



Tagaytay Highlands International Golf Club &lt;tagaytayhighlands.golf@gmail.com&gt;

## Tagaytay Highlands International Golf Club, Inc.\_SEC Form 17-A\_25April2024

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

Thu, Apr 25, 2024 at 4:42 PM

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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

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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 **TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC. ("Club")**, with SEC registration number ASO91-190731 and principal office at Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City, 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 2023 (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 with 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:

15 APR 2024

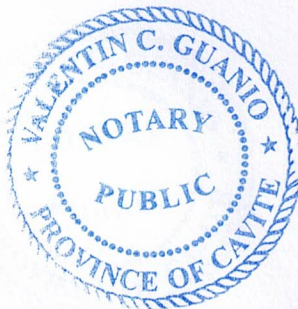
IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_.


  
**FREDERICK D. DEOCARIZA**  
Financial Controller

15 APR 2024

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ in **TAGAYTAY CITY**,  
affiant exhibiting to me his  as competent evidence  
of identity.

Doc. No. 740 ;  
Page No. 77 ;  
Book No. 221 ;  
Series of 2024.



  
ATTY. VALENTIN C. GUANIO  
JP Rizal Avenue, Maybagal South, Tagaytay City  
Commission Expires on DECEMBER 31, 2024  
PTR No. S649295/January 2, 2024  
ROLL No. 22908  
IBP LIFETIME RES. NO. 02892  
MCLE COMPLIANCE NO. VII-0016975

A S O 9 1 - 1 9 0 7 3 1

S.E.C. Registration Number

T A G A Y T A Y H I G H L A N D S  
I N T E R N A T I O N A L G O L F C L U B , 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 , P H I L I P P I N E S 4 1 2 0

(Business Address: No. Street City / Town / Province)

Anna Francesca C. Respicio  
Contact Person

8632-0905/10  
Company Telephone Number

1 2 - 3 1  
Month Day  
Calendar Year

1 7 - A  
FORM TYPE

0 5 - 2 5  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

S E C  
Dept. Requiring this Doc.

N / A  
Amended Articles Number/Section

1 5 2 4  
Total No. of Stockholders

Domestic Foreign  
Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**

(A Nonprofit Corporation)

Supplementary Schedules Required

By the Securities and Exchange Commission

As at and For the Year Ended December 31, 2023

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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 THE CORPORATION CODE

1. For the Twelve months ended **31 December 2023**
2. SEC Identification Number: **190731** 3. BIR Tax Identification Number: **000-533-433-000**
4. Exact name of issuer as specified in its charter **Tagaytay Highlands International Golf Club, Inc.**
5. **Makati, Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **Bo. Calabuso, Tagaytay City, Cavite**  
Address of principal office **4120**  
Postal Code
8. Registrant's telephone number, including area code: **(046) 483-0888**
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 Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | <u>Title of Each Class</u> | <u>Number of Shares of Common Stock Outstanding<br/>and Amount of Debt Outstanding</u> |
|----------------------------|--|
| <b>Proprietary Shares</b>  | <b>2,957</b>   |
11. Are any or all of Registrant's securities listed on a Stock Exchange?  
[ ] Yes [ X ] No
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 [ X ] No
13. Aggregate market value of voting stock held by non-affiliates: **P 3,254,000,000**

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. **NOT APPLICABLE**

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

Tagaytay Highlands International Golf Club, Inc. (Golf Club) was incorporated in 1991 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 by providing and maintaining a golf course, clubhouse, and other sports and recreational facilities. The Golf Club is situated in Tagaytay City which is about 60 kilometers south of Metro Manila.

Setting it apart from the other golf courses in the country, the 18-hole par-71 international championship golf course is situated on an 89-hectare slope designed by American golf architect, Richard Bigler. It was designed for a thinking player as a lot of challenges affect his play - the hilly terrain, the wind, the fog, uphill play, and shots across tropical valleys. The Golf Club also boasts of a two-level clubhouse where the panoramic view of Taal Lake, Mt. Makiling, Laguna de Bay, and the plains of Laguna and Batangas can be viewed from. Located on the ground level is the Golfers' Lounge which offers Filipino cuisines and locker rooms while the second level houses Spanish, Korean, and Japanese restaurants, and a function room. The Golf Club also offers the Swiss-made cable car system in the Philippines which is being utilized to ferry golfers from the front nine holes to the back nine holes. Likewise, the Golf Club offers accommodation facilities at Pinecrest, Belleview, Woodridge, and Woodlands for its members and guests.

For members who do not play golf, a variety of world-class sports and recreational facilities are available at The Country Club at Tagaytay Highlands, Inc. (TCCATHI). Likewise, the different specialty restaurants at TCCATHI offer a wide array of cuisines (Filipino, Chinese, Italian, Japanese, American, Thai, etc.) which are sure to satisfy everyone's palate. In December 1996, the camping ground - Camp Highlands - opened to the members. Also, the Country Club has accommodation facilities at different residential communities such as Pinecrest, Belleview, Woodridge, and Woodlands available to members and their guests.

The Golf Club members, likewise, can enjoy the facilities of Tagaytay Midlands Golf Club, Inc. (TMGCI). The facilities include a 27-hole golf course, locker rooms, a helipad, a restaurant, and tee houses serving Filipino cuisine, a pro shop, and banquet facilities.

### ***Bankruptcy, Receivership or Similar Proceedings***

The Golf 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 Golf 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 Golf Club who may wish to sell or dispose of their shares in the Club 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 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 Golf Club competes in terms of service and facilities. The Golf Club is highly competitive because of its golf course where the panoramic view of Taal Lake, Mt. Makiling, and Laguna de Bay can be viewed from. The Golf Club also offers the first cable car system in the Philippines, a Golf Clubhouse which houses the four dining facilities and locker rooms.

### ***Sources and Availability of Raw Materials***

The Golf Club's principal suppliers include Ecology Energy Corporation, Neorock Enterprises, and Etna Motors, Inc. There are no existing major supply contracts entered into by the Club.

### ***Transactions with and/or Dependence on Related Parties***

In the ordinary course of business, the Golf Club has transactions with related parties which consist mainly of usage of Club's facilities and services as well as reimbursement of certain 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 Club's employees. The outstanding balances as at year-end are unsecured, noninterest-bearing, due and demandable and settlement occurs in cash.

### ***Government Regulations***

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

### ***Compliance with Environmental Laws***

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

Regular Employees*	
General Manager and Department Heads	16
Supervisors	20
Rank and File	<u>28</u>
Total	<u>64</u>

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

\*Based on head count as of December 31, 2023.

There has been no strike brought about by the Golf Club's employees in the past twenty (20) years.

### **Major Business Risks**

The Golf Club has been sustaining its operational requirements through the collection of monthly dues from each member and the operation of restaurants and golf facilities. The Golf 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. Despite the current economic condition, however, club memberships have not been adversely affected. Likewise, the opening of our new restaurants and facilities has attracted more members to visit the Golf Club. We do not foresee any negative effect on members' patronage in view of the present economic condition.

### **Item 2. Properties**

The Golf Club is located in Brgy. Calabuso, Tagaytay City. The Golf Club has complete ownership of the property. In addition, the property is free from all liens, encumbrances, and/or mortgages. There are no limitations as to the ownership brought about by the terms and conditions of any encumbrances.

The principal properties include the 18-hole golf course which is situated on a 20-hectare slope which is about 60 kilometers south of Metro Manila, the Golf Clubhouse which houses a restaurant and banquet facilities, a pro shop and the Executive Offices, and the Swiss-made cable car system. These properties are well maintained and go through regular repairs and maintenance programs throughout the year.

### **Item 3. Legal Proceedings**

As of the year ended December 31, 2023, there are no material pending legal proceedings to which the Golf Club is a party.

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

During the fourth quarter of the 2023 calendar year, the Golf Club held its annual stockholders' meeting (on October 07, 2023). In said annual meeting, the following items were voted upon by the stockholders: (1) Approval of Minutes of Previous Meeting of Stockholders, (2) Approval of 2022 Operations and Results, and the 2022 Audited Financial Statements, (3) Ratification of Corporate Acts, (4) Appointment of External Auditor, and (5) Election of Directors. In the election of directors, the following persons were elected as directors of the Golf Club:

1. Hans T. Sy
2. Willy N. Ocier
3. Jerry C. Tiu
4. Manuel A. Gana
5. A. Bayani K. Tan
6. Armin B. Raquel-Santos
7. Gabriel R. Singson, Jr.
8. Harvey Christopher T. Sy
9. Johnip G. Cua (independent)
10. Roger S. Go (independent)
11. Olivia Lara S. Vicente (independent)

All items were affirmatively voted upon (no negative votes and no abstentions) by 1,500 stockholders, representing 52.54% of all stockholders in good standing and entitled to vote. No other matter was submitted to security holders other than at the annual meeting.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

#### Proprietary Shares

The Golf Club has 2,957 issued and outstanding proprietary shares as of December 31, 2023, of which 44.84% is owned by Belle Corporation and the remaining shares are owned by other Golf Club members. There are 1,524 holders of the Golf Club's proprietary shares.

