Current Assets

This account mainly consists of creditable withholding taxes (CWT), deferred input value-added tax (VAT), prepayments and input VAT.

CWT. CWT represents the amount withheld by the Company's customers in relation to its income. CWT is stated at its net realizable amount and can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Deferred Input VAT. Deferred input VAT represents VAT on the unpaid portion of availed services and the unamortized amount of input VAT on capital goods.

In accordance with the Revenue Regulations (RR) No. 16-2005, as amended by RR. No. 13-2018, input VAT on purchases or imports of the Company of capital goods (depreciable assets for income tax purposes) made prior to January 1, 2022, with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million or if the purchase was made on or after January 1, 2022, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Deferred input VAT that is expected to be realized within 12 months after the financial reporting period is classified as current asset, otherwise this is classified as noncurrent asset.

Prepayments. Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from the taxation authority is included as part of “Other current assets” account in statements of financial position.

The net amount of tax payable to the taxation authority is included as part of “Statutory liabilities” under “Trade and other payables” account in the statements of financial position.

Property and Equipment

Property and equipment, except land and construction in progress, is stated at cost less accumulated depreciation and any impairment in value. Land is measured at cost, including transaction costs less any accumulated impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The depreciation periods for property and equipment, based on the above policies, are as follows:

<u>Asset Type</u>	<u>Number of Years</u>
Building and improvements	20
Facilities and equipment	2 to 10
Furniture, fixtures and equipment	5
Transportation equipment	5

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation is consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Construction in progress, which includes cost of construction and other direct costs, is stated at cost and is not depreciated until such time as the relevant assets are completed and put into operational use. Assets under construction are reclassified to a specific category of property and equipment when the construction and other related activities necessary to prepare the assets for their intended use are completed and the assets are available for use.

Fully depreciated assets are retained as property and equipment until these are no longer in use.

Investment Property

Investment property consists of land held for capital appreciation. Investment property are measured initially at cost, including transaction costs, which exclude the costs of day-to-day servicing of the property. Subsequent to the initial recognition, investment property is carried at cost less any impairment in value.

Investment property is derecognized when it has been disposed of or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of the investment property is recognized in the statements of comprehensive income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Other Noncurrent Assets

This account mainly consists of advances to contractors and suppliers, deferred input VAT, and computer software.

Advances to Contractors and Suppliers. Advances to contractors and supplier pertain to amounts paid in advance for goods or services to be utilized or incurred in connection with the Company's operations. These are recognized as asset in the statements of financial position or charged to profit or loss, upon actual receipt of goods or services.

Computer Software. Costs associated with developing or maintaining computer software are recognized as expense when incurred. Costs that are directly associated with identifiable and unique software controlled by the Company and will generate economic benefits exceeding cost beyond one year are recognized as intangible assets.

Expenditure which enhances or extends the performance of the computer software beyond their original specifications is recognized as capital improvements and added to the original cost of the computer software. Computer software are recognized as assets and amortized using the straight-line method over their estimated useful life of five years. The estimated useful life and amortization method are reviewed periodically to ensure that the period and method of amortization are consistent with the expected pattern of economic benefits from computer software.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that the nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Recoverable amount is the higher of an asset or cash-generating unit's fair value less costs of disposal or its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Proprietary Membership Certificates and Additional Paid-in Capital (APIC)

Proprietary membership certificates are measured at par value for all proprietary membership certificates issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as APIC. Incremental costs directly attributable to the issuance of new proprietary membership certificates are shown in equity as a deduction, net of tax, from the APIC, if any.

Deficit

Deficit represents the cumulative balance of the Company's results of operations.

OCI

OCI comprises items of income and expense that are not recognized in profit or loss for the year. This includes cumulative remeasurement loss on net retirement asset.

Basic and Diluted Income (Loss) per Proprietary Membership Certificate

The Company computes its basic income (loss) per proprietary membership certificate by dividing net income (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of proprietary membership certificate outstanding during the period.

Diluted income (loss) per proprietary membership certificate amounts are computed in the same manner, adjusted for the dilutive effect of any potential proprietary membership certificate. As at December 31, 2022, 2021 and 2020, the Company has no potential dilutive proprietary membership certificate.

Members' Support

Members' support pertains to membership dues which are recognized in the statements of comprehensive income over time based on the applicable period. Members' advance payments are recognized as part of "Membership dues collected in advance" under "Trade and other payables" account in the statements of financial position.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

Disaggregation of revenue based on major sources is presented in the statement of comprehensive income.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized:

Food, Beverages and Sundries. Revenue from the sale of food, beverages and sundries is recognized at a point in time when the related orders are served.

Sports and Recreation and Room Sales. Revenue from sports and recreational activities and room sales are recognized upon satisfaction of performance obligation of transferring the promised services to the customers.

Interest Income. Interest is recognized as it accrues taking into account the effective yield on the asset, net of final tax.

Membership Transfer and Assignment Fees. Revenue is recognized at point in time upon transfer and assignment of member shares.

Other Income. Revenue is recognized at point in time when earned or when services have been rendered.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Cost of Sales. Cost of sales is recognized as expense when the related goods are sold.

Cost of Services. Cost of services is recognized as expense when the related services are rendered.

General and Administrative Expenses. These constitute costs of administering the business and costs incurred to sell and market goods and services. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Employee Benefits

Short-term Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses and non-monetary benefits.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The net retirement asset is the aggregate of the by the fair value of plan assets (FVPA) reduced by the present value of the defined benefit obligation (DBO) at the end of the reporting period.

Retirement benefit costs are actuarially determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net retirement liability or plan asset;
- Settlement loss; and
- Remeasurements of net retirement liability or plan asset.

Service costs which include current service costs, and gains or losses on non-routine settlements are recognized as expense in profit or loss. Current service costs are the increase in the present value of the DBO in the current period. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net retirement asset is the change during the period in the net retirement asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net retirement asset. Net interest on the net retirement asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses and return on plan assets are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. FVPA is based on market price information. When no market price is available, the FVPA is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the FVPA is higher than the present value of the DBO, the measurement of the resulting retirement plan asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a DBO is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company as a Lessee. Leases are recognized as right-of-use assets, with corresponding lease liabilities, at the date at which the leased assets are available for use by the Company, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred Tax. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future.

Deferred tax assets are recognized for all temporary differences and carryforward benefits of unused tax credits from the net operating loss carryover (NOLCO) that are expected to reduce taxable profit in the future. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at reporting date.

Current tax and deferred tax are recognized in profit or loss except to the items recognized directly in equity or in OCI.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. The Company has club operations as its only segment.

Related Parties and Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are non-adjusting events are disclosed in the notes to financial statements when material.

Comparatives

When necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the financial statements and related notes. The judgment, estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at reporting date.

While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Determining the Classification of Financial Instruments. The Company exercises judgments in classifying a financial instrument on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

The classification of financial assets depends on the results of the business model test and "solely payment of principal and interest" test performed by the Company. The Company exercises judgment in determining the business model to be used in managing its financial instruments to achieve their business objectives.

The Company determines that the primary business model used in the management of its financial assets is to hold the financial asset to collect contractual cash flows representing solely payments of principal and interest. Consequently, all financial assets are measured at amortized cost.

Distinguishing between Investment Property and Owner-Occupied Properties. The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

Evaluation of Consistency of Lease Commitments. The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains a lease when the fulfillment of the arrangement depends on specific asset or assets and the arrangement conveys a right to use the asset.

Classifying Lease Commitments - The Company as a Lessee. The Company elected to apply the recognition exemption on leases of low-value assets and short-term leases. The related rent expense on these lease agreements are recognized in profit or loss.

Rent expense amounted to ₱6.1 million and ₱4.1 million in 2022 and 2021, respectively (₱3.7 million in 2020) (see Note 19).

Accounting Estimates and Assumptions

The key estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the Company's financial statements. Actual results could differ from such estimates.

Assessing ECL on Financial Assets at Amortized cost. For receivable from members, the Company uses specific identification approach in determining balance of receivables from each member to be potentially uncollectible, when it meets the following criteria: (a) the member is more than 120 days past due on its contractual payments, i.e. principal and/or interest including penalties; and (b) the current market value of the shares of each member is below its outstanding receivables. The current market value of the shares is considered as collateral in case of non-payment of members, as the Company has the current right to rescind the shares and sell it in an auction. The Company determines the loss given default (recoverable amount of outstanding receivables) in computing the provision for ECL.

For receivable from related parties, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing for ECL. The provision for ECL are re-evaluated and adjusted as additional information is received.

For other financial assets at amortized cost, the Company applies the general approach in measuring ECL. The Company assessed that cash in banks and cash equivalents are deposited with reputable counterparty banks that possess good credit ratings. For nontrade receivables and refundable deposits, the Company considers the financial capacity of the counterparty to pay the obligations to the Company as they fall due.

The Company did not recognize provision for ECL in 2022 and 2021 (provision for ECL amounted to ₱0.2 million in 2020). Allowance for ECL amounted to ₱0.3 million as at December 31, 2022 and 2021. The Company reversed allowance for ECL amounting to ₱0.4 million in 2020 due to collection of receivables from members (see Note 5).

The carrying amounts of financial assets at amortized cost are as follows:

	Note	2022	2021
Cash in banks and cash equivalents	4	₱46,538,479	₱40,107,921
Trade and other receivables	5	77,108,021	51,884,952
Refundable deposits*	10	120,000	145,263

*Presented under "Other noncurrent assets" account

Determining the NRV of Inventories. The Company writes down the carrying value of inventories whenever NRV of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in prices level or other causes. The carrying value of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in the statement of comprehensive income.

There was no allowance for inventory write-down in 2022, 2021 (and 2020). The carrying values of inventories amounted to ₱12.3 million and ₱14.5 million as at December 31, 2022 and 2021, respectively (see Note 6).

Estimating the Useful Lives of Depreciable Property and Equipment. The Company estimates the useful lives of the depreciable property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful life is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. Management will increase the depreciation and amortization charges where the period of consumption is less than the previously estimated period of consumption.

There were no changes in the estimated useful lives of depreciable property and equipment in 2022, 2021 (and 2020). The carrying amount of depreciable property and equipment amounted to ₱146.9 million and ₱156.3 million as at December 31, 2022 and 2021, respectively (see Note 8).

Assessing Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's value in use or estimated selling price less cost to sell. In determining value in use, the present value of estimated future cash flows expected to be generated from the continued use of the assets is determined using estimates and assumptions that can materially affect the financial statements.

The Company assessed that there were no impairment indicators, hence no impairment loss was recognized in 2022, 2021 (and 2020). The carrying amounts of nonfinancial assets are as follows:

	Note	2022	2021
Property and equipment	8	₱491,587,006	₱499,890,495
Other current assets	7	56,933,138	54,324,489
Investment property	9	34,581,711	34,581,711
Other noncurrent assets*	10	17,209,748	12,291,895

*Excluding refundable deposits

Estimating the Retirement Benefits. The determination of the Company's obligation and cost for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 18 to the financial statements.