The top shareholders are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES	%
Belle Corporation	1,326	44.84%
Lap Holdings, Inc.	59	2.00%
First Philippine Holdings Corp.	7	0.24%
First Gas Holdings Corp.	5	0.17%
Estate of Vicente J. Jayme, Jr.	5	0.17%
Unilever Phils., Inc.	5	0.17%
Highlands Prime, Inc.	4	0.14%
First Gen Corporation	3	0.10%
Ocier, Willy N.	3	0.10%
Others	1,540	52.08%
Total	2,957	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 2021	750,000	700,000
Quarter ended June 2021	700,000	700,000
Quarter ended September 2021	950,000	950,000
Quarter ended December 2021	950,000	950,000
Quarter ended March 2022	1,800,000	1,300,000
Quarter ended June 2022	1,300,000	1,200,000
Quarter ended September 2022	1,800,000	1,800,000
Quarter ended December 2022	2,000,000	2,000,000
Quarter ended March 2023	2,000,000	1,500,000
Quarter ended June 2023	2,000,000	1,900,000
Quarter ended September 2023	2,200,000	1,900,000
Quarter ended December 2023	2,000,000	1,900,000

The Golf Club's securities are not traded on any stock exchange.

## **Dividends**

The Golf Club is a non-profit corporation, and as such, it does not declare dividends to its shareholders. In accordance with the Golf 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 Golf Club at the time of the dissolution or liquidation of the Golf Club.

## **Recent Sales of Unregistered or Exempt Securities**

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)**

### **Results of Operations**

#### **December 2023 compared to December 2022**

### **REVENUES**

Total club revenues of ₱134.33 million for the twelve months ended December 31, 2023 were higher by ₱24.64 million or 22.46% compared to ₱109.69 million for the twelve months ended December 31, 2022, mainly due to increase in green fees by ₱15.06 million and food, beverage and sundries by ₱7.70 million.

#### **Food, Beverage, and Sundries**

Revenues from food, beverage and sundries increased by ₱7.70 million or 10.22% from ₱75.34 million in 2022 to ₱83.03 million in 2023. Food sales increased by ₱6.07 million or 11.90% while beverage sales decreased by ₱0.54 million or 7.49%. 7-11 revenue increased by ₱1.50 million or 12.99% as well as income from kitchen fuel and general supplies consumption of concessionaires by ₱0.67 million or 12.10%.

#### **Green Fees**

Revenues from green fees increased by ₱15.06 million or 93.94%, from ₱16.03 million in 2022 to ₱31.09 million in 2023, mainly due to higher rounds of golf and increase in green fee rates in May 2023.

#### **Golf Cart and Locker Rental**

Revenues from golf cart and locker rental increased by ₱0.71 million or 7.13%, from ₱9.91 million in 2022 to ₱10.62 million in 2023, mainly due to higher golf cart rental by ₱0.61 million or 6.65% and locker and towel rental by ₱0.24 million or 46.86%.

#### **Room Sales**

Revenues from room sales increased by ₱0.68 million or 8.76%, from ₱7.73 million in 2022 to ₱8.40 million in 2023, mainly due to higher occupancy of 13.76% in 2023 compared to 5.51% in 2022.

## **Other Revenues**

Other revenues increased by ₱0.49 million or 72.57% from ₱0.68 million in 2022 to ₱1.18 million in 2023. This consists mainly of revenues from golf balls, mulligans, and golf club rental.

## **COST AND EXPENSES**

Total cost and expenses of ₱248.54 million for the twelve months ended December 31, 2023 were higher by ₱24.66 million or 11.02% compared to ₱223.88 million for the twelve months ended December 30, 2022, as a result of higher operating activities.

### **Cost of Sales**

Cost of sales increased by ₱7.01 million or 9.77%, from ₱71.76 million in 2022 to ₱78.78 million in 2023, mainly due to relatively higher sales for the period. This includes food and beverage cost, sundry inventory cost, and 7-11 cost of sales.

### **Cost of Services**

Cost of services increased by ₱15.54 million or 13.41%, from ₱115.90 million in 2022 to ₱131.44 million in 2023, mainly due to higher volume of operations. This includes communication, light and water, salaries and other benefits, and other direct expenses.

### **General and Administrative Expenses**

General and administrative expenses increased by ₱2.11 million or 5.82%, from ₱36.21 million in 2022 to ₱38.32 million in 2023. This includes repairs and maintenance, outside services, and other administrative expenses.

## **OTHER INCOME (CHARGES)**

### **Interest Income**

Interest income increased by ₱1.55 million or 314.27%, from ₱0.49 million in 2022 to ₱2.04 million in 2023, due to additional time deposits of ₱12 million and higher interest rate of 5.25% in 2023 compared to 4.00% in 2022.

### **Other Income**

Other income of ₱29.50 million for the twelve months ended December 31, 2023 was higher by ₱2.23 million or 8.17%, compared to ₱27.27 million for the twelve months ended December 31, 2022. Other income includes transfer fee, assignment fee, management fee, guest card fee, commission income, and foreign exchange gain.

## **MEMBERS' SUPPORT**

During the twelve-month period ended December 31, 2023, the Golf Club generated membership dues of ₱94.32 million which was higher by ₱0.12 million or 0.13% as compared to December 31, 2022.

## **PROVISION FOR (BENEFIT FROM) INCOME TAX**

The Golf Club posted a benefit from deferred income tax of ₱0.80 million in 2023 as compared to the provision for deferred income tax of ₱0.46 million in 2022.

## **NET INCOME**

For the twelve-month period ended December 31, 2023, the Golf Club posted net income of ₱12.45 million which was higher by ₱5.14 million or 70.28% as compared to the net income of ₱7.31 million for the period ended December 31, 2022.

## **December 2022 compared to December 2021**

### **REVENUES**

Golf Club revenues of ₱109.69 million for the twelve months ended December 31, 2022 were higher by ₱41.02 million or 59.74% compared to ₱68.67 million for the twelve months ended December 31, 2021, due to high patronage from members and guests as a result of the lifting of community restrictions related to Covid-19.

#### **Food, Beverage, and Sundries**

Revenues from food, beverage and sundries increased by ₱25.17 million or 50.18%, from ₱50.16 million in 2021 to ₱75.34 million in 2022.

#### **Green Fees**

Revenues from green fees increased by ₱8.80 million or 121.57%, from ₱7.24 million in 2021 to ₱16.03 million in 2022.

#### **Golf Cart and Locker Rental**

Revenues from golf cart and locker rental increased by ₱3.40 million or 52.25%, from ₱6.51 million in 2021 to ₱9.91 million in 2022.

#### **Room Sales**

Revenues from room sales increased by ₱3.36 million or 76.95%, from ₱4.37 million in 2021 to ₱7.73 million in 2022.

#### **Other Revenues**

Other revenues increased by ₱0.29 million or 75.30%, from ₱0.39 million in 2021 to ₱0.68 million in 2022. This consists mainly of revenues from golf balls, mulligans, and golf club rental.

## **COST AND EXPENSES**

Total cost and expenses of ₱223.88 million for the twelve months ended December 31, 2022 were higher by ₱40.68 million or 22.21%, compared to ₱183.19 million for the twelve months ended December 30, 2021, as a result of higher operating activities due to the lifting of Covid-19 restrictions in March 2022.

## **Cost of Sales**

Cost of sales increased by ₱24.60 million or 52.17%, from ₱47.16 million in 2021 to ₱71.76 million in 2022, mainly due to relatively higher sales revenue recognized. This includes food and beverage cost, sundry inventory cost, and 7-11 cost of sales.

## **Cost of Services**

Cost of services increased by ₱12.31 million or 11.89%, from ₱103.59 million in 2021 to ₱115.90 million in 2022, mainly due to higher volume of operations. This includes club tournament, commission, and other direct expenses.

## **General and Administrative Expenses**

General and administrative expenses increased by ₱3.77 million or 11.62%, from ₱32.44 million in 2021 to ₱36.21 million in 2022, mainly due to higher water and electricity consumption, and increase in fuel and oil prices.

## **OTHER INCOME (CHARGES)**

### **Interest Income**

Interest income increased by ₱0.42 million or 550.82%, from ₱0.08 million in 2021 to ₱0.49 million in 2022, due to additional time deposits of ₱11 million and increase in interest rate from 0.50% to 4.00%.

### **Other Income**

Other income of ₱27.27 million for the twelve months ended December 31, 2022 was higher by ₱1.54 million or 6%, compared to ₱25.72 million for the twelve months ended December 31, 2021. Other income includes transfer fee, assignment fee, management fee, guest card fee, commission income, and foreign exchange gain or loss.

## **MEMBERS' SUPPORT**

During the twelve-month period ended December 31, 2022, the Golf Club generated membership dues of ₱94.20 million which was higher by ₱1.25 million or 1.34% as compared to December 31, 2021.

## **PROVISION FOR DEFERRED INCOME TAX**

Provision for deferred income taxes decreased by ₱1.98 million or 81.13% during the twelve-month period ended December 31, 2022, from ₱2.44 million in 2021 to ₱0.46 million in 2022.

## **NET INCOME**

For the twelve-month period ended December 31, 2022, the Golf Club posted net income of ₱7.31 million which was higher by ₱5.53 million or 310.02% as compared to the net income of ₱1.78 million for the period ended December 31, 2021.