Retirement expense amounted to ₱3.0 million and ₱3.6 million in 2022 and 2021, respectively (₱5.0 million in 2020). Net retirement asset amounted to ₱5.2 million and ₱0.4 million as at December 31, 2022 and 2021, respectively (see Note 18).

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company has unrecognized deferred tax assets amounting to ₱68.1 million and ₱78.2 million as at December 31, 2022 and 2021, respectively (see Note 20). Management has assessed that it is not probable that sufficient taxable income will be available to allow all of the deferred tax assets to be utilized.

4. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash on hand	₱1,160,010	₱1,183,730
Cash in banks	22,107,438	29,886,366
Cash equivalents	24,431,041	10,221,555
	₱47,698,489	₱41,291,651

Cash on hand consists of funds kept in different outlets. Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents pertain to short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest based on prevailing market interest rates.

Interest income earned amounted to ₱264,702 and ₱29,882 in 2022 and 2021, respectively (₱70,199 in 2020). Interest receivable, included in "Nontrade" under "Trade and other receivables" account, amounted to ₱37,383 and ₱2,085 as at December 31, 2022 and 2021, respectively.

5. Trade and Other Receivables

	Note	2022	2021
Trade:			
Related parties	12	₱38,125,726	₱8,503,327
Members		32,082,715	40,356,701
Nontrade		7,210,680	3,336,024
		77,419,121	52,196,052
Less allowance for ECL		311,100	311,100
		₱77,108,021	₱51,884,952

Receivables from related parties consist of charges for the use of the Company's facilities. These receivables are noninterest-bearing and are due and demandable.

Trade receivables from members pertain to billings by the Company for the services it rendered. This account also includes outstanding membership dues. Members' accounts are normally on a 30 to 60 days term. Unsettled members' accounts for more than 60 days are considered past due. The Company has the option to put members' proprietary shares into auction in case of nonpayment of members' accounts when the account is more than 120 days past due.

Nontrade receivables mainly pertain to interest receivable and receivables from functions and concessionaires, which are noninterest-bearing and generally have 30 to 90 days term.

Movement in allowance for ECL is as follows:

	Note	2022	2021	2020
Balance at beginning of year		₱311,100	₱311,100	₱461,987
Provision		–	–	225,136
Reversal	17	–	–	(376,023)
Balance at end of year		₱311,100	₱311,100	₱311,100

6. Inventories

Inventories carried at cost amounting to ₱12.3 million and ₱14.5 million as at December 31, 2022 and 2021, respectively, are lower than its net realizable value.

Cost of inventories charged to operations amounted to ₱93.3 million and ₱60.4 million in 2022 and 2021, respectively (₱28.2 million in 2020) (see Note 15).

7. Other Current Assets

This account consists of:

	2022	2021
CWT	₱33,061,207	₱28,596,821
Deferred input VAT on:		
Services	18,807,806	20,260,499
Capital goods	2,230,224	2,697,984
Prepayments	2,805,184	2,769,185
Input VAT	28,717	–
	₱56,933,138	₱54,324,489

Prepayments mainly pertain to taxes paid in advance and unamortized portion of insurance for the Company's properties, health insurance of directors and officers, and other prepaid expenses. These are expected to be utilized and consumed within one year.

8. Property and Equipment

Movements in this account are as follows:

	2022						Total
	Land	Building and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Cost							
Balances at beginning of year	₱328,019,641	₱1,113,822,391	₱544,454,491	₱108,886,474	₱22,313,221	₱15,533,505	₱2,133,029,723
Additions	-	17,335,892	12,197,733	3,959,347	21,950	12,697,868	46,212,790
Reclassifications	-	11,574,700	-	-	-	(11,574,700)	-
Balances at end of year	328,019,641	1,142,732,983	556,652,224	112,845,821	22,335,171	16,656,673	2,179,242,513
Accumulated Depreciation							
Balances at beginning of year	-	1,008,804,693	512,150,487	90,326,796	21,857,252	-	1,633,139,228
Depreciation	-	35,527,473	11,801,740	6,811,339	375,727	-	54,516,279
Balances at end of year	-	1,044,332,166	523,952,227	97,138,135	22,232,979	-	1,687,655,507
Carrying Amount	₱328,019,641	₱98,400,817	₱32,699,997	₱15,707,686	₱102,192	₱16,656,673	₱491,587,006

	2021						Total
	Land	Building and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Cost							
Balances at beginning of year	₱328,019,641	₱1,107,715,008	₱539,453,044	₱102,971,792	₱22,273,756	₱1,060,567	₱2,101,493,808
Additions	-	6,107,383	5,001,447	5,914,682	39,465	14,646,060	31,709,037
Cost adjustment	-	-	-	-	-	(173,122)	(173,122)
Balances at end of year	328,019,641	1,113,822,391	544,454,491	108,886,474	22,313,221	15,533,505	2,133,029,723
Accumulated Depreciation							
Balances at beginning of year	-	972,604,656	499,594,034	84,509,564	20,768,248	-	1,577,476,502
Depreciation	-	36,200,037	12,556,453	5,817,232	1,089,004	-	55,662,726
Balances at end of year	-	1,008,804,693	512,150,487	90,326,796	21,857,252	-	1,633,139,228
Carrying Amount	₱328,019,641	₱105,017,698	₱32,304,004	₱18,559,678	₱455,969	₱15,533,505	₱499,890,495

Depreciation and amortization recognized in profit and loss consists of:

	Note	2022	2021	2020
Property and equipment		₱54,516,279	₱55,662,726	₱60,820,780
Computer software	10	173,122	173,122	173,122
		₱54,689,401	₱55,835,848	₱60,993,902

Depreciation and amortization are allocated as follows:

	Note	2022	2021	2020
Cost of services	15	₱51,979,707	₱53,227,984	₱57,939,768
General and administrative expenses	16	2,709,694	2,607,864	3,054,134
		₱54,689,401	₱55,835,848	₱60,993,902

The cost of fully depreciated property and equipment still being used by the Company amounted to ₱810.2 million and ₱787.3 million as at December 31, 2022 and 2021, respectively.

Construction in progress pertains to construction of sports center, kid's playground, slope protection and other ongoing projects that are expected to be completed in 2023.

9. Investment Property

This account pertains to land held for undetermined future use. The property is carried at cost amounting to ₱34.6 million as at December 31, 2022 and 2021.

The fair value of the land amounting to ₱58.8 million was determined on November 4, 2020 by an independent appraiser who holds a recognized and relevant professional qualification. The valuation of investment property was based on market values using sales comparison approach. This approach considers the sale of similar or substitute properties and related market data and establishes a value estimate by process involving comparison.

The significant input to valuation includes market value per share amounting to ₱8,500 per square meter. The fair value measurement for investment property is categorized under Level 2 fair value measurement. In estimating the fair value of the investment property, management takes into account the market participant's ability to generate economic benefits by using the investment property in its highest and best use. Based on management's assessment, the fair value of the Company's investment property represents its best use.

Management has assessed that there were no conditions from the last date of appraisal that would significantly change the appraisal value of the investment property as at report date.

10. Other Noncurrent Assets

This account consists of:

	2022	2021
Advances to contractors and suppliers	₱13,248,708	₱5,924,891
Deferred input VAT on capital goods - net of current portion	2,448,687	4,681,529
Computer software	1,192,020	1,365,142
Refundable deposits	120,000	145,263
Others	320,333	320,333
	₱17,329,748	₱12,437,158

Advances to contractors and suppliers represent payment for construction of property and equipment which will be recouped upon every progress billing payment depending on the percentage of accomplishment.

Computer software pertains to the cost of the Company's accounting and information system. Movements in the computer software are as follows:

	Note	2022	2021
Cost			
Balance at beginning and end of year		₱1,711,386	₱1,711,386
Accumulated Amortization			
Balance at beginning of year		346,244	173,122
Amortization	8	173,122	173,122
Balance at end of year		519,366	346,244
Carrying Amount		₱1,192,020	₱1,365,142

11. Trade and Other Payables

This account consists of:

	Note	2022	2021
Trade:			
Third parties		₱28,700,839	₱34,501,222
Related parties	12	1,593,021	28,009,328
Refundable deposits		36,507,174	25,086,956
Membership dues collected in advance		25,543,996	27,322,523
Accrued expenses		21,730,858	15,950,223
Auctioned membership liability		4,268,532	2,552,034
Statutory payables		3,506,233	3,079,613
Retention payable		3,015,652	1,108,171
Unclaimed gift certificate		2,596,785	2,607,885
Service charge payable		1,263,034	1,640,757
Room sharing payable		760,511	746,041
Other dues collected in advance		607,700	540,300
Others		6,272,572	6,408,357
		₱136,366,907	₱149,553,410

Trade payables are noninterest-bearing and are normally settled on a 30 to 60 days' term.

Payable to related parties arises from the use by the Company's members of facilities of the related parties. This also consists of reimbursement of operating expenses to related parties. These payables are due and demandable.

Refundable deposits pertain to cash receipts from members upon assignment of shares which is expected to be refunded within one year. The amount paid is refundable upon completion of terms and conditions.

Membership dues collected in advance pertain to membership dues that are already collected but are not yet earned as at reporting date. This is expected to be classified as members' support within the next financial year.

Accrued expenses pertain to accruals for rental, utilities, and other contracted services which are generally settled within the following month.

Auctioned membership liability refers to the unclaimed net proceeds or the excess of the bid price over the amount of receivables from delinquent members whose shares were sold at auction. These are normally claimed within 30 to 180 days.

Statutory payables pertain to obligations to government agencies that are normally settled in the following month.

Retention payable pertains to amount withheld from contractors of the Company until the completion of specified conditions based on the agreement.

Unclaimed gift certificate refers to the gift certificates issued by the Company for the availment by the members of services and products of the Company. Paid and Universal gift certificates are recognized as liability upon receipt of cash. Barter, Complimentary and Reward gift certificates are recognized as expense upon issuance.

Service charge payable refers to amount collected from members for services rendered in restaurants, banquets, and inns. The amount is to be distributed and paid to covered employees once collected.

Room sharing payable pertains to the collections from rental of members' units. This is noninterest-bearing and payable to the members within one year.

Others include payables to nontrade suppliers. These payables are noninterest-bearing and are normally settled within a year.

The Company reversed accruals amounting to ₱1.6 million and ₱1.1 million in 2022 and 2021, respectively (₱4.5 million in 2020) (see Note 17).

The Company has provisions in the normal course of business. The outstanding balance is included under "Accrued expenses." As allowed under PAS 37 "Provisions, Contingent Liabilities and Contingent Assets," further information is not disclosed.

12. Related Party Transactions

The Company has the following transactions and balances with its related parties:

Related Party	Transaction	Amount of Transactions			Outstanding balance	
		2022	2021	2020	2022	2021
Shareholder						
	Utilities	₱18,299,599	₱13,735,248	₱13,203,406		
<i>Trade and other payables</i> <i>(see Note 11)</i>	Repairs and maintenance	3,667,226	1,786,332	4,598,824	₱1,593,021	₱1,983,555
Related parties with common shareholder						
<i>Trade and other receivables</i> <i>(see Note 5)</i>	Food, beverage and sundries Sports and recreation Room sales	₱212,679,459	₱141,000,011	₱67,217,652	₱38,125,726	₱8,503,327
<i>Trade and other payables</i> <i>(see Note 11)</i>	Reimbursement of expenses/club services	₱101,063,572	₱57,652,534	₱25,947,032	₱-	₱26,025,773
Plan assets						
<i>Retirement plan assets (see Note 18)</i>	Contribution	₱5,106,960	₱18,403,926	₱12,145,793	₱43,650,412	₱38,787,431

Terms and Conditions of Transactions with Related Parties

The outstanding balances as at year-end are unsecured, noninterest-bearing, due and demandable and settlement occurs in cash. The Company has not made any provision for ECL relating to the amounts owed by the related parties. This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related parties operate.