## Financial Condition and Changes in Financial Condition

### **December 2023 compared to December 2022**

#### **ASSETS**

The Club has total assets of ₱549.92 million as of December 31, 2023 which increased by ₱10.16 million or 1.88% compared to ₱539.76 million as of December 31, 2022. It has a current ratio of ₱0.93 as of December 31, 2023 and ₱0.80 as of December 31, 2022.

#### **Cash and Cash Equivalents**

Cash and cash equivalents increased by ₱26.93 million or 40.66%, from ₱66.23 million as of December 31, 2022 to ₱93.16 million as of December 31, 2023 due to net cash provided by operating activities of ₱53.22 million. This was offset by additions to property and equipment of ₱26.24 million.

#### **Trade and Other Receivables**

Trade and other receivables decreased by ₱2.06 million or 6.85% from ₱30.12 million as of December 31, 2022 to ₱28.06 million as of December 31, 2023, mainly due to collections from related parties, concessionaires, and other debtors.

#### **Inventories**

Inventories increased by ₱0.17 million or 13.91% from ₱1.22 million as of December 31, 2022 to ₱1.38 million as of December 31, 2023. This includes 7-11 merchandise, kitchen fuel, and general supplies inventory.

#### **Other Current Assets**

Other current assets showed an increase of ₱3.50 million or 4.88% from ₱71.75 million as of December 31, 2022 to ₱75.25 million as of December 31, 2023, mainly due to the increase of creditable withholding tax, and input vat to be carried over to the succeeding year.

#### **Property and Equipment - net**

Property and equipment decreased by ₱7.82 million or 2.30% from ₱340.11 million as of December 31, 2022 to ₱332.28 million as of December 31, 2023, mainly due to the depreciation charges of ₱38.52 million which was offset by additions to property of ₱30.70 million.

#### **Investment Property**

Investment property which consists of land not used in operation remained at its carrying value from 2018 to 2023 amounting to ₱5.55 million.

#### **Net Retirement Asset**

Net retirement asset increased by ₱1.65 million or 121.75% from ₱1.36 million as of December 30, 2022 to ₱3.01 million as of December 31, 2023. This is due to the contributions made to the Golf Club's retirement fund during the period.

## **Other Noncurrent Assets**

Other noncurrent assets decreased by ₱12.21 million or 52.10% from ₱23.44 million as of December 31, 2022 to ₱11.23 million as of December 31, 2023, mainly due to amortization of computer software amounting to ₱7.75 million.

## **LIABILITIES**

The Club has total liabilities of ₱213.26 million as of December 31, 2023 which decreased by ₱0.59 million or 0.28% compared to ₱213.86 million as of December 31, 2022. It has a liabilities-to-equity ratio of ₱0.63 as of December 31, 2023 and ₱0.66 as of December 31, 2022.

## **Trade and Other Payables**

Trade and other payables increased by ₱0.78 million or 0.37% from ₱211.73 million as of December 31, 2022 to ₱212.51 million as of December 31, 2023 mainly due to payments made to related parties, concessionaires, and other creditors.

## **Deferred Tax Liability**

Deferred tax liability decreased by ₱1.37 million or 64.57%, from ₱2.12 million as of December 31, 2022 to ₱0.75 million as of December 31, 2023.

## **MEMBERS' EQUITY**

The Golf Club's members' equity as of December 31, 2023 of ₱336.65 million was higher by ₱10.75 million or 3.30% compared to ₱325.90 million as of December 31, 2022 due to the net income for the period ended December 31, 2023.

## **December 2022 compared to December 2021**

## **ASSETS**

The Club has total assets of ₱539.76 million as of December 31, 2022 which decreased by ₱24.28 million or 4.30% compared to ₱564.04 million as of December 31, 2021. It has a current ratio of ₱0.80 as of December 31, 2022 and ₱0.79 as of December 31, 2021.

## **Cash and Cash Equivalents**

Cash and cash equivalents decreased by ₱6.00 million or 8.30%, from ₱72.23 million as of December 31, 2021 to ₱66.23 million as of December 31, 2022 due to net cash of ₱35.53 million used in investing activities. This was offset by the cash provided by operating activities amounting to ₱29.05 million.

## **Trade and Other Receivables**

Trade and other receivables decreased by ₱21.83 million or 42.03% from ₱51.95 million as of December 31, 2021 to ₱30.12 million as of December 31, 2022, mainly due to the increase of collections from related parties.

## **Inventories**

Inventories decreased by ₱0.02 million or 1.43% from ₱1.23 million as of December 31, 2021 to ₱1.22 million as of December 31, 2022.

## **Other Current Assets**

Other current assets showed an increase of ₱5.85 million or 8.88% from ₱65.89 million as of December 31, 2021 to ₱71.75 million as of December 31, 2022, mainly due to the increase of creditable withholding tax and input vat on capital goods to be carried over to the succeeding year.

## **Property and Equipment**

Property and equipment decreased by ₱2.34 million or 0.68% from ₱346.45 million as of December 31, 2021 to ₱344.11 million as of December 31, 2022, mainly due to the depreciation charges of ₱34.63 million which was offset by additions to property of ₱32.28 million.

## **Investment Property**

Investment property which consists of land not used in operation remained at its carrying value from 2018 to 2022 amounting to ₱5.55 million.

## **Net Retirement Asset**

The Golf Club had a net retirement asset of ₱1.36 million as of December 31, 2022, and net retirement liability of ₱1.45 million as of December 30, 2021. This is due to the contributions made to Golf Club's retirement fund.

## **Other Noncurrent Assets**

Other noncurrent assets decreased by ₱1.30 million or 6.26% from ₱20.73 million as of December 31, 2021 to ₱19.43 million as of December 31, 2022, mainly due to the recognition of current portion from the deferred input vat related to capital expenditures.

## **LIABILITIES**

The Club has total liabilities of ₱213.86 million as of December 31, 2022 which decreased by ₱31.74 million or 12.92% compared to ₱245.60 million as of December 31, 2021. It has a liabilities-to-equity ratio of ₱0.66 as of December 31, 2022 and ₱0.77 as of December 31, 2021.

## **Trade and Other Payables**

Trade and other payables decreased by ₱30.81 million or 12.70% from ₱242.54 million as of December 31, 2021 to ₱211.73 million as of December 31, 2022 mainly due to payments made to related parties, suppliers, and other service providers.

## **Deferred Tax Liability**

Deferred tax liability increased by ₱0.51 million or 31.67%, from ₱1.61 million as of December 31, 2021 to ₱2.12 million as of December 31, 2022.

## **MEMBERS' EQUITY**

The Golf Club's members' equity as of December 31, 2022 of ₱325.90 million was higher by ₱7.46 million or 2.34% compared to ₱318.44 million as of December 31, 2021 due to the net income for the period ended December 31, 2022.

### **Schedule of Financial Soundness Indicators - As of December 31, 2023, 2022 and 2021**

<i>Performance Indicators</i>	<i>Formula for Calculation</i>	<i>December 31, 2023 (Audited)</i>	<i>December 31, 2022 (Audited)</i>	<i>December 31, 2021 (Audited)</i>
Current ratio	Total current assets over total current liabilities	0.93 : 1.00	0.80 : 1.00	0.79 : 1.00
Acid Test Ratio	Total current assets less inventories and other current assets over total current liabilities	0.57 : 1.00	0.46 : 1.00	0.51 : 1.00
Solvency Ratio	Net income before depreciation over total liabilities	27.54%	21.74%	16.12%
Liabilities to equity ratio	Total liabilities over total members' equity	0.63 : 1.00	0.66 : 1.00	0.77 : 1.00
Asset-to-Equity ratio	Total assets over total equity	1.63 : 1.00	1.66 : 1.00	1.77 : 1.00
Return on Equity	Net income over average total member's equity	3.76%	2.27%	0.56%
Return on Assets	Net income over average total assets	2.29%	1.33%	0.32%
Net Profit Margin (Profitability Ratio)	Net income over total revenues	9.27%	6.67%	2.60%

During the year ended December 31, 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 Golf Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Golf 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 Golf 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 Golf 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 Golf Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Golf Club's results of operations; and
- viii. Material changes in the financial statements of the Golf Club from the year ended December 31, 2023, except as reported in the MD&A.

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**  
**(A Nonprofit Corporation)**

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**NOTES TO FINANCIAL STATEMENTS**

1. The Golf Club's financial report is in compliance with Philippine Financial Reporting Standards (PFRS). The accounting policies and methods of computation followed in the annual financial statements as of December 31, 2023 are the same as compared with the annual financial statements as of December 31, 2022.
2. There are no material events or uncertainties known to management that had a material impact on the seasonal aspects of the Golf 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 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 accounting period that have not been reflected in the financial statements for the period December 31, 2023.
6. There are no material changes in the composition of the Club during the accounting period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
7. The Golf Club has no contingent liabilities or contingent assets.
8. There are no material contingencies existing as of December 31, 2023 that can have a material effect in the decision making of the financial statement users.
9. The Golf Club did not purchase any interest in another entity that is to be considered as a business combination under PFRS 3.
10. The Golf Club applies PFRS 16 (Leases) using the modified retrospective approach, with an initial application date of January 1, 2019. The Golf Club has not restated the comparative information, which continues to be reported under PAS 17.
11. The Golf Club applied Philippine Interpretation IFRIC 23 (Uncertainty over Income Tax Treatments) and have no impact on the Golf Club's financial position or performance.
12. The Golf Club applied PFRS 9 using the modified retrospective approach, with an initial application date of January 1, 2018. The Golf Club has not restated the comparative information, which continues to be reported under PAS 39.
13. The Golf Club applies PFRS 15 (Revenue from Contracts with Customers) using the modified retrospective approach, with an initial application as of January 1, 2018.