Transactions with a Shareholder

The Company has an agreement with Belle wherein Belle will provide utilities and repairs and maintenance works on the Company's facilities.

Transactions with Other Belle Clubs

Reciprocity Agreements. On October 6, 1999, the Company entered into a Reciprocity Agreement with other Belle Clubs that are substantially owned by Belle, whereby members of the Company and other Belle Clubs will be allowed to enjoy the use of each other's facilities, subject to rules and regulations. This agreement shall remain in effect until mutually terminated by the parties. Other payables arising from this arrangement include collections on behalf of other Belle Clubs.

Others. The Company also has transactions for reimbursement of operating expenses such as contract services, repairs and maintenance, utilities and labor cost. Moreover, this also includes payments of food and beverage costs, room and spa, massage charges and shuttle services of the Company's employees.

Transactions with Retirement Benefit Plan

The Company has a retirement benefit plan in the form of a bank-trustee managed account with BDO Unibank, Inc. - Trust and Investments Group. The Company's transactions with the retirement fund mainly pertain to contributions during the year.

Compensation of Key Management Personnel

Compensation of key management personnel consists of:

	2022	2021	2020
Short-term employee benefits	₱9,434,239	₱8,661,402	₱5,689,187
Post-employment benefits	1,510,033	1,360,856	1,007,420
	₱10,944,272	₱10,022,258	₱6,696,607

13. Equity

Track Record of Registration of Securities

The following summarizes the information on the Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/Offer Price
September 29, 1995	5,000	5,000	₱400,000 to ₱600,000

The authorized and subscribed capital stock of the Company amounted to ₱500,000,000 divided into 5,000 shares with par value of ₱100,000 per share. The Company's APIC, which is the excess of proceeds and/or fair value received, amounted to ₱1,048.9 million as at December 31, 2022 and 2021.

The ownership of all shares of stock of the Company is subject to the following restrictive conditions:

- No issuance or transfer of shares of stock of the Company which would reduce the stock ownership of Philippine citizens or nationals to less than the minimum percentage of the outstanding capital stock required by any applicable provisions of the Constitution, law, or regulation to be owned by Philippine citizens or nationals, shall be made or effected by, or shall be recorded in the books of the Company.

- b. No holder, of any class of shares of the Company shall have, as such holder any preemptive right to acquire, purchase, or subscribe for any share of the capital stock of any class of the Company which it may issue or sell, whether out of the number of shares authorized by the Articles of Incorporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Company acquired by it after the issue thereof; nor shall any holder of any class of shares of the Company have, as such shareholder, have any preemptive right to acquire, purchase, or subscribe for any obligation which the Company may issue or sell that shall be convertible into or exchangeable for any shares of the capital stock of any class of the Company or to which shall be attached or appertain any warrant or any instrument that shall confer upon the owner of such obligation, warrant, or instrument the right to subscribe for, or to acquire or purchase from the Company, any share of its capital stock of any class.
- c. No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Company at the time of the dissolution or liquidation of the Company.
- d. The members of the Company shall be subject to the payment of monthly dues and other dues and assessments and subject to such rules and conditions as may be prescribed in the By-Laws or by the BOD to meet the expenses for the general operations of the Company, and the maintenance and improvement of its premises and facilities, in addition to such fees as may be charged for the actual use of the facilities. In the case of a shareholder who is a corporate shareholder, the designated representative shall be initially billed for such dues. In case of nonpayment by the representative, the corporate shareholder shall be ultimately liable for the payment of such dues. Such dues together with all other obligations of the shareholders to the Company, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government, and in the event of delinquency such shares may be ordered sold by the BOD in the manner provided in the By-Laws to satisfy said dues or other obligations of the shareholders.
- e. Any shareholder selling or disposing of his/its share(s) in the Company shall pay a transfer fee in such amount as may be determined by the BOD from time to time. Said transfer fee shall be levied and collected at the time of transfer in the Company's Stock and Transfer Book. Any transfer of shares, except transfer by hereditary succession, made in violation of these conditions shall be null and void and shall not be recorded in the books of the Company.
- f. A holder of a share of stock of the Company is not an ipso facto member of the Company, and he must file an application for Company membership, which shall be subject to the approval of the BOD. If an application for membership of a shareholder is disapproved by the BOD, the shareholder shall dispose of his share within a period of 60 days from notice of such disapproval. In the event of his failure to affect such transfer, his share shall be offered for sale at auction in the manner prescribed in the By-Laws or by the BOD.

- g. In case any shareholder or member violates the provisions of the Articles of Incorporation or the By-Laws or the rules and regulations of the Company, or the resolutions duly promulgated by the BOD or the shareholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Company, such shareholder or member may be expelled by the BOD in the manner provided in the By-Laws upon proper notice and hearing. A shareholder/member who is so expelled shall then cease to be a shareholder/member and shall have no right with respect to his share except the right to demand payment therefore in accordance with these By-Laws. The Company shall have a period of 30 days from the expulsion of the shareholder to make payment of his share/s, and upon such payment the shareholder shall forthwith transfer and assign the share/s held by him as directed by the Company.
- h. All certificates of stock of the Company shall contain an appropriate reference to the foregoing limitations and restrictions, and stock may be issued or transferred in the books of the Company only in accordance with the terms and provisions of such limitations and restrictions.

14. Basic and Diluted Income (Loss) Per Proprietary Membership Certificate

Basic and diluted income (loss) per proprietary membership certificate is computed as follows:

	2022	2021	2020
(a) Net income (loss)	₱43,978,500	₱29,258,949	(₱7,338,698)
(b) Weighted average number of proprietary membership certificates	5,000	5,000	5,000
Basic income (loss) per proprietary membership certificate (a/b)	₱8,796	₱5,852	(₱1,468)

In 2022, 2021 (and 2020), the Company has no potential dilutive proprietary membership certificates outstanding, therefore basic income (loss) per proprietary membership certificate is the same as diluted income (loss) per proprietary membership certificate.

15. Cost of Sales and Services

Cost of Sales

This account consists of:

	2022	2021	2020
Food cost	₱79,022,846	₱52,723,376	₱24,537,512
Beverage cost	7,763,864	4,044,158	3,122,696
Sundry inventory cost	6,500,968	3,602,891	570,170
	₱93,287,678	₱60,370,425	₱28,230,378

Cost of Services

This account consists of:

	Note	2022	2021	2020
Depreciation and amortization	8	₱51,979,707	₱53,227,984	₱57,939,768
Salaries and other benefits		39,494,427	31,329,247	32,928,578
Communication, light and water		15,059,656	11,161,728	10,791,061
Repairs and maintenance		13,745,995	10,555,967	9,103,168
Outside services	19	7,670,562	5,375,725	6,288,330
Supplies		6,439,178	3,955,675	3,698,979
Rent	19	5,540,237	3,622,086	3,525,133
Fuel and oil		3,575,832	1,906,683	1,892,014
Banquet expense		1,781,169	1,535,590	1,243,660
Retirement expense	18	1,510,701	1,803,855	2,495,594
Laundry		1,388,925	573,320	327,955
Insurance		1,326,840	1,091,672	744,463
Animal farm		1,192,584	834,526	699,327
Taxes and licenses		1,184,235	1,512,434	1,841,104
Club events		1,140,620	75,735	253,515
Bank charges		973,027	743,193	529,909
Advertising and promotions		743,671	512,852	666,788
Waste disposal		345,381	528,335	725,315
Dues and subscriptions		217,143	180,556	296,212
Representation		107,554	244,810	308,841
Transportation and travel		68,392	101,325	364,117
Decorations, flowers and plants		42,111	10,770	7,575
Commission		–	–	718,805
Others		7,960,324	5,660,258	7,573,727
		₱163,488,271	₱136,544,326	₱144,963,938

Others include costs incurred from events and other activities held by the Company.

16. General and Administrative Expenses

This account consists of:

	Note	2022	2021	2020
Salaries and other benefits		₱8,402,095	₱8,258,133	₱6,614,444
Provision for ECL and others	11	6,250,000	–	3,225,136
Outside services	19	6,089,163	5,360,072	5,444,161
Repairs and maintenance		4,074,228	2,444,297	2,924,878
Depreciation and amortization	8	2,709,694	2,607,864	3,054,134
Communication, light and water		2,406,372	2,196,674	2,375,532
Retirement expense	18	1,510,700	1,803,854	2,495,593
Supplies		1,338,835	1,196,579	1,071,311
Insurance		1,231,754	697,676	557,939
Taxes and licenses		1,133,705	999,392	1,794,018
Bank charges		973,027	743,193	529,909
Club events		542,878	34,743	80,808
Rent	19	523,887	428,062	170,516

(Forward)

	Note	2022	2021	2020
Representation		₱485,580	₱372,360	₱117,776
Waste disposal		345,381	1,142,830	587,595
Fuel and oil		87,305	1,736,072	182,916
Transportation and travel		66,057	65,505	117,848
Banquet		56,178	6,250	121,873
Decorations		34,000	10,770	7,575
Advertising		28,160	39,490	131,390
Dues and subscription		7,412	83,859	84,147
Animal farm		1,025	-	-
Others		227,509	1,765,044	3,169,322
		₱38,524,945	₱31,992,719	₱34,858,821

Others include expenses related to club activities which are not individually material.

17. Other Income

This account consists of:

	Note	2022	2021	2020
Membership transfer fees		₱6,464,196	₱8,049,171	₱3,381,537
Commission income		3,605,941	1,239,404	481,209
Members' penalties and charges		2,661,103	1,640,148	718,714
Reversal of accruals	11	1,639,308	1,145,363	4,456,901
Club events		1,415,074	-	26,204
Medical services		1,126,221	523,264	246,746
Admin fee		647,920	485,111	113,892
Club collection		169,520	168,640	8,879
Assignment fees		107,679	418,527	383,750
Forex gain (loss)		37,955	31,071	(30,706)
Claims from insurance		-	-	7,872,785
Reversal of allowance for ECL	5	-	-	376,023
Others		753,234	774,009	3,013,715
		₱18,628,151	₱14,474,708	₱21,049,649

Membership transfer fees include income derived from transfer of right by an individual member through selling of shares and transfer of right through change of designee by a corporate member.

Commission income includes share of the Company to the income of its concessionaires.

Members' penalties and charges pertain to collection from members for late payments of membership dues and other charges.

Assignment fees refer to income arising from assignment of members' right to any other party for the right to use the facilities of the Company.

Claims from insurance pertains to the final settlement of claim for loss and expenses sustained to properties insured.