## **Item 7. Financial Statements**

The audited balance sheets as of December 31, 2023 and as of December 31, 2022 and the related statements of revenues and expenses and cash flows for the period ended December 31, 2023 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 Golf Club has resigned, was dismissed, or has ceased to perform services during the 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"), the Club's external auditor for 2022-2023, 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 has been no event where RT&Co. and the Club have had any disagreement regarding 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 Club engaged Belinda B. Fernando of RT&Co. for the examination of financial statements of 2021-2023.

The Club paid RT&Co. ₱313,600.00 for external audit services for 2023 and ₱257,600.00 for external audit services for 2022. For each of the last two (2) fiscal years, Reyes Tacandong & Co. did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Club the corresponding professional fees.

The Audit Committee, composed of Mr. Johnip G. Cua as Chairman, Mr. Hans T. Sy and Mr. Roger S. Go 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 Executive Committee 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 Executive Officers of the Golf Club:

Name	Nationality	Position	Age	Term of Office
Hans T. Sy	Filipino	Director & Chairman	68	1992 to present
Willy N. Ocier	Filipino	Director & Vice Chairman	67	1992 to present
Jerry C. Tiu	Filipino	Director & President	66	1999 to present
Manuel A. Gana	Filipino	Vice President & Treasurer	66	2000 to present
A. Bayani K. Tan	Filipino	Director	68	1992 to present
Armin Raquel A. Santos	Filipino	Director	56	2013 to present
Gabriel Singson Jr.	Filipino	Director	58	2015 to present
Harvey Christopher T. Sy	Filipino	Director	36	2023 to present
Johnip G. Cua	Filipino	Lead Independent Director	67	2021 to present
Roger S. Go	Filipino	Independent Director	68	2021 to present
Olivia Lara S. Vicente	Filipino	Independent Director	39	2023 to present
Maria Clara T. Kramer	Filipino	General Manager	62	2010 to present
Anna Francesca C. Respicio	Filipino	Corporate Secretary	38	2021 to present

Upon recommendation of the Golf Club's Nomination Committee, as required by the Club's Manual of Corporate Governance, the following persons are nominated for election to the positions above stated for the year 2023-2024, to hold office as such for one year or until their successors shall have been duly elected and qualified.

Presented below are brief write-ups on the business experience for at least the past five (5) years of the Club's incumbent Directors:

#### **Hans T. Sy – Chairman**

Mr. Hans T. Sy, 68, Filipino, is the Chairman of the Board of the Golf Club. He is a Director of the Tagaytay Midlands Golf Club, Inc. since 1992, The Country Club at Tagaytay Highlands, Inc. since 1996, and The Spa and Lodge at Tagaytay Highlands since 2021. Currently, he is the Chairman of the Executive Committee of SM Prime Holdings, Inc. and has been a Director since 1994. He previously held the position of 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 holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

#### **Willy N. Ocier – Vice Chairman**

Mr. Willy N. Ocier, 67, Filipino, is the Vice-Chairman of the Board of the Golf Club. He is also the Chairman of the Board of Tagaytay Midlands Golf Club, Inc., and a Director of The Country Club at Tagaytay Highlands. He is likewise the Executive Director and Chairman of Belle Corporation, the Chairman and Director of Premium Leisure Corp., APC Group, Inc., Pacific Online Systems

Corporation, Total Gaming and Technologies, Inc. and Premium Leisure and Amusement, Inc. He is also Vice Chairman of Highlands Prime, Inc. He is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., He is a Director of Leisure and Resorts World Corporation. He also sits as a Director to the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

Mr. Ocier 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.

#### **Jerry C. Tiu – President**

Mr. Jerry C. Tiu, 66, Filipino, is the President of the Golf Club. He is also the President of The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., and The Spa & Lodge at Tagaytay Highlands, 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. He is also a Vice President and a member of the Board 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 is an Independent Director of APC Group, Inc. and Premium Leisure Corp since 2021. He is a former Director of the Manila Polo Club.

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

#### **Manuel A. Gana – Vice President**

Mr. Manuel A. Gana, 66, Filipino, is a Director, and the Vice President and Treasurer of the Golf Club. He is currently a Board Adviser of Belle Corporation, and served as its President and Chief Executive Officer from March 2017 to May 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.

#### **A. Bayani K. Tan – Director**

Mr. A. Bayani K. Tan, 68, Filipino, is a Director of the Corporation (since November 1993). He is also a Director of Discovery World Corporation (since March 2013), a Publicly-Listed Company. He holds various positions in the following private companies: Director of Sterling Bank of Asia Inc (A Savings Bank) (since December 2006), Managing Director Shamrock Development

Corporation (since May 1988), Chairman of Destiny LendFund, Inc. (since June 2020), Director of BluePanel Equities and Resources, Inc. (since April 2019), Pascual Laboratories, Inc. (since March 2014), and Pure Energy Holdings Corporation (since October 2016). Mr. Tan also holds various positions in the following non-stock non-profit Corporations: Chairman of Anhawana Foundation, Inc. (since February 2023) and Chairman of Guimaras Forest Foundation, Inc. (since August 2021), Vice-Chairman of St. Scholastica's College Manila (since October 2021), Chairman and President of the SCTan Foundation, Inc. (established in 1985), President of Catarman Chamber Integrated School Foundation, Inc. (since August 2012), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013), Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011) and Trustee of WeSolve Foundation, Inc. (since May 2021). He is a member and Corporate Secretary of the Philippine Jesuit Aid Association, Inc. (since August 2011). He is the Founding and Senior Partner of the law offices of Tan Venturanza Valdez (established in 1988).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society). Mr. Tan placed 6th in the bar examinations in 1981. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

#### **Armin Antonio B. Raquel Santos – Director**

Mr. Armin Antonio B. Raquel Santos, 56, Filipino, is a Director of Golf Club. He is the Executive Director, President and Chief Executive Officer of both Premium Leisure Corp. and its subsidiary PremiumLeisure and Amusement, Inc. He is also a Director of Belle Corporation, Pacific Online Systems Corporation, Pinoy Lotto Technologies Corporation and Sagittarius Mines, Inc. He is also a member of the Board of Trustees of Melco Resorts (Philippines) Foundation Corporation. He is likewise a Director of the Manila Golf and Country Club, Inc.

Formerly he was Chief Finance Officer of Aboitizland, Inc., Cebu Industrial Park, Inc., Mactan Economic Zone II and First Philippine Electric Company. He was also former Governor of the Board of Investments (BOI), served as Assistant Secretary with the Department of Trade and Industry (DTI), Vice Chairman and Chief Executive Officer of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience includes stints with multinational companies; Securities 2000 Inc. (Singapore Technologies Group) and First Chicago Trust Company of New York.

Mr. Raquel Santos holds a Master of Arts in Liberal Studies from Dartmouth College, U.S.A. and Bachelor of Science in Business Administration Major in Finance from Iona College, U.S.A.

#### **Gabriel Singson Jr. – Director**

Mr. Gabriel R. Singson, Jr., 58, Filipino, is a Director of the Golf Club. He is the President of ST Clark Corporation from 2021 to present. He is also the Chairman and President of Oak Drive Ventures, Inc. since 2010. He is the Chairman of the Board of Sandy Beach Hotels and Resorts since 2021 and Outcomm, Inc. since 2000.

Mr. Singson obtained his Bachelor of Science degree in Business Management (Honors Program – Magna cum laude) from the Ateneo de Manila University and obtained his Master's degree in Business Administration from the Wharton School, University of Pennsylvania.

### **Harvey Christopher T. Sy Jr. – Director**

Mr. Harvey Christopher T. Sy, 36, Filipino, is a Director of the Golf Club since April 2023. He is currently the Assistant Vice President for Planning and Design of SM Prime Holdings, Inc.

Mr. Sy obtained his Bachelor of Architectural Design degree at Royal Melbourne Institute of Technology (RMIT) in 2010, and his Master of Architecture from RMIT in 2012. He completed his Graduate Diploma of Business Management at Melbourne Business School in 2020.

### **Johnip G. Cua – Lead Independent Director**

Mr. Johnip G. Cua, 67, Filipino, is the Lead Independent Director of the Golf Club. He is also the Chairman of The Spa and Lodge at Tagaytay Highlands, Inc. He is the Chairman and President of Taibrews Corporation since 2011. He is also the Chairman of the Board of Trustees of the P&Gers Fund, Inc. since 2009 and Xavier School, Inc. since 2012. He is a Director of Interbake Marketing, Inc. since 1991, Teambake Marketing, Inc. since 1994, Lartizan Corporation since 2007 and Zenori Corporation since 2018. He is an Independent Director of MacroAsia Corporation since 2006, MacroAsia Catering Services, Inc. since 2007, MacroAsia Airport Services Corporation since 2007, PhilPlans First, Inc. since 2009, Allied Botanical Corporation since 2012, MacroAsia Properties Development Corporation since 2013, PAL Holdings, Inc. since 2014, Philippine Airlines, Inc. since 2014, First Aviation Academy since 2017, LT Group, Inc. since 2018, Tanduary Distillers, Inc. since 2018 and Asia Brewery, Inc. since 2018. He is also a Trustee of Xavier School Educational & Trust Fund since 1996 and a Trustee and Treasurer of MGCC Foundation, Inc. since 2015. He is also a former President and Director of Procter & Gamble Philippines, Inc.

Mr. Cua obtained his Bachelor of Science degree in Chemical Engineering from the University of the Philippines (Diliman) in 1978.

### **Roger S. Go – Independent Director**

Mr. Roger S. Go, 68, Filipino, is an Independent Director of the Golf Club. He is the President of Powerball Gaming and Entertainment Corporation since 2015 and Powerball Marketing & Logistics Corp since 2016. He is the former Senior Vice President of Pacific Online Systems Corporation from 2007 to 2015.

Mr. Go obtained his Bachelor of Science degree in Industrial Management Engineering from De La Salle University in 1978.

### **Olivia Lara S. Vicente – Independent Director**

Ms. Olivia Lara S. Vicente, 39, Filipino, is a licensed real estate broker. She graduated from the Ateneo de Manila University with a degree in AB Economics in 2006. She completed her Masters in Entrepreneurship from the Ateneo Graduate School of Business in 2012.

### **Executive Officers**

#### **Maria Clara T. Kramer – General Manager**

Ms. Maria Clara T. Kramer, 62, Filipino, is the General Manager of Tagaytay Highlands International Golf Club, Inc. since July 2010. She is also the concurrent General Manager of Tagaytay Midlands 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.

### **Anna Francesca C. Respicio – Corporate Secretary**

Atty. Anna Francesca C. Respicio, 38, Filipino, is the Corporate Secretary of the Club. She also serves as Corporate Secretary of Tagaytay Midlands Golf Club, Inc., The Country Club at Tagaytay Highlands, 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), Jollville 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 Golf Club has no significant employees.

### **Family Relationships**

Harvey Christopher T. Sy is the son of Hans T. Sy.

### **Involvement in Certain Legal Proceedings**

The 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 Golf Club.

##### SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (Php)	Bonus (Php)
Jerry C. Tiu (President)	2021		
	2022		
	2023		
Maria Clara T. Kramer (General Manager)	2021		
	2022		
	2023		
Total Salaries	2021		
	2022		
	2023		

#### 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 Golf Club as of December 31, 2023.

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONS WITH THE ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	NO. OF SHARES HELD	PERCENT OF CLASS
Proprietary share	Belle Corporation* 28/F East Tower Phil. Stock Exchange Centre, Exchange Road Ortigas Center, Pasig City, Metro Manila	Same as record owner	1,326 shares	44.84%

\*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 M. Pulido Tan, Ms. Virginia A. Yap, and Mr. Joseph T. Chua.

The top 20 stockholders of Belle Corporation (as of 31 December 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	2,535,769,725
3	PCD Nominee Corporation (Non-Filipino)	Common	1,947,384,808
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 Golf Club as of December 31, 2023:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	<b>Hans T. Sy</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Willy N. Ocier</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Jerry C. Tiu</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Manuel A. Gana</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	<b>A. Bayani K. Tan</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Armin B. Raquel-Santos</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Gabriel R. Singson, Jr.</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Harvey Christopher T. Sy</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Johnip G. Cua</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Roger S. Go</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Proprietary Share	<b>Olivia Lara S. Vicente</b> [REDACTED]	1 share/Beneficial	Filipino	0.03%
Aggregate Security Ownership of Directors and Officers		11 shares		0.33%

(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 Golf Club's voting securities.

(4) Changes in Control

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

## Item 12. Certain Relationships and Related Transactions

The Golf Club has not been involved in any transaction during the last two (2) years in which any of its directors, executive officers, nominees, or security holders has direct or indirect material interest.

Belle Corporation is a major shareholder of the Golf Club owning 1,326 shares or 44.84% of the total outstanding shares of the Golf 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 Club. 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 submits to SEC its Annual Corporate Governance Reports on time every year.

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 "B"	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Shareholders (Other than Affiliates)
Exhibit "D"	Indebtedness to Unconsolidated Subsidiaries and Affiliates
Exhibit "E"	Property and Equipment
Exhibit "F"	Accumulated Depreciation
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 Securities Regulation Code:

Date Filed	Information
21 February 2023	Resignation of Mr. Henry T. Sy, Jr. as director of Tagaytay Highlands International Golf Club, Inc.
05 April 2023	Election of Mr. Harvey Christopher T. Sy as the new director of Tagaytay Highlands International Golf Club, Inc.
24 August 2023	2023 ASM Schedule and Record Date
10 October 2023	Results of 2023 ASM and OBD meetings

## 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 **TAGAYTAY CITY** on **23 APR 2024**.

By:

**JERRY C. TIU**  
Director / President

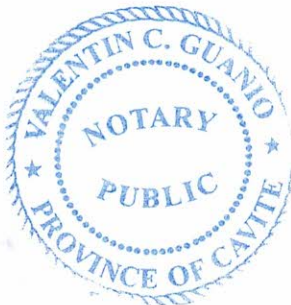
**MARIA CLARA T. KRAMER**  
General Manager

**FREDERICK D. DEOCARIZA**  
Financial Controller

**SUBSCRIBED AND SWORN** to before me this **23 APR 2024** day of **2024** 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			
MARIA CLARA T. KRAMER			
FREDERICK D. DEOCARIZA			

Doc. No. **24**  
Page No. **6**  
Book No. **222**  
Series of 2024.




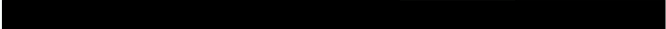
**ATTY. VALENTIN C. GUANIO**  
JP Rizal Avenue, Kawit, Cavite City  
Commission Expires on **DECEMBER 31, 2024**  
PTR No. 5649295/January 2, 2024  
ROLL No. 22908  
JRP LIFETIME REG. NO: 02892  
MCLE COMPLIANCE NO. VII-0016975

## 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 19 APR 2024 2024.

By:

  
**ANNA FRANCESCA C. RESPICIO**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 19 APR 2024 day 2024 of at Pasig City, Metro Manila, affiant having exhibited to me her Philippine   
 as her competent evidence of identity.

Doc. No. 3;  
Page No. 2;  
Book No. 1;  
Series of 2024.

  
**GIANNA CHRIS GAILE E. BITANCOR**

Notary Public for Cities of Pasig and San Juan  
and in the Municipality of Pateros  
Appointment No. 189 (2024-2025)  
Commission Expires on December 31, 2025  
2704 East Tower, Tektit Towers, Exchange Road  
Ortigas Center, 1605 Pasig City  
PTR No. 1504079/01.02.24/Pasig  
IBP No. 383138/12.31.23/Quezon City  
Roll of Attorneys No. 84862  
Admitted to the Bar: 05.02.23

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**  
(A Nonprofit Corporation)

**INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

**FORM 17-A, Item 7**

	Page No.
<b>Financial Statements</b>	
Statement of Management's Responsibility for Financial Statements	
Independent Auditor's Report	
Statements of Financial Position as of December 31, 2023 and 2022	
Statements of Comprehensive Income	
For the years ended December 31, 2023 and December 31, 2022, and December 31, 2021	
Statements of Changes in Members' Equity	
For the years ended December 31, 2023 and December 31, 2022, and December 31, 2021	
Statements of Cash Flows	
For the years ended December 31, 2023 and December 31, 2022, and December 31, 2021	
Notes to Financial Statements	
<b>Supplementary Schedules</b>	
Independent Auditor's Report on Supplementary Schedules	
<b>Supplementary Schedules Required by Annex 68- E</b>	
A. Financial Assets	NA
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	NA
F. Guarantees of Securities of Other Issuers	NA
G. Capital Stock	Attached

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E**  
**DECEMBER 31, 2023**

**Schedule A. Financial Assets**

Name of Issuing Entity and Association of Each Issue	Amount Shown in the Statement of Financial Position	Income Received and Accrued
Not Applicable: The Golf Club has no financial assets measured 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, 2023**

Name and Designation	Balance as at January 1, 2023	Additions	Deductions		Balance as at December 31, 2023
			Amount Collected	Amount Written Off	
			Current	Non-Current	
Not Applicable: All receivables arise from the ordinary course of business.					

**Schedule C - Amounts Receivable from and Payable to Related Parties which are eliminated during the Consolidation of Financial Statements**  
**As at December 31, 2023**

*Due from subsidiaries*

Name and Designation	Balance as at January 1, 2023	Additions	Deductions		Balance as at December 31, 2023
			Amount Collected	Amount Written Off	
				Current	Non- Current

Not Applicable: The Golf Club does not prepare consolidated financial statements.