Others pertain to income derived from events held by the Company which include wedding ceremonies, seminars, golf tournaments, among others.

18. Retirement Benefits

The Company is a participant to the Tagaytay Highlands Multiemployer Retirement Plan which is non-contributory defined benefit plan. The plan provides a retirement benefit equal to one hundred percent (100%) of plan salary for every year of credited service or in accordance with the collective bargaining agreement. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

The retirement benefit obligation is determined using the projected unit credit method. The latest available actuarial report of the Company is as at December 31, 2022.

The components of retirement expense are as follows:

	2022	2021	2020
Current service cost	₱3,163,158	₱3,345,004	₱3,627,453
Net interest expense (income)	(141,757)	262,705	1,079,749
Settlement loss	-	-	283,985
	₱3,021,401	₱3,607,709	₱4,991,187

The components of retirement expense recognized in profit or loss are as follows:

	Note	2022	2021	2020
Cost of services	15	₱1,510,701	₱1,803,855	₱2,495,594
General and administrative expenses	16	1,510,700	1,803,854	2,495,593
		₱3,021,401	₱3,607,709	₱4,991,187

The components of net retirement asset are as follows:

	2022	2021
FVPA	₱43,650,412	₱38,787,431
Present value of DBO	(37,873,063)	(38,436,047)
Effect of asset ceiling	(560,953)	-
	₱5,216,396	₱351,384

The changes in fair value of plan assets are as follows:

	2022	2021
Balance at beginning of year	₱38,787,431	₱20,199,439
Contributions	5,106,960	18,403,926
Remeasurement loss	(2,261,415)	(861,050)
Interest income	2,017,436	1,045,116
Balance at end of year	₱43,650,412	₱38,787,431

The changes in present value of the retirement liability are as follows:

	2022	2021
Balance at beginning of year	₱38,436,047	₱36,944,082
Remeasurement loss (gain) on DBO due to changes in:		
Financial assumptions	(4,777,538)	(3,467,415)
Experience adjustments	389,897	2,054,444
Current service cost	3,163,158	3,345,004
Interest expense	1,875,679	1,307,821
Benefits paid from book reserve	(1,214,180)	(1,747,889)
Balance at end of year	₱37,873,063	₱38,436,047

The cumulative remeasurement loss recognized in OCI are as follows:

	2022	2021
Balance at beginning of year	₱3,762,875	₱4,314,796
Remeasurement loss (gain):		
DBO	(4,387,641)	(1,412,971)
Plan assets	2,261,415	861,050
Effect of asset ceiling	560,953	-
	(1,565,273)	(551,921)
Balance at end of year	₱2,197,602	₱3,762,875

The principal actuarial assumptions used to determine retirement benefits are as follows:

	2022	2021
Discount rate	7.01%	4.88%
Salary increase rate	4.00%	4.00%

The sensitivity analysis based on reasonably possible changes of the assumptions are as follows:

	Change in Assumptions	Effect on the present value of retirement liability	
		2022	2021
Discount rate	+100bps	(₱1,898,057)	(₱2,259,083)
	-100bps	2,106,192	2,534,776
Salary increase rate	+100bps	2,148,741	2,531,709
	-100bps	(1,968,126)	(2,298,007)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the DBO at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement while all other assumptions remained unchanged.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed more responsible.

The composition of plan assets for benefits as at December 31 is as follows:

	2022	2021
Debt instruments - government bonds	93%	98.29%
Debt Instruments - other bonds	8.82%	1.21%
Unit investment trust funds	1.19%	0.91%
Others	-3.01%	-0.41%
	100.00%	100.00%

The retirement plan exposes the Company to actuarial risks as follows:

Investment and Interest Risks. The present value of retirement liability for consistency is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Longevity and Salary Risks. The present value of retirement liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

Maturity analysis of the undiscounted benefit payments as at reporting date are as follows:

	2022	2021
Within 1 year	P14,139,223	P12,359,224
More than 1 year to 5 years	8,808,888	10,296,543
More than 5 years	33,863,674	27,923,644
	P56,811,785	P50,579,411

The weighted average duration of the retirement liability is 5.3 years and 6.2 years as at December 31, 2022 and 2021, respectively.

19. Significant Agreements

Outside Services

The Company entered into agreements with a related party and third parties to outsource property management and administration, security services, maintenance, grounds keeping and landscaping, housekeeping, hotel concierge and administration, pest control, medical, technical support, related manpower, and tools and equipment of the aforementioned services. These agreements are valid for terms between one (1) and three (3) years.

Total amount or outside services recognized in profit or loss are as follows:

	Note	2022	2021	2020
Cost of services	15	P7,670,562	P5,375,725	P6,288,330
General and administrative expense	16	6,089,163	5,360,072	5,444,161
		P13,759,725	P10,735,797	P11,732,491

Concessions

The Company has concession agreements with food and beverage service providers, which operate restaurants within the Company's premises to provide services to their members and guests.

The Company charges the concessionaires commission based on monthly sales. Commission income from all concessionaires amounted to ₱3.6 million and ₱1.2 million in 2022 and 2021, respectively (₱0.4 million in 2020).

Lease

The Company executed a lease agreement with a third party whereby the former shall lease the land of latter where certain facilities of the Company are located. The term of the lease is three (3) years, and automatically renewed unless terminated by both parties.

Rent expense associated with the land lease amounted to ₱4.8 million and ₱2.5 million in 2022 and 2021, respectively (₱2.6 million in 2020).

The Company also has low value leases for staff housing and equipment with third parties.

Rent expense is presented in the statements of comprehensive income as follows:

	Note	2022	2021	2020
Cost of services	15	₱5,540,237	₱3,622,086	₱3,525,133
General and administrative expense	16	523,887	428,062	170,516
		₱6,064,124	₱4,050,148	₱3,695,649

20. Income Tax

The Company has no provision for current income tax due to its taxable loss position in 2022 and 2021 (and 2020). Provision for deferred income tax amounted to ₱1.2 million and ₱0.1 million in 2022 and 2021, respectively (nil in 2020).

On June 26, 2019, the Supreme Court (SC) released a decision discussing that membership dues, assessment fees, etc. are exempt from income tax and VAT. This is the SC case G.R. No. 228539 entitled "Association of Non-Profit Clubs, Inc. (ANPC) vs. Bureau of Internal Revenue" which was rendered final and executory with the Entry of Judgment made at the SC Second Division.

SC ruled that, for as long as these membership fees, assessment dues, and the like are treated as collections by recreational clubs from their members as an inherent consequence of their membership, and are, by nature, intended for the maintenance, preservation, and upkeep of the clubs' general operations and facilities, then these fees cannot be classified as "the income of recreational clubs from whatever source" that are "subject to income tax". Instead, they only form part of capital from which no income tax may be collected or imposed.

The components of the Company's deferred tax liabilities are as follows:

	2022	2021
Net retirement asset	P 1,304,099	P87,846
Foreign exchange gain	9,489	7,768
	P1,313,588	P95,614

Provision for deferred income tax is presented in profit or loss.

The components of the Company's unrecognized deferred tax assets are as follows:

	2022	2021
NOLCO	P 62,535,499	P72,447,700
Excess of contribution over service cost	5,436,787	5,688,252
Allowance for ECL	77,775	77,775
	P68,050,061	P78,213,727

These deferred tax assets amounting to P68.1 million and P78.2 million as at December 31, 2022 and 2021, respectively, were not recognized since management believes that it is not probable that taxable income will be available against which the deferred tax assets can be utilized.

Under the Republic Act No. 11494, *Bayanihan to Recover As One Act*, and Revenue Regulations No. 25-2021, the Company is allowed to carry over its operating losses incurred for the taxable years 2020 and 2021 for the next five years immediately following the year of such loss.

The details of NOLCO which can be claimed as deduction from future taxable income are shown below.

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Valid Until
2022	P-	P48,858,120	P-	P48,858,120	2025
2021	58,757,839	-	-	58,757,839	2026
2020	142,526,037	-	-	142,526,037	2025
2019	88,506,925	-	(88,506,925)	-	2022
	P289,790,801	P48,858,120	(P88,506,925)	P250,141,996	

The reconciliation of provision for (benefit from) income tax computed at the statutory tax rate and the effective tax rate follows:

	2022	2021	2020
Provision for (benefit from) income tax at statutory income tax rate	P 11,299,119	P7,338,641	(P2,201,609)
Tax effects of:			
Nontaxable membership dues	(31,622,914)	(22,936,375)	(35,552,164)
Nondeductible expenses	9,644,880	1,735,960	1,788,021
Interest income subjected to final tax	(66,176)	(7,471)	(21,060)
Expired NOLCO	22,126,731	-	-
Change in unrecognized deferred tax assets	(10,163,666)	2,375,451	35,986,812
Effect of change in income tax rate	-	11,589,408	-
	P1,217,974	P95,614	P-

Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

On March 26, 2021, the CREATE Act was signed into law by the President of the Philippines and took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.

Under the CREATE Act, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or taxable income. In addition, MCIT was changed from 2% to 1% of gross income for a period three years. The changes in income tax rates were applied retrospectively beginning July 1, 2020.

In 2022 and 2021, the current income tax rates used in preparing the financial statements are 25% RCIT and 1% MCIT. The change in tax rate has no impact in 2020 as the Company has no provision for current and deferred income tax in 2020.

21. Financial Assets and Financial Liabilities

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, trade and other receivables, refundable deposits (presented under "Other noncurrent assets" account), and trade and other payables (excluding membership dues collected in advance and statutory payables). The main purpose of these financial instruments is to provide funds for the Company's operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to credit risk and liquidity risk from the use of its financial instruments. The BOD reviews and approves the policies for managing each of these risks.

Credit Risk. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company limits its exposure to credit risk by depositing its cash in banks with highly reputable and pre-approved financial institutions. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to credit losses is not significant.

The Company's maximum exposure to credit risk is equal to the carrying amount of its financial assets. The Company has no concentration of credit risk.

The tables below show the credit quality by class of financial assets based on the Company's credit rating system.

	2022				
	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade			
Simplified approach -					
Trade receivables	₱69,897,341	₱-	₱-	₱311,100	₱70,208,441
12-month ECL:					
Cash in banks and cash equivalents	46,538,479	-	-	-	46,538,479
Nontrade receivables	7,210,680	-	-	-	7,210,680
Refundable deposits*	-	120,000	-	-	120,000
	₱123,646,500	₱120,000	₱-	₱311,100	₱124,077,600

*Presented under "Other noncurrent assets" account in the statements of financial position

	2021				
	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade			
Simplified approach -					
Trade receivables	₱48,548,928	₱-	₱-	₱311,100	₱48,860,028
12-month ECL:					
Cash in banks and cash equivalents	40,107,921	-	-	-	40,107,921
Nontrade receivables	3,336,024	-	-	-	3,336,024
Refundable deposits*	-	145,263	-	-	145,263
	₱91,992,873	₱145,263	₱-	₱311,100	₱92,449,236

*Presented under "Other noncurrent assets" account in the statements of financial position

The credit quality of the financial assets was determined as follows:

- High grade - applies to customers and counterparties that always pay on time or even before maturity.
- Standard grade - applies to receivable from counterparties that always pay on due date if they are reminded or followed up by the Company.
- Past due but not impaired - items with history of frequent default, nevertheless, the amounts are still collectible.
- Impaired - those that are long outstanding or those that have been provided with an allowance for ECL.