**Schedule D - Long Term Debt**  
**As at December 31, 2023**

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
Not Applicable: The Golf Club has no long-term debt.			

**Schedule E - Indebtedness to Related Parties**  
**As at December 31, 2023**

Name	Balance, January 1, 2023	Balance, December 31, 2023
Not Applicable: The Golf Club has no long-term indebtedness to a related party.		

**Schedule F - Guarantees of Securities of Other Issuers**  
**As at December 31, 2023**

Name of Issuing Entity of Securities Guaranteed by the Club 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 Golf Club has no guarantees of securities of other issuers.

**Schedule G - Capital Stock**  
**December 31, 2023**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares and Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Reserved for	Related parties	Directors, Officers and Employees Others
Common	3,000	2,957	–	1,326	11	1,620

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**  
(A Nonprofit Corporation)

**INDEX TO EXHIBITS**

**FORM 17-A**

	<u>Page No.</u>
<b>Financial Statements</b>	
(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	
-	

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>  
To: TAGAYTAYHIGHLANDS.GOLF@gmail.com  
Cc: ME.MANIMTIM@gmail.com

Sat, Apr 20, 2024 at 1:51 PM

Hi TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.,

Valid files

- EAFS000533433RPTTY122023.pdf
- EAFS000533433AFSTY122023.pdf
- EAFS000533433ITRTY122023.pdf
- EAFS000533433TCRTY122023-01.pdf

Invalid file

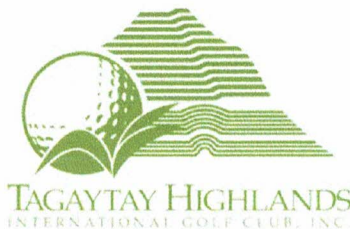
- <None>

Transaction Code: **AFS-0-3N1ZT1RZ0BLHL9KA6NRSY3YQ208KE8H8DA**  
Submission Date/Time: **Apr 20, 2024 01:51 PM**  
Company TIN: **000-533-433**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- 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;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Tagaytay Highlands International Golf Club, 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, 2023 and 2022, 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, 2023 and 2022, 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.

A black rectangular box redacting the signature of Hans T. Sy.

**Hans T. Sy**  
Chairman of the Board

A black rectangular box redacting the signature of Jerry C. Tiu.

**Jerry C. Tiu**  
President

A black rectangular box redacting the signature of Maria Clara T. Kramer.

**Maria Clara T. Kramer**  
General Manager

A black rectangular box redacting the signature of Frederick D. Deocariza.

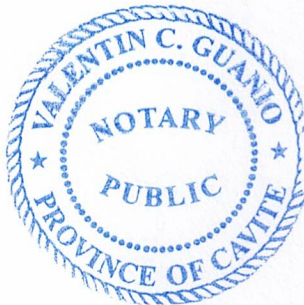
**Frederick D. Deocariza**  
Financial Controller

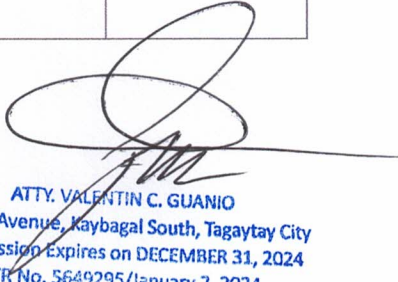
Signed this 15 day of APR, 2024.

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_, 2024 affiants exhibiting to me their competent evidence of identity, as follows 15 APR 2024

NAME	Competent Evidence of Identity	Expiry Date	Place of Issue
HANS T. SY	[REDACTED]	[REDACTED]	[REDACTED]
JERRY C. TIU	[REDACTED]	[REDACTED]	[REDACTED]
MARIA CLARA T. KRAMER	[REDACTED]	[REDACTED]	[REDACTED]
FREDERICK D. DEOCARIZA	[REDACTED]	[REDACTED]	[REDACTED]

Doc. No. 791;  
Page No. 40;  
Book No. 221;  
Series of 2024.



  
ATTY. VALENTIN C. GUANILLO  
JP Rizal Avenue, Kaybagal South, Tagaytay City  
Commission Expires on DECEMBER 31, 2024  
PTR No. 5649295/January 2, 2024  
ROLL No. 22908  
IBP LIFETIME RES. NO. 02892  
MCLE COMPLIANCE NO. VII-0016975

**C O V E R   S H E E T**  
**for**  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

A	S	0	9	1	1	9	0	7	3	1
---	---	---	---	---	---	---	---	---	---	---

**COMPANY NAME**

T	A	G	A	Y	T	A	Y		H	I	G	H	L	A	N	D	S		I	N	T	E	R	N	A	T	I	O	N	A	L		G	O	L	F		C	
L	U	B	,		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
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**COMPANY INFORMATION**

Company's Email Address

claire.kramer@tagaytayhighlands.com

Company's Telephone Number

(02) 8483-0829

Mobile Number

[REDACTED]

No. of Stockholders

1,524

Annual Meeting (Month / Day)

Last Saturday of May

Fiscal Year (Month / Day)

December 31

**CONTACT PERSON INFORMATION**

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Ms. Ma. Clara T. Kramer

Email Address

claire.kramer@tagaytayhighlands.com

Telephone Number

(02) 8982-9100

Mobile Number

[REDACTED]

**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  
Tagaytay Highlands International Golf Club, Inc.  
Tagaytay Highlands Complex  
Barangay Calabuso, Tagaytay City, Philippines

### *Opinion*

We have audited the financial statements of Tagaytay Highlands International Golf Club, Inc. (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022 and 2021 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, 2023, 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, 2023 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.



*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. 102-086-538-000

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

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

April 11, 2024

Makati City, Metro Manila

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**

**STATEMENTS OF FINANCIAL POSITION**

		<b>December 31</b>	
	Note	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	<b>₱93,164,973</b>	₱66,233,586
Trade and other receivables	5	<b>28,055,252</b>	30,117,842
Inventories		<b>1,384,480</b>	1,215,411
Other current assets	6	<b>75,248,717</b>	71,748,576
Total Current Assets		<b>197,853,422</b>	169,315,415
<b>Noncurrent Assets</b>			
Property and equipment	7	<b>332,282,061</b>	340,105,032
Investment property	8	<b>5,545,392</b>	5,545,392
Net retirement asset	17	<b>3,010,912</b>	1,357,826
Other noncurrent assets	9	<b>11,225,521</b>	23,436,094
Total Noncurrent Assets		<b>352,063,886</b>	370,444,344
		<b>₱549,917,308</b>	₱539,759,759
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	<b>₱212,511,027</b>	₱211,730,224
<b>Noncurrent Liabilities</b>			
Deferred tax liabilities	19	<b>752,728</b>	2,124,784
Total Liabilities		<b>213,263,755</b>	213,855,008
<b>Equity</b>			
Proprietary membership certificates	12	<b>910,736,853</b>	910,736,853
Additional paid-in capital	12	<b>35,000,000</b>	35,000,000
Deficit		<b>(612,369,283)</b>	(624,823,764)
Cumulative remeasurement gain on net retirement asset - net of deferred tax	17	<b>3,285,983</b>	4,991,662
Total Equity		<b>336,653,553</b>	325,904,751
		<b>₱549,917,308</b>	₱539,759,759

*See accompanying Notes to Financial Statements.*

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31		
	Note	2023	2022	2021
<b>REVENUES</b>				
Food, beverage and sundries		<b>₱83,034,882</b>	₱75,336,104	₱50,163,086
Green fees		<b>31,093,532</b>	16,032,140	7,235,794
Golf cart and locker rental		<b>10,621,496</b>	9,914,803	6,512,377
Room sales		<b>8,401,976</b>	7,725,361	4,365,913
Others		<b>1,175,093</b>	680,949	388,453
		<b>134,326,979</b>	109,689,357	68,665,623
<b>COSTS AND EXPENSES</b>				
Cost of sales	14	<b>78,776,966</b>	71,763,473	47,159,467
Cost of services	14	<b>131,444,154</b>	115,901,023	103,589,402
General and administrative expenses	15	<b>38,319,751</b>	36,212,303	32,443,608
		<b>248,540,871</b>	223,876,799	183,192,477
<b>OTHER INCOME</b>				
Interest income	4	<b>2,044,528</b>	493,526	75,831
Other income - Net	16	<b>29,495,815</b>	27,267,165	25,723,291
		<b>31,540,343</b>	27,760,691	25,799,122
<b>DEFICIENCY OF REVENUES OVER COSTS AND EXPENSES BEFORE MEMBERS' SUPPORT</b>				
		<b>(82,673,549)</b>	(86,426,751)	(88,727,732)
<b>MEMBERS' SUPPORT</b>				
Membership dues		<b>94,324,534</b>	94,201,912	92,953,685
<b>EXCESS OF REVENUES AND MEMBERS' SUPPORT OVER COSTS AND EXPENSES</b>				
		<b>11,650,985</b>	7,775,161	4,225,953
<b>PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAX</b>				
	19	<b>(803,496)</b>	460,896	2,442,072
<b>NET INCOME</b>				
		<b>12,454,481</b>	7,314,265	1,783,881
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item not to be reclassified to profit or loss -</i>				
Remeasurement gain (loss) on net retirement asset/liability - net of deferred tax	17	<b>(1,705,679)</b>	150,355	(1,263,874)
<b>TOTAL COMPREHENSIVE INCOME</b>				
		<b>₱10,748,802</b>	₱7,464,620	₱520,007
<b>BASIC AND DILUTED INCOME PER PROPRIETARY MEMBERSHIP CERTIFICATE</b>				
	13	<b>₱4,212</b>	₱2,474	₱603

See accompanying Notes to Financial Statements.