Liquidity Risk. Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Company considers obtaining borrowings as the need arises.

As at December 31, 2022 and 2021, the Company's trade and other payables (excluding membership dues collected in advance and statutory payables) are generally settled within a year.

Capital Management

The primary objective of the Company's capital management is to ensure that the Company has sufficient funds in order to support its business, pay existing obligations and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, whenever there are changes in economic conditions. To manage or adjust the capital structure, the Company may obtain additional support from members. No changes were made in the objectives, policies or processes as at December 31, 2022 and 2021. The Company considers its equity as capital employed and monitors capital using the monthly cash position report and financial statements.

Fair Value of Financial Assets and Liabilities

The table below presents the carrying amount and fair value of financial instruments:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱47,698,489	₱47,698,489	₱41,291,651	₱41,291,651
Trade and other receivables	77,108,021	77,108,021	51,884,952	51,884,952
Refundable deposits*	120,000	120,000	145,263	145,263
	₱124,926,510	₱124,926,510	₱93,321,866	₱93,321,866
Financial Liability at Amortized Cost				
Trade and other payables**	₱107,316,678	₱107,316,678	₱119,151,274	₱119,151,274

* Presented under "Other noncurrent assets" account in the statements of financial position

**Excluding membership dues collected in advance and statutory payables with an aggregate amount of ₱29.1 million and ₱30.4 million as at December 31, 2022 and 2021, respectively.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables (excluding Membership Dues Collected in Advance and Statutory Payables). Due to the short-term nature and demandable feature of these financial instruments, their fair values approximate the carrying amounts as at reporting date.

Refundable Deposits. These are presented at cost since the timing and amounts of future cash flows related to the refundable deposits are linked to the termination of the contract with the electricity provider which cannot be reasonably and reliably estimated.

There were no transfers between levels in the fair value hierarchy in 2022 and 2021.


**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Members and the Board of Directors
The Country Club at Tagaytay Highlands, Inc.
Tagaytay Highlands Complex, Barangay Calabuso
Tagaytay City, Philippines

We have audited the accompanying financial statements of The Country Club at Tagaytay Highlands, Inc. (the Company) as at and for the years ended December 31, 2022 and 2021, on which we have rendered our report dated April 1, 2023.


In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has three (3) stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & Co.


BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 81207-SEC Group A

Issued January 30, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 9564560

Issued January 3, 2023, Makati City

April 1, 2023

Makati City, Metro Manila

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Members and the Board of Directors
The Country Club at Tagaytay Highlands, Inc.
Tagaytay Highlands Complex
Barangay Calabuso, Tagaytay City 4120 Cavite

We have audited in accordance with Philippine Standards on Auditing, the financial statements of The Country Club at Tagaytay Highlands, Inc. (the Company) as at and for the years ended December 31, 2022 and 2021 and have issued our report thereon dated April 1, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedules for submission to the Securities and Exchange Commission are the responsibility of the Company's management.

The supplementary schedules include the following:

- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2022 and 2021
- Schedules required Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the year ended December 31, 2022

The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Company's financial statements as at and for the years ended December 31, 2022 and 2021, and no material exceptions were noted.


The supplementary schedules are presented for purposes of complying with the Revised SRC Rule 68 and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.


BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 81207-SEC Group A

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Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 9564560

Issued January 3, 2023, Makati City

April 1, 2023

Makati City, Metro Manila

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2022 and 2021

Ratio	Formula	2022	2021
Current Ratio	Total current assets	₱194,078,666	₱161,957,535
	Divided by: Total current liabilities	136,366,907	149,553,410
	Current Ratio	1.42	1.08
Acid Test Ratio	Total current assets	₱194,078,666	₱161,957,535
	Less: Inventories	(12,339,018)	(14,456,443)
	Other current assets	(56,933,138)	(54,324,489)
	Quick assets	124,806,510	93,176,603
	Divide by: Total current liabilities	136,366,907	149,553,410
	Acid Test Ratio	0.92	0.62
Solvency Ratio	Net income	₱43,978,500	₱29,258,949
	Add: Depreciation and amortization	54,689,401	55,835,848
	Net income before depreciation and amortization	98,667,901	85,094,797
	Divided by: Total liabilities	137,680,495	149,649,024
	Solvency Ratio	71.66%	56.86%
Debt-to-Equity Ratio	Total liabilities	₱137,680,495	₱149,649,024
	Divided by: Total equity	605,113,032	559,569,259
	Debt-to-Equity Ratio	0.23	0.27
Asset-to-Equity Ratio	Total assets	₱742,793,527	₱709,218,283
	Divided by: Total equity	605,113,032	559,569,259
	Asset-to-Equity Ratio	1.23	1.27
Return on Equity	Net income	₱43,978,500	₱29,258,949
	Divided by: Average total equity	582,341,146	544,663,824
	Return on Equity	7.55%	5.37%
Return on Assets	Net income	₱43,978,500	₱29,258,949
	Divided by: Average total assets	726,005,905	696,865,164
	Return on Assets	6.06%	4.2%
Net Profit Margin	Net income	₱43,978,500	₱29,258,949
	Divided by: Revenue	195,112,859	125,766,917
	Net Profit Margin	22.54%	23.26%

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY
PAR. 6 PART II OF REVISED SRC RULE 68
DECEMBER 31, 2022

Table of Contents

<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N/A</u>
D	Long-Term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Proprietary Membership Certificates	<u>Attached</u>

Notes:

A - None to report. The Company has no financial assets measured at fair value through profit or loss.

B - None to report. All receivables arise from the ordinary course of business.

C - Not applicable. The Company does not prepare consolidated financial statements.

D - None to report. The Company has no long-term debt.

E - None to report. The Company has no long-term indebtedness to a related party.

F - None to report. The Company has no guarantees of securities of other issuers.

** No profit inures to the exclusive benefit of any of the Company's members and no dividend shall be declared in their favor, hence, a supplementary schedule of reconciliation of retained earnings available for dividend declaration as at December 31, 2022 is not applicable.*

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
SCHEDULE G – PROPRIETARY MEMBERSHIP CERTIFICATES
DECEMBER 31, 2022

<i>Title of issue</i>	<i>Number of proprietary membership certificates authorized</i>	<i>Number of proprietary membership certificates issued and outstanding as shown under statement of financial position</i>	<i>Number of Proprietary membership certificates reserved for options, warrants, conversion and other rights</i>	<i>Number of proprietary membership certificates held by</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Proprietary Membership Certificates	5,000	5,000	–	2,325	4	2,671



The Country Club at Tagaytay Highlands <country.tagaytayhighlands@gmail.com>

The Country Club At Tagaytay Highlands, Inc._SEC 17-Q_8Aug2023

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
To: country.tagaytayhighlands@gmail.com

Tue, Aug 8, 2023 at 1:29 PM

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://seceexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

CERTIFICATION

I, **FREDERICK D. DEOCARIZA**, Financial Controller, is a duly authorized representative of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC. ("Club")**, with SEC registration number AS095007827 and principal office at Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City, Cavite, Philippines, does hereby certify and state that:

- 1) That on behalf of the Club, I have caused this Quarterly Report for the period ended 30 June 2023 (SEC Form 17-Q) to be prepared.
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records; and
- 3) That the Club will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail;

IN WITNESS WHEREOF, I have hereunto set my hand this AUG 08 2023.

[Redacted Signature]

FREDERICK D. DEOCARIZA
Financial Controller

SUBSCRIBED AND SWORN to before me this AUG 08 2023 in TAGAYTAY CITY City, affiant exhibiting to me his Driver's License No. [Redacted] as competent evidence of identity.

Doc. No. 269
Page No. 59
Book No. 212
Series of 2023.



[Handwritten Signature]

ATTY. VALENTIN C. GUANIO
JP Rizal Avenue, Kaybagal South, Tagaytay City
Commission Expires on DECEMBER 31, 2024
PTR No 5131980/January 3, 2023
ROLL No 22908
IBP LIFETIME RES NO 02892
MCLE COMPLIANCE NO. VII-0016975

A S O - 0 0 7 8 2 7

S.E.C. Registration Number

T H E C O U N T R Y C L U B A T T A G A Y T A Y
H I G H L A N D S , I N C .

(Company's Full Name)

T A G A Y T A Y H I G H L A N D S C O M P L E X , B A
R A N G A Y C A L A B U S O , T A G A Y T A Y C I T Y
4 1 2 0 , C A V I T E

(Business Address: No. Street City / Town / Province)

MARIA CLARA T. KRAMER

Contact Person

Company Telephone Number

1 2 - 3 1

Month - Day
Calendar Year

1 7 - Q

FORM TYPE

0 6 - 3 0

Month - Day
For the Quarter Ended

Secondary License Type, If Applicable

S E C

Dept. Requiring this Doc.

N / A

Amended Articles Number/Section

2 6 1 7

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(b)(2) THEREUNDER

1. For the quarterly period ended: **June 30, 2023**
2. SEC Identification Number: **ASO95007827** 3. BIR Tax Identification No: **004-734-253-000**
4. Exact name of issuer as specified in its charter: **The Country Club at Tagaytay Highlands, Inc.**
5. **Makati, Metro Manila, Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City** **4120**
Address of principal office Postal Code
8. **(046) 8483-0929**
Issuer's telephone number, including area code
9. **Year ended December 31**

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Proprietary Shares	5,000

11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No [**x**]

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [**x**] No []

(b) has been subject to such filing requirements for the past 90 days.

Yes [] No [**x**]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are attached as Exhibits:

1. Unaudited Statements of Financial Position as of June 30, 2023 and Audited Statements of Financial Position as of December 31, 2022;
2. Unaudited Statements of Income for the six-month period ended June 30, 2023 and June 30, 2022; and the three-month period ended June 30, 2023 and June 30, 2022;
3. Unaudited Statements of Changes in Members' Equity for the six-month period ended June 30, 2023 and June 30, 2022;
4. Unaudited Statements of Cash Flows for the six-month ended June 30, 2023 and June 30, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition

Six-Month Ended June 30, 2023 compared to Year Ended December 31, 2022

ASSETS

The Country Club has total assets of ₱796.71 million as of June 30, 2023 compared to ₱742.79 million as of December 31, 2022, an increase of ₱53.92 million or 7.26%. The Club has current assets of ₱1.49 for each peso of current liabilities as of June 30, 2023 compared to ₱1.42 as of December 31, 2022.

Cash and Cash equivalents

Cash and cash equivalents increased by ₱27.31 million or 57.26% from ₱47.69 million as of December 31, 2022 to ₱75.00 million as of June 30, 2023. This is the result of net cash provided by operating activities of ₱54.25 million and increased in other noncurrent assets of ₱8.99 million. This was offset by the addition to property and equipment of ₱35.95 million.

Trade and other Receivables

Trade and other receivables increased by ₱25.28 million or 32.79% from ₱77.10 million as of December 31, 2022 to ₱101.79 million as of June 30, 2023. This is mainly due to the increase in related parties ₱20.27 million or 53.18%, receivables from concessionaires of ₱2.60 million or 111.29% and receivables from function of ₱1.15 million or 61.12%.

Inventories

Inventories decreased by ₱0.08 million or 0.65% from ₱12.33 million as of December 31, 2022 to ₱12.25 million as of June 30, 2023 mainly due to the decrease in the inventory of food and beverage.

Other current assets

Other current assets increased by ₱1.00 million or 1.76% from ₱56.93 million as of December 31, 2022 to ₱57.93 million as of June 30, 2023 mainly due to increase in creditable withholding tax of ₱1.46 million or 4.44% and deferred input vat of ₱0.38 million or 2.05% and this was offset by the decrease in prepaid expenses of ₱0.73 million or 25.86%.

Property and Equipment

Property and equipment increased by ₱6.04 million or 1.23% from ₱491.58 million as of December 31, 2022 to ₱497.62 million as of June 30, 2023. This is mainly due to the depreciation charges amounting to ₱28.25 million and this was offset by the addition to building improvement of ₱6.59 million, facilities and equipment of ₱5.16 million, office, furniture, fixture and equipment of ₱1.45 million.

Investment Properties

Investment properties of The Country Club consist of land not used in operations remained at carrying value as of June 30, 2023 and December 31, 2022 amounting of ₱34.58 million.

Net Retirement Asset

Net retirement asset of The Country Club increased by ₱4.03 million or 77.44% from ₱5.21 million as of December 31, 2022 to ₱9.25 million as of June 30, 2023, mainly due to the contributions to the retirement fund.

Other Noncurrent Assets

Other noncurrent assets decreased by ₱9.07 million or 52.37% from ₱17.32 million as of December 31, 2022 to ₱8.25 million as of June 30, 2023 due mainly to the decrease in advances to contractors and suppliers of ₱7.97 million or 60.17% and deferred input vat on capital goods of ₱1.01 million or 41.57%.

Trade and other Payables

Trade and other payables increased by ₱29.80 million or 21.86% from ₱136.36 million as of December 31, 2022 to ₱166.17 million as of June 30, 2023. This is mainly due to the increase in refundable deposit of ₱7.58 million or 20.77%, membership dues collected in advance of ₱9.89 million or 38.73%, auctioned members liability ₱6.61 million or 155.05%, accrued expenses of ₱5.63 million or 30.06%, retention payable of ₱2.58 million or 85.59% and this was offset to payables to concessionaires of ₱3.90 million or 40.74%, statutory payables of ₱1.72 million or 49.52%, service charge payable of ₱0.49 million or 39.52% and trade payable of ₱0.27 million or 1.46%

Deferred Tax Liability

Deferred tax liability remained at its value as of June 30, 2023 amounting to ₱1.31 million.

MEMBERS' EQUITY

Members' equity increased by ₱24.71 million or 4.08% from ₱605.11 million as of December 31, 2022 to ₱629.83 million as of June 30, 2023, the increase was mainly due to the net income during the six-month period ended June 30, 2023.

Results of Operations

Six-Month Period Ended June 30, 2023 compared to June 30, 2022

REVENUES

For the six-month period ended June 30, 2023, The Country Club performance showed an increase in total revenue amounting to ₱9.60 million or 20.77%, from ₱99.69 million in 2022 to ₱109.29 million in 2023, due to the full operation of the clubs' facilities and restaurants.

Food, beverage and sundries

Food, beverage and sundries increased of ₱6.92 million or 8.50%, from ₱81.39 million in 2022 to ₱88.32 million in 2023. This is mainly due to the full operation of the club restaurants and concessionaires.

Sports and Recreation

Sports and recreation increased by ₱0.95 million or 15.75%, from ₱6.08 million in 2022 to ₱7.04 million in 2023. This is due to the higher revenue in campsite, indoor and outdoor facilities, and Locker room.

Room sales

Room Sales was increased by ₱0.72 million or 21.51%, from ₱3.35 million in 2022 to ₱4.07 million in 2023. This is due to the increase in room occupancy for the six-month period ended June 30, 2023.

Interest income

Interest income increased by ₱0.59 million or 1140.96% from ₱0.052 9million in 2022 to ₱0.65 million in 2023. This is due to the additional funding of BDO time deposit for the six-month period ended June 30, 2023.

Other income

Other income increased by ₱0.40 million or 4.55% from ₱8.79 million in 2022 to ₱9.19 million in 2023, mainly due to the commission, reversal of accruals and club events.

COST AND OPERATING EXPENSES

Cost and operating expenses for the six-month period ended June 30, 2023 amounted to ₱148.89 million, an increase of ₱11.76 million or 8.58% compared to ₱137.12 million in the same period in 2022.

Cost of sales

Cost of sales increased by ₱1.23 million or 2.84%, from ₱43.62 million for the six-month period ended June 30, 2022 to ₱44.86 million for the same period in 2023. This is mainly due to higher related revenues of the club's restaurants.

Cost of service

Cost of service increased by ₱8.71 million or 11.34%, from ₱76.87 million for the six-month period ended June 30, 2022 to ₱85.59 million for the same period in 2023. This is mainly due to the increase in outside services, supplies, laundry, communication, water and electricity expenses.

General and administrative expenses

General and administrative expenses increased by ₱1.81million or 10.91%, from ₱16.61 million for the six-month period ended June 30, 2022 to ₱18.42 million for the same period in 2023. This is mainly due to the increase in insurance expenses, outside services, repairs and maintenance expenses.

MEMBERS' SUPPORT

Members' support increased by ₱3.23 million or 5.29% from ₱61.20 million for the six-month period ended June 30,2022 to ₱64.44 million for the same period in 2023, this was mainly due to the increase in the number of active club members.

PROVISION FOR INCOME TAX- CURRENT

Provision for income tax-current increased by ₱0.11 million or 1,140.78% from ₱0.010 million for the six -month ended June 30,2022 to ₱0.13 million for the same period in 2023, mainly due to the interest earned from banks of the club.

NET INCOME

As a result, The Country Club registered a net income of ₱24.71 million for the six-month period ended June 30, 2023 in comparison to the net income of ₱23.76 million for the same period in 2022.

Quarter ended June 30, 2023 compared to June 30, 2022

REVENUES

For the three-month period ended June 30, 2023, The Country Club performance showed an increase in total revenue amounting to ₱1.56 million or 29.24%, from ₱53.01 million in 2022 to ₱54.57 million in 2023, due to the full operation of the club's facilities and restaurants.

Food, beverage and sundries

Food, beverage and sundries increased by ₱0.60 million or 1.39%, from ₱43.21 million in 2022 to ₱43.81 million in 2023. This is mainly due to the full operation of the club restaurants and concessionaires.

Sports and Recreation

Sports and recreation decreased by ₱0.08 million or 2.06%, from ₱4.15 million in 2022 to ₱4.07 million in 2023. This is due to the low revenue in camp highlands, indoor and outdoor facilities, and Locker room.

Room sales

Room Sales decreased by ₱0.01 million or 0.73%, from ₱1.88 million in 2022 to ₱1.87 million in 2023, this is due to the decrease in room occupancy for the three-month period ended June 23, 2023.

Interest income

Interest income increased by ₱0.40 million or 1060.22% from ₱0.03 million in 2022 to ₱0.44 million in 2023. This is due to the additional time deposit for the three-month period ended June 30, 2023.

Other income

Other income increase by ₱0.65 million or 17.63% from ₱3.71 million in 2022 to ₱4.36 million in 2023, mainly due to the membership transfer fees.

COST AND OPERATING EXPENSES

Cost and operating expenses for the three-month period ended June 30, 2023 amounted to ₱75.95 million, an increase of ₱4.22 million or 5.89% compared to ₱71.73 million in the same period in 2022.

Cost of sales

Cost of sales decreased by ₱0.66 million or 2.82%, from ₱23.75 million for the three-month period ended June 30, 2022 to ₱23.08 million for the same period in 2023. This is mainly due to the low related revenues of the club's restaurants for the second quarter of 2023.

Cost of service

Cost of service increased by ₱3.67 million or 9.17%, from ₱40.02 million for the three-month period ended June 30, 2022 to ₱43.69 million for the same period in 2023. This is mainly due to outside services, salaries, supplies, communication, water and electricity expenses.

General and administrative expenses

General and administrative expenses increased by ₱1.22 million or 15.39%, from ₱7.95 million for the three-month period ended June 30, 2022 to ₱9.17 million for the same period in 2023. This is mainly due to the increase in outside services, repairs and maintenance expenses.

MEMBERS' SUPPORT

Members' support increased by ₱1.58 million or 5.00% from ₱31.67 million for the three-month period ended June 30, 2022 to ₱33.26 million for the same period in 2023. This is mainly due to the increase in the number of active club members.

PROVISION FOR INCOME TAX- CURRENT

Provision for income tax-current increased by ₱0.08 million or 1,059.88% from ₱0.007 million for the three -month ended June 30, 2022 to ₱0.088 million for the same period in 2023, mainly due to the interest earned from banks of the club.

NET INCOME

As a result, The Country Club registered a net income of ₱11.78 million for the three-month period ended June 30, 2023 in comparison to the net income of ₱12.94 million for the same period in 2022.

Below are the comparative key performance indicators of the Club:

		30-Jun-23 (Unaudited)	30-Jun-22 (Audited)	31-Dec-22 (Audited)
Performance Indicators	Formula for Calculation			
Current ratio	Current assets over current liabilities	1.49:1.00	1.34 : 1.00	1.42:1.00
Acid test ratio	Quick assets* over current liabilities	1.07:1.00	0.82 : 1.00	0.92:1.00
Solvency ratio	EBITDA over total liabilities	0.33:1.00	0.41 : 1.00	0.72:1.00
Debt to equity ratio	Total liabilities over total members' equity	0.27:1.00	0.21 : 1.00	0.23:1.00
Asset to equity ratio	Total assets over total members' equity	1.27:1.00	1.21 : 1.00	1.23:1.00
Return on equity	Net income over total members' equity	4%	4%	7%
Return on assets	Net income over total assets	3%	3%	6%
Net profit margin	Net income over total revenue	22%	23%	21%

*Quick assets – Cash plus receivables

As of the second quarter ended June 30, 2023, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations, in respect of the following:

- i. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Country Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Country Club, including any default or acceleration of an obligation;

- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Country Club with unconsolidated entities or other persons created during the reporting period;
- iv. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Country Club's short-term or long-term liquidity;
- v. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- vi. Significant elements of income or loss that did not arise from the Country Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Country Club's results of operations; and
- viii. Material changes in the financial statements of the Country Club from the interim period ended June 30, 2023 except as reported in the management discussion and analysis.

PART II - OTHER INFORMATION

Other Required Disclosures

1. The attached interim financial reports were prepared in compliance with the Philippine Financial Reporting Standards (PFRS). The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2022.

The adoption of the following PFRS standards, which are effective January 1, 2020, enumerated below does not have significant impact on its financial statements.