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**

		Years Ended December 31		
	Note	2023	2022	2021
<b>PROPRIETARY MEMBERSHIP CERTIFICATES</b>	12	<b>₱910,736,853</b>	<b>₱910,736,853</b>	<b>₱910,736,853</b>
<b>ADDITIONAL PAID-IN CAPITAL</b>	12	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>
<b>DEFICIT</b>				
Balance at beginning of year		<b>(624,823,764)</b>	(632,138,029)	(633,921,910)
Net income		<b>12,454,481</b>	7,314,265	1,783,881
Balance at end of year		<b>(612,369,283)</b>	(624,823,764)	(632,138,029)
<b>CUMULATIVE REMEASUREMENT GAIN ON NET RETIREMENT ASSET - NET OF DEFERRED TAX</b>	17			
Balance at beginning of year		<b>4,991,662</b>	4,841,307	6,105,181
Remeasurement gain (loss) - net of deferred tax		<b>(1,705,679)</b>	150,355	(1,263,874)
Balance at end of year		<b>3,285,983</b>	4,991,662	4,841,307
		<b>₱336,653,553</b>	<b>₱325,904,751</b>	<b>₱318,440,131</b>

*See accompanying Notes to Financial Statements.*

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**

**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>		
	Note	<b>2023</b>	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Excess revenues and members' support over costs and expenses		<b>₱11,650,985</b>	₱7,775,161	₱4,225,953
Adjustments for:				
Depreciation and amortization	7	<b>46,270,580</b>	39,169,529	37,809,105
Interest income	4	<b>(2,044,528)</b>	(493,526)	(75,831)
Retirement expense	17	<b>1,808,505</b>	2,087,357	1,981,681
Reversal of accruals	16	<b>(1,348,141)</b>	(1,001,018)	(2,151,485)
Unrealized foreign exchange loss (gain)	16	<b>50,727</b>	(485,754)	(248,629)
Operating income before working capital changes		<b>56,388,128</b>	47,051,749	41,540,794
Decrease (increase) in:				
Trade and other receivables		<b>2,117,127</b>	21,892,209	(447,761)
Inventories		<b>(169,069)</b>	17,686	(83,210)
Other current assets		<b>1,182,125</b>	(1,851,052)	(4,237,654)
Increase (decrease) in trade and other payables		<b>2,128,944</b>	(29,804,095)	5,029,193
Net cash generated from operations		<b>61,647,255</b>	37,306,497	41,801,362
Income tax paid		<b>(4,682,266)</b>	(4,003,388)	(2,765,467)
Contributions to the retirement plan	17	<b>(4,593,492)</b>	(4,593,492)	(5,470,684)
Interest received		<b>1,989,991</b>	434,797	75,831
Benefits paid	17	<b>(1,142,338)</b>	(97,950)	(676,463)
Net cash provided by operating activities		<b>53,219,150</b>	29,046,464	32,964,579
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisitions of property and equipment	7	<b>(30,698,181)</b>	(32,281,718)	(12,742,572)
Decrease (increase) in other noncurrent assets		<b>4,461,145</b>	(3,246,946)	2,180,016
Acquisitions of computer software		—	—	(151,351)
Net cash used in investing activities		<b>(26,237,036)</b>	(35,528,664)	(10,713,907)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
		<b>26,982,114</b>	(6,482,200)	22,250,672
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>				
		<b>(50,727)</b>	485,754	248,629
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
	4	<b>66,233,586</b>	72,230,032	49,730,731
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>				
		<b>₱93,164,973</b>	₱66,233,586	₱72,230,032
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>				
	4			
Cash on hand		<b>₱2,049,812</b>	₱2,341,339	₱1,976,672
Cash in banks		<b>33,841,942</b>	20,560,339	38,606,010
Cash equivalents		<b>57,273,219</b>	43,331,908	31,647,350
		<b>₱93,164,973</b>	₱66,233,586	₱72,230,032

*See accompanying Notes to Financial Statements.*

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# **TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2023 AND 2022**

**AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

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### **1. Corporate Information**

Tagaytay Highlands International Golf Club, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 17, 1991. The Company was established to promote social, recreational and athletic activities among its members by providing and maintaining clubhouses and a golf course on a nonprofit basis, the nucleus of which will be the construction, development and maintenance of golf course and other sports and recreational facilities.

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

On August 26, 1991, the SEC granted the Company its permit to offer its proprietary membership certificates to the public (see Note 12). Belle Corporation (Belle), a publicly-listed company in the Philippines, owns 44.84% and 44.94% of the Company's proprietary membership certificates as at December 31, 2023 and 2022.

The Company's financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the Board of Directors (BOD) on April 11, 2024, as reviewed and recommended for approval by the Audit Committee on the same date.

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### **2. Summary of Material Accounting Policy Information**

#### **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 and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC) and SEC pronouncements.

The material accounting policy information 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 represent absolute amounts, unless 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 Notes 8 and 20 to the financial statements.

#### **Adoption of Amendments to PFRS**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective 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.
- 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.

- 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.
- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – 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 adoption of the amendments to PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

#### **Amendments to PFRS in Issue But Not Yet Effective or Adopted**

Relevant amendments to PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the financial statements are summarized below.

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

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

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, 2023 and 2022, 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 (excluding advances to employees) 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 other comprehensive income (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 consists of creditable withholding taxes (CWT), input value-added tax (VAT), prepaid expenses and deferred input VAT.

*CWT.* CWT represents the amount withheld by the Company's customers in relation to its income. CWT 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.

*VAT.* Revenue, expenses and assets are generally recognized net of the amount of VAT except in cases where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or receivables and payables that are stated with the amount of VAT included.

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

*Prepaid Expenses.* Prepaid expenses are expenses not yet incurred but paid in advance. Prepaid expenses 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.

*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.

#### **Property and Equipment**

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

	Number of Years
Buildings 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 items 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 is 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 computer software, advances to contractors and suppliers and deferred input VAT.

*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 is 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.

*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.

**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 stated 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.

**Cumulative Remeasurement Gain on Net Retirement Asset**

Cumulative remeasurement gain on net retirement asset 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 per Proprietary Membership Certificates**

The Company computes its basic income per proprietary membership certificate by dividing net income 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 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, 2023, 2022 and 2021, 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 on the statements 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.

*Green Fees, Golf Cart and Locker Rental and Room Sales.* Revenue from green fees, golf cart and locker rental and room sales are recognized upon satisfaction of performance obligation of transferring the promised services to the customer.

*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.* This includes income from cell site rental and commissions among others. 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.

### **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 or liability is the aggregate of 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 reflect 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; and
- Remeasurements of net retirement liability or plan asset.

Current service costs 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. The amounts are calculated periodically by independent qualified actuaries.

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

*The Company as a Lessor.* Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income under operating leases is recognized on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

Operating lease income is recognized if it is probable that the entity will collect the consideration. In evaluating whether collectability of the amount of consideration is probable, the Company considers the customer's ability and intention to pay. If the collection of the rentals is not probable, operating lease income is recognized only to the extent collectible.

### **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.

#### **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.

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### 3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to exercise judgment, make accounting estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the financial statements and related notes. The judgment, accounting 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 judgment, 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 Properties 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 related to leases wherein the recognition exemptions were elected in 2023, 2022 and 2021 are disclosed in Note 18 to the financial statements.

#### **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 2023, 2022 and 2021. Allowance for ECL as at December 31, 2023 and 2022 are disclosed in Note 5 to the financial statements.

The carrying amounts of financial assets at amortized cost as at December 31, 2023 and 2022 are disclosed in Notes 4, 5 and 9 to the financial statements.

*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 2023, 2022 and 2021. The carrying amount of depreciable property and equipment as at December 31, 2023 and 2022 are disclosed in Note 7 to the financial statements.

*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 during 2023, 2022 and 2021. The carrying amounts of nonfinancial assets are disclosed in Notes 6, 7, 8 and 9 to the financial statements.

*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 17 to the financial statements.

Retirement expense recognized in profit or loss in 2023, 2022 and 2021. Net retirement asset as at December 31, 2023 and 2022 is disclosed in Note 17 to the financial statements.

*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 as at December 31, 2023 and 2022 disclosed in Note 19 to the financial statements. 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:

	2023	2022
Cash on hand	<b>₱2,049,812</b>	₱2,341,339
Cash in banks	<b>33,841,942</b>	20,560,339
Cash equivalents	<b>57,273,219</b>	43,331,908
	<b>₱93,164,973</b>	₱66,233,586

Cash on hand consists of funds kept in different facilities. 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 ₱2.0 million, ₱0.5 million and ₱0.1 million in 2023, 2022 and 2021. Interest receivable, included in "Nontrade" under "Trade and other receivables" account, amounted to ₱0.1 million as at December 31, 2023 and 2022 (see Note 5).