- i. Amendments to PFRS 3, *Business Combinations, Definition of a Business*
- ii. Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
- iii. Amendments to Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
- iv. Amendments to PFRS 16, *COVID-19-related Rent Concessions*

The Country Club continues to assess the impact of the above new, amended and improved accounting standards effective subsequent to December 31, 2022 on its financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the Club's financial statements when these amendments are adopted.

The following PFRS standards, which are effective January 1, 2019, enumerated below are not applicable to the Country Club.

- i. Amendments to PFRS 9, *Prepayment Features with Negative Compensation* – the Club does not have debt instruments with negative compensation prepayment features.
- ii. Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures* – the Club does not have any investments in associates and joint ventures
- iii. Annual Improvements
 - a) Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation* – the Club does not enter into business combination transactions

b) Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* – the Club does not declare dividends to its members

2. There are no material events or uncertainties known to management that had a material impact on the seasonal aspects of the Club's results of operations.
3. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
4. There are no material changes in estimates of amounts reported in prior interim periods of prior financial years.
5. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the period June 30, 2023.
6. There are no material changes in the composition of the club during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
7. The Club has no contingent liabilities or contingent assets.
8. There are no material contingencies existing as of interim period that can have a material effect in the decision making of the financial statement users.
9. The application of the amendment on PAS 27 (Separate Financial Statements) will have no significant impact on the Club's financial position or financial performance.
10. The amendment on PFRS 1 (Government Loans) does not apply to the Club.
11. The amendment of PFRS 7 (Financial Instruments: Disclosures – Offsetting of Financial Assets and Financial Liabilities) only affect disclosures to financial statement and have no impact on the Club's financial position or performance.
12. There will be no impact on the Club's financial position and performance for the application of PFRS 10 (Consolidated Financial Statements)
13. The application of PFRS 12 (Disclosure of Interests in Other Entities) will have no impact on the Club's financial position or performance.
14. The Club does not anticipate that the adoption of PFRS 13 (Fair Value Measurement) will have a significant impact on the financial position or performance.
15. The Country Club has not been involved in any bankruptcy, receivership or similar proceedings for the past three (3) years.
16. The Country Club has not engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets (not ordinary) for the past three (3) years.
17. All the Club's securities are registered under the Securities Regulation Code. There were no sale of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities for the past three (3) years.

18. The Country Club is a non-profit corporation and as such, does not declare dividends to its shareholders. In accordance with the Country Club's Articles of Incorporation and By-Laws, no profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Club at the time of the dissolution or liquidation of the Country Club.

EXHIBITS AND SCHEDULES

Exhibit "A" Financial Statements
Statements of Financial Position, Statements of Income, Statements of Changes in Members'
Equity, Statements of Cash Flow and Statements of Accounts.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, The Country Club at Tagaytay Highlands, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.



FREDERICK D. DEOCARIZA
Financial Controller

Date Signed: August 8, 2023



MARIA CLARA T. KRAMER
General Manager

Date Signed: August 8, 2023

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION
As of June 30, 2023 and December 31, 2022

			June 30		December 31
			2023		2022
			(Unaudited)		(Audited)
ASSETS					
	NOTE				
Current Assets					
Cash and cash equivalents	1	₱	75,009,569	₱	47,698,489
Trade and other receivables	2		102,393,933		77,108,021
Inventories	3		12,258,294		12,339,018
Other current assets	4		57,936,192		56,933,138
Total Current Assets			247,597,988		194,078,666
Noncurrent Assets					
Property and equipment	5		497,627,616		491,587,006
Investment properties			34,581,711		34,581,711
Net retirement asset			9,255,721		5,216,396
Other noncurrent assets	6		8,253,449		17,329,748
Total Noncurrent Assets			549,718,497		548,714,861
			₱ 797,316,487		₱ 742,793,527
LIABILITIES AND MEMBERS' EQUITY					
Current Liabilities					
Trade and other payables	7	₱	166,171,470	₱	136,366,907
Total Current Liabilities			166,171,470		136,366,907
Noncurrent Liabilities					
Deferred tax liabilities			1,313,588		1,313,588
Total Non-Current Liabilities			1,313,588		1,313,588
Total Liabilities			167,485,058		137,680,495
Members' Equity					
Proprietary certificates			500,000,000		500,000,000
Additional paid-in capital			1,048,932,564		1,048,932,564
Deficit			(916,903,534)		(941,621,930)
Cumulative remeasurement loss on net retirement			(2,197,602)		(2,197,602)
Net Members' Equity			629,831,429		605,113,032
			₱ 797,316,487		₱ 742,793,527

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
(A Nonprofit Corporation)

STATEMENTS OF INCOME

For the six-month period ended June 30, 2023 and 2022

	NOTE	For the six-months period ended June 30		This Quarter	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
REVENUES					
Food, beverage and sundry	P	88,320,522	P 81,397,892	P 43,818,634	P 43,216,993
Sports and recreation		7,047,019	6,088,311	4,073,947	4,159,444
Room sales		4,078,713	3,356,661	1,871,634	1,885,318
		99,446,253	90,842,864	49,764,216	49,261,755
COSTS AND EXPENSES					
COST OF SALES	9	(44,863,611)	(43,626,603)	(23,086,854)	(23,755,747)
COST OF SERVICES	10	(85,597,974)	(76,879,899)	(43,693,004)	(40,021,674)
GENERAL AND ADMINISTRATIVE EXPENSES	11	(18,428,462)	(16,616,418)	(9,177,324)	(7,953,629)
		(148,890,047)	(137,122,921)	(75,957,182)	(71,731,051)
OTHER INCOME (CHARGES)					
INTEREST INCOME		651,872	52,530	441,788	38,078
OTHER INCOME	12	9,199,029	8,798,517	4,364,444	3,710,284
		9,850,901	8,851,047	4,806,231	3,748,362
DEFICIENCY OF REVENUES OVER COSTS AND EXPENSES BEFORE MEMBERS' SUPPORT					
		(39,592,893)	(37,429,010)	(21,386,735)	(18,720,934)
MEMBERS' SUPPORT					
Membership dues		64,441,648	61,204,084	33,262,123	31,677,043
EXCESS OF REVENUES AND MEMBERS' SUPPORT OVER COSTS AND EXPENSES					
		24,848,754	23,775,074	11,875,388	12,956,109
PROVISION FOR INCOME TAX- CURRENT		130,356	10,506	88,332	7,616
NET INCOME	P	24,718,398	P 23,764,568	P 11,787,056	P 12,948,494
Income Per Share	8 P	4,944	P 4,753	P 2,357	2,590

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.

(A Nonprofit Corporation)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

For the six-month period ended June 30, 2023 and 2022

	2023	2022
PROPRIETARY MEMBERSHIP CERTIFICATES		
Balance at beginning and end of year	500,000,000	500,000,000
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning and end of year	1,048,932,564	1,048,932,564
DEFICIT		
Balance at beginning of year	(941,621,930)	(985,600,430)
Net income	24,718,398	23,764,568
Balance at end of year	(916,903,532)	(961,835,864)
Remeasurement gain (loss)		
Balance at beginning of year	(2,197,602)	(3,762,875)
Balance at end of year	(2,197,604)	(3,762,875)
	629,831,429	583,333,825

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.**(A Nonprofit Corporation)****STATEMENTS OF CASH FLOWS****For the six-month period ended June 30, 2023 and 2022**

	June 2023	June 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses before income tax	₱ 24,848,754	₱ 23,775,074
Adjustment for:		
Depreciation and amortization	29,997,019	27,540,706
Retirement benefits cost	1,510,701	1,803,855
Interest income	(651,872)	(52,530)
Unrealized foreign exchange (loss)	(14,110)	(48,166)
Excess of revenues over expenses before working capital changes	55,690,491	53,018,939
Decrease (increase) in:		
Trade and other receivables	(25,285,912)	5,941,686
Inventories	80,725	2,771,039
Other current assets	(1,003,053)	1,683,344
Increase (decrease) in:		
Trade and other payables	29,804,563	(26,208,641)
Net cash generated from operations	59,286,813	37,206,367
Benefits paid	(2,996,546.20)	(39,975.00)
Contributions to plan asset	(2,553,480.00)	(2,979,060.00)
Income tax paid	(130,356)	(10,506)
Interest received	651,872	52,530
Net cash provided by operating activities	54,258,303	34,229,356
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(35,951,067.63)	(21,226,548.36)
Increase in other noncurrent assets	8,989,737.58	861,983.78
Net cash provided in investing activities	(26,961,330.05)	(20,364,564.58)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,296,973	13,864,792
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	14,110	48,166
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	47,698,489	41,291,651
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱ 75,009,569	₱ 55,204,607

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
(A Nonprofit Corporation)

SCHEDULE OF ACCOUNTS

		June 30		December 31
		2023		2022
		(Unaudited)		(Audited)
Schedule 1				
CASH AND CASH EQUIVALENTS				
Cash on hand and banks	P	43,010,662	P	23,267,448
Short term investment		31,998,907		24,431,041
	P	75,009,569	P	47,698,489
Schedule 2				
TRADE AND OTHER RECEIVABLES				
Related parties	P	58,401,638	P	38,125,725
Members		32,096,416		32,082,715
Receivables from Concessionaires		4,937,851		2,336,959
Receivables from Functions		3,044,480		1,889,562
Receivables from Credit Card		2,025,471		1,251,979
Other receivables		2,199,177		1,732,181
		102,705,033		77,419,121
Less: Allowance for expected credit loss		(311,100)		(311,100)
	P	102,393,933	P	77,108,021
Schedule 3				
INVENTORIES				
Food and beverage	P	7,493,687	P	7,732,816
Supplies		4,764,607		4,606,202
	P	12,258,294	P	12,339,018
Schedule 4				
OTHER CURRENT ASSETS				
Creditable withholding tax	P	34,530,734	P	33,061,207
Deferred input vat on unpaid services		19,193,822		18,807,805
Deferred input VAT on capital goods		2,110,466		2,230,224
Prepaid expenses		2,101,170		2,833,902
	P	57,936,192	P	56,933,138
Schedule 5				
PROPERTY AND EQUIPMENT - NET				
Building and improvements	P	1,011,060,178	P	1,004,468,659
Facilities and equipment		498,630,740		493,464,906
Land		328,019,641		328,019,641
Land improvements		138,470,510		138,264,323
Office, furniture, fixtures and equipment		114,300,358		112,845,821
Transportation equipment		22,566,917		22,335,171
Artifacts		14,639,940		14,639,940
Operating equipment - net		7,141,282		6,056,751
		2,120,547,002		2,107,981,710
Less: Accumulated depreciation		(1,661,308,305)		(1,633,051,383)
		459,238,698		474,930,326
Construction in progress		38,388,918		16,656,673
	P	497,627,616	P	491,587,006

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
(A Nonprofit Corporation)

SCHEDULE OF ACCOUNTS

		June 30 2023 (Unaudited)		December 31 2022 (Audited)
Schedule 6				
OTHER NONCURRENT ASSETS				
Advances to contractors and suppliers	P	5,276,930	P	13,248,708
Deferred input VAT on capital goods		1,430,729		2,448,687
Computer software		1,105,458		1,192,019
Refundable deposits		120,000		120,000
Others		320,333		320,333
	P	8,253,449	P	17,329,748

Schedule 7

TRADE AND OTHER PAYABLES

Refundable deposit	P	44,090,221	P	36,507,174
Membership dues collected in advance		35,438,170		25,543,996
Accrued expenses		24,360,976		18,730,856
Trade		19,432,301		19,110,576
Auctioned membership liability		10,886,680		4,268,532
Payables to concessionaires		5,683,482		9,590,265
Retention payable		5,596,791		3,015,653
Provisions		2,772,078		1,174,238
Unclaimed Gift Certificate		2,572,285		2,596,785
Related party		1,854,868		1,593,019
Statutory payables		1,755,467		3,477,516
Stale checks		1,157,129		1,464,040
Other dues collected in advance		816,400		607,700
Service charge payable		763,913		1,263,034
Room revenue sharing payable		733,837		760,511
Other payables		8,256,872		6,663,007
	P	166,171,470	P	136,366,907

Schedule 8

INCOME (LOSS) PER SHARE

Income per share is computed by dividing the excess of revenue over expenses by the weighted average number of shares issued and outstanding during the year.

The Club's reported income per share for each of the three months in the period ended June 30, 2023 and 2022 were computed as follows:

		Apr-23 to Jun-23		Apr-22 to Jun-22
(a) Net Income	P	11,787,056	P	12,948,494
(b) Weighted average number of shares outstanding		5,000		5,000
(c) Income per share (a / b)	P	2,357	P	2,590

The Club's reported income per share for each of the six months in the period ended June 30, 2023 and 2022 were computed as follows:

		Jan-23 to Jun-23		Jan-22 to Jun-22
(a) Net Income	P	24,718,398	P	23,764,568
(b) Weighted average number of shares outstanding		5,000		5,000
(c) Income per share (a / b)	P	4,944	P	4,753

THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.
SCHEDULE OF ACCOUNTS

	For the six months ended		This Quarter					
	2023	2022	2023	2022				
Schedule 9								
COST OF SALES								
Cost of Sales	P	19,677,798	P	21,001,861	P	10,728,102	P	11,767,073
Food Cost		19,122,913		18,499,436		10,060,719		9,872,135
Sundry Inventory Cost		4,590,846		2,393,052		1,580,440		1,175,268
Beverage Cost		1,378,423		1,336,704		679,339		760,686
F & B Spoilage		93,631		395,549		38,254		180,584
	P	44,863,611	P	43,626,603	P	23,086,854	P	23,755,747

Schedule 10

COST OF SERVICES								
Depreciation and Amortization	P	28,214,391	P	26,253,947	P	14,468,893	P	13,340,370
Salaries and other benefits		20,490,325		19,655,163		10,964,868		10,217,404
Communication, light and water		8,361,961		7,185,164		4,586,599		3,719,675
Repairs and maintenance		6,775,307		5,236,228		3,457,248		3,167,376
Outside services		6,538,662		3,835,186		3,502,825		1,986,271
Supplies		3,529,498		2,730,425		1,710,858		1,606,731
Rent		2,174,205		1,891,396		1,167,107		1,026,744
Fuel and oil		1,548,635		1,558,700		698,559		741,978
Laundry		1,195,839		392,057		218,548		225,212
Banquet expense		927,700		1,073,294		288,693		335,940
Insurance		849,947		507,710		453,400		281,702
Retirement Expense		755,350		901,927		377,675		450,964
Club events		731,937		376,369		263,956		248,420
Taxes and licenses		688,364		638,394		287,213		290,766
Bank charges		594,173		484,293		261,091		207,483
Animal farm expense		547,906		497,644		274,455		343,319
Waste disposal		209,073		148,086		105,429		71,418
Advertising and promotion		111,831		684,648		77,789		239,727
Dues and subscriptions		102,963		157,207		26,387		84,323
Representation		88,579		71,003		41,058		42,395
Transportation and travel		43,372		36,637		18,938		31,201
Miscellaneous		1,117,955		2,564,421		441,414		1,362,256
	P	85,597,974	P	76,879,899	P	43,693,004	P	40,021,674

Schedule 11

GENERAL AND ADMINISTRATIVE EXPENSES								
Salaries and other benefits	P	4,026,409	P	4,430,158	P	1,748,703	P	2,215,788
Outside services		3,209,931		2,938,940		1,585,965		1,436,281
Repairs and maintenance		2,847,237		2,625,672		1,542,814		959,106
Depreciation and Amortization		1,782,627		1,286,759		927,167		650,149
Communication, light and water		1,605,906		1,353,373		942,073		676,038
Insurance		798,717		462,382		427,892		259,388
Retirement Expense		755,350		901,927		377,675		450,964
Supplies		754,309		560,624		404,222		308,212
Taxes and licenses		646,457		602,312		274,579		261,781
Bank charges		594,173		484,293		261,091		207,483
Representation		250,136		100,455		90,404		51,509
Rent		225,766		238,861		92,576		130,529
Waste disposal		209,073		148,086		105,429		71,418
Club events		97,542		131,218		60,280		55,773
Fuel and oil		64,875		21,262		15,241		21,062
Banquet expense		62,390		5,517		29,503		3,717
Transportation and travel		33,061		27,107		20,308		11,208
Advertising and promotion		17,690		14,058		16,166		10,830
Miscellaneous		446,814		283,414		255,235		172,394
	P	18,428,462	P	16,616,418	P	9,177,324	P	7,953,629

Schedule 12

OTHER INCOME								
Commission	P	3,201,229	P	1,021,080	P	1,437,113	P	529,887
Membership transfer fees		2,738,850		3,881,161		1,150,893		2,170,446
Reversal of accruals		1,137,538		1,106,102		525,972		87,580
Members' penalties and charges		667,561		1,593,314		530,917		119,245
Club Events		429,056		164,923		267,391		164,923
Assignment fees		404,286		494,375		99,821		333,571
Admin fee		348,960		257,500		174,480		137,500
Forex gain (loss)		14,110		48,166		10,588		34,726
Miscellaneous		257,438		231,897		167,268		132,404
	P	9,199,029	P	8,798,517	P	4,364,444	P	3,710,284

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Gina Marie G Angangco**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.**.
2. I am affiliated with the following companies or organizations:


POSITION	COMPANY	PERIOD
Senior Exec. Vice President & Deputy CEO / Director	Arm Scor Global Defense, Inc. DBA Arms Corporation of the Phils.	July 1991 - Present
President / Director	Squires Bingham Co., Inc.	July 1991-Present
Vice-Chairman / Director	Precision Foundry of the Phils	June 1996-Present
Treasurer / Director	DCS International Trade Corp.	February 1996-Present
President & CEO / Director	Arm Scor Shooting Ranges, Inc.	December 2005-Present
President & CEO / Director	Arm Scor Shooting Center, Inc.	May 11, 2005-Present
President & CEO / Director	Arm Scor Services Center, Inc.	May 25, 2005-Present
Treasurer / Director	Arm Scor Global Shared Services	December 2015-Present
President & CEO / Director	Squires Bingham International, Inc.	December 2019-Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.** as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.**, as provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I do not hold any government position and therefore do not request written permission or consent from the any head of a government agency/department to be an independent director in **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as an independent director under the Securities Regulation Code and its Implementing rules and Regulations, Code of Corporate Governance, and other SEC issuances.

Done this 14 SEP 2023 day of September 2023 at PASIG CITY.



Gina Marie G Arangoco
Affiant

SUBSCRIBED AND SWORN to before me this 14 SEP 2023 day of September 2023 at PASIG CITY, affiant personally appeared before me and exhibited to me her Passport No.  issued at DFA NCR East and valid until 14 Dec 2030 as her competent evidence of identity.

Doc. No. 179;
Page No. 37;
Book No. 74;
Series of 2023.

ROBERTO ROLANDO L. GEOTINA
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 215 (2022-2023)
Commission Expires on December 31, 2023
2704 East Tower, Teklito Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 9004906/01.04.23/Pasig City
IBP No. 260919/01.05.23/RSM
Roll of Attorneys No. 78571
Admitted to the Bar on 13 May 2022

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MANUEL B. SY**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.** and have been its independent director since 2021.
2. I am affiliated with the following companies or organizations:

COMPANY / ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
President	New Golden City Builders & Development Corporation	1987 to present
President	Citigold Resources and Development Corporation	2000 to present
President	New Golden City Builders & Development Corporation	1987 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.** as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
1. I am not related to any director/officer/substantial shareholder of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.**, as provided under Rule 38.2.3 of the Securities Regulation Code.
2. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
3. I do not hold any government position and therefore do not request written permission or consent from the any head of a government agency/department to be an independent director in **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.** pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVII of the Revised Civil Service Rules.
4. I shall faithfully and diligently comply with my duties and responsibilities as an independent director under the Securities Regulation Code and its Implementing rules and Regulations, Code of Corporate Governance, and other SEC issuances.

Done this 14 SEP 2023 day of _____ 2023 at PASIG CITY.



Affiant

SUBSCRIBED AND SWORN to before me this 14 SEP 2023 day of _____ 2023 at PASIG CITY, affiant personally appeared before me and exhibited to me his Passport No. _____ as his competent evidence of identity.

Doc. No. 178;
Page No. 87;
Book No. 11;
Series of 2023.

ROBERTO ROLANDO L. GEOTINA
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 215 (2022-2023)
Commission Expires on December 31, 2023
2704 East Tower, Teklite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 9004906/01.04.23/Pasig City
IBP No. 260919/01.05.23/RSM
Roll of Attorneys No. 78571
Admitted to the Bar on 13 May 2022

REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S.

CERTIFICATION

ANN MARGARET K. LORENZO, of legal age, Filipino, with office address at [REDACTED]
[REDACTED] after having been sworn to in accordance with law, does hereby certify that:

1. I am the duly elected and incumbent Assistant Corporate Secretary of **THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS, INC.** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, with principal office at Tagaytay Highlands Complex, Barangay Calabuso, Tagaytay City 4120, Cavite, Philippines;

2. Based on the information provided to the Corporation by the members of its Board of Directors and its principal executive officers, none of said members of the Board of Directors and principal executive officers of the Corporation are presently employed by any office or agency of the Philippine Government.

04 SEP 2023


IN ATTESTATION OF THE ABOVE, this Certificate has been signed this ____ day of September 2023 in Pasig City, Metro Manila.

[REDACTED]
ANN MARGARET K. LORENZO
Assistant Corporate Secretary

04 SEP 2023

SUBSCRIBED AND SWORN to before me this ____ day of September 2023 in Pasig City, Metro Manila, affiant exhibiting to me her Philippine Passport No. [REDACTED] issued on 09 November 2018 at DFA NCR East which expires on 08 November 2028 as competent evidence of her identity.

Doc. No. 471 ;
Page No. 96 ;
Book No. I ;
Series of 2023.


JESEIRAIRE NOC L. QUISAOT
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 301 (2023-2024)
Commission Expires on December 31, 2024
2704 East Tower, Tektite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 0573118/05.11.23/Pasig
IBP No. 340930/05.08.23/RSM
Roll of Attorneys No. 87050
Admitted to the Bar: 05.02.23