#### 5. Trade and Other Receivables

	Note	2023	2022
Trade:			
Members		<b>₱20,199,933</b>	₱17,316,033
Related parties	11	—	4,177,130
Nontrade		<b>7,783,543</b>	7,924,733
Advances to employees		<b>425,745</b>	1,053,915
		<b>28,409,221</b>	30,471,811
Less allowance for ECL		<b>353,969</b>	353,969
		<b>₱28,055,252</b>	₱30,117,842

Trade receivables from members pertain to billings by the Company for the services it rendered to members. 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.

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.

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.

Advances to employees are noninterest-bearing and are normally settled or liquidated within one month from availment date.

Allowance for ECL pertains to nontrade receivables. No provision for impairment of trade receivables was recognized in 2023, 2022 and 2021.

## 6. Other Current Assets

This account consists of:

	2023	2022
CWT	<b>₱53,665,611</b>	₱48,983,345
Input VAT	<b>19,482,940</b>	14,574,530
Prepayments	<b>1,173,684</b>	6,939,506
Current portion of deferred input VAT	<b>926,482</b>	1,251,195
	<b>₱75,248,717</b>	₱71,748,576

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.

## 7. Property and Equipment

Movements in this account are as follows:

	2023						
	Land	Buildings and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
<b>Cost</b>							
Balances at beginning of year	₱229,680,840	₱736,208,066	₱378,301,242	₱74,242,552	₱31,347,759	₱2,842,972	₱1,452,623,431
Additions	–	8,696,939	8,425,664	3,251,389	1,219,178	9,105,011	30,698,181
Reclassifications	–	9,296,347	1,581,306	–	–	(10,877,653)	–
Balance at end of year	229,680,840	754,201,352	388,308,212	77,493,941	32,566,937	1,070,330	1,483,321,612
<b>Accumulated Depreciation</b>							
Balances at beginning of year	–	663,212,076	354,010,821	64,189,326	31,106,176	–	1,112,518,399
Depreciation	–	22,405,609	11,246,220	4,633,798	235,525	–	38,521,152
Balances at end of year	–	685,617,685	365,257,041	68,823,124	31,341,701	–	1,151,039,551
<b>Carrying Amount</b>	<b>₱229,680,840</b>	<b>₱68,583,667</b>	<b>₱23,051,171</b>	<b>₱8,670,817</b>	<b>₱1,225,236</b>	<b>₱1,070,330</b>	<b>₱332,282,061</b>

	2022						
	Land	Buildings and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
<b>Cost</b>							
Balances at beginning of year	₱229,680,840	₱720,602,171	₱365,263,685	₱71,113,513	₱31,298,250	₱2,383,254	₱1,420,341,713
Additions	–	14,155,835	13,037,557	3,129,039	49,509	1,909,778	32,281,718
Reclassifications	–	1,450,060	–	–	–	(1,450,060)	–
Balance at end of year	229,680,840	736,208,066	378,301,242	74,242,552	31,347,759	2,842,972	1,452,623,431
<b>Accumulated Depreciation</b>							
Balances at beginning of year	–	641,976,056	344,649,578	60,358,039	30,909,534	–	1,077,893,207
Depreciation	–	21,236,020	9,361,243	3,831,287	196,642	–	34,625,192
Balances at end of year	–	663,212,076	354,010,821	64,189,326	31,106,176	–	1,112,518,399
<b>Carrying Amount</b>	<b>₱229,680,840</b>	<b>₱72,995,990</b>	<b>₱24,290,421</b>	<b>₱10,053,226</b>	<b>₱241,583</b>	<b>₱2,842,972</b>	<b>₱340,105,032</b>

Depreciation and amortization recognized in profit and loss consist of:

	Note	2023	2022	2021
Property and equipment		<b>₱38,521,152</b>	₱34,625,192	₱33,725,358
Computer software	9	<b>7,749,428</b>	4,544,337	4,083,747
		<b>₱46,270,580</b>	₱39,169,529	₱37,809,105

Depreciation and amortization are allocated as follows:

	Note	2023	2022	2021
Cost of services	14	<b>₱41,688,470</b>	₱35,774,735	₱35,047,779
General and administrative expenses	15	<b>4,582,110</b>	3,394,794	2,761,326
		<b>₱46,270,580</b>	₱39,169,529	₱37,809,105

The cost of fully depreciated property and equipment that are still being used by the Company amounted to ₱1,007.9 million and ₱995.9 million as at December 31, 2023 and 2022, respectively.

Construction in progress pertaining to construction of RFID boom gates, tramway ceiling and guard house are expected to be completed in 2024.

## 8. Investment Property

This account pertains to land held for capital appreciation. The property is carried at cost amounting to ₱5.5 million as at December 31, 2023 and 2022.

The fair value amounted to ₱110.5 million as determined on July 17, 2023 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 ₱15,000 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.

## 9. Other Noncurrent Assets

This account consists of:

	2023	2022
Computer software	<b>₱8,859,861</b>	₱16,609,289
Refundable deposits	<b>975,969</b>	966,469
Advances to contractors and suppliers	<b>954,347</b>	4,498,511
Deferred input VAT on capital goods - net of current portion	<b>435,344</b>	1,361,825
	<b>₱11,225,521</b>	₱23,436,094

Computer software pertains to the cost of the Company's accounting and information system.

Movements in the computer software are as follows:

	Note	2023	2022
<b>Cost</b>			
Balance at beginning and end of year		<b>₱29,018,416</b>	₱29,018,416
<b>Accumulated Amortization</b>			
Balance at beginning of year		<b>12,409,127</b>	7,864,790
Amortization	7	<b>7,749,428</b>	4,544,337
Balance at end of year		<b>20,158,555</b>	12,409,127
<b>Carrying Amount</b>		<b>₱8,859,861</b>	₱16,609,289

Refundable deposits pertain to deposit for utilities services which are refundable upon termination.

Advances to contractors and suppliers represent payment for the construction of property and equipment which will be recouped upon every progress billing payment depending on the percentage of accomplishment.

## 10. Trade and Other Payables

This account consists of:

	Note	2023	2022
Trade:			
Related parties	11	<b>₱83,924,898</b>	₱98,980,778
Third parties		<b>13,739,185</b>	7,762,811
Statutory payables		<b>39,259,963</b>	38,967,768
Membership dues collected in advance		<b>24,951,393</b>	22,234,851
Accrued expenses:			
Outside services		<b>6,606,443</b>	3,803,326
Professional fees		<b>1,320,049</b>	652,580
Employee benefits		<b>1,095,641</b>	273,803
Rent		<b>517,060</b>	99,225
Utilities		<b>323,300</b>	248,320
Others		<b>212,786</b>	101,877

(Forward)

	Note	2023	2022
Concessionaires		<b>₱8,588,228</b>	₱9,683,943
Refundable deposits		<b>5,248,000</b>	3,698,000
Auctioned membership liability		<b>5,095,245</b>	3,668,022
Members' prepayment		<b>3,839,274</b>	2,063,462
Retention payable		<b>3,230,057</b>	2,190,232
Room sharing payable		<b>3,113,773</b>	3,436,521
Unclaimed gift certificate		<b>1,785,311</b>	1,785,311
Service charge payable		<b>573,575</b>	836,750
Provision for Christmas assessment		<b>299,195</b>	758,579
Others		<b>8,787,651</b>	10,484,065
		<b>₱212,511,027</b>	₱211,730,224

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.

Statutory payables pertain to deferred output VAT and obligations to government agencies that are normally settled in the following month.

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 recognized as revenue within the next financial year.

Accrued expenses are generally settled within the following month.

Concessionaires pertain to food and beverage sales collected by the Company for a third party which are remitted every month.

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.

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.

Members' prepayments pertain to members' overpaid accounts.

Retention payable pertains to amount withheld from contractors of the Company until the completion of specified conditions based on the agreement.

Room sharing payable pertains to the collections from rental of members' units. This is noninterest-bearing and payable to the members within one year.

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 customers for services rendered. The amount is to be distributed and paid to covered employees.

Others include payables to nontrade suppliers. These payables are noninterest-bearing and are normally settled within a year.

The Company reversed accruals amounting to ₱1.3 million, ₱1.0 million and ₱2.2 million in 2023, 2022 and 2021, respectively (see Note 16).

## 11. Related Party Transactions

The Company has the following transactions and balances with its related parties:

Related Party	Transaction	Amount of Transactions			Outstanding Balances	
		2023	2022	2021	2023	2022
<b>Shareholder</b>						
	Utilities	<b>₱17,652,504</b>	₱13,506,329	₱12,298,460		
	Repairs and maintenance	<b>2,594,329</b>	2,331,890	2,178,792		
<i>Trade and other payables (see Note 10)</i>	Others	<b>148,586</b>	535,359	1,148,080	<b>₱1,234,881</b>	₱1,486,800
<b>Related parties with common shareholder</b>						
	Food, beverage and sundries					
	Green fees					
	Golf cart and locker rental					
<i>Trade and other receivables (see Note 5)</i>	Room sales	<b>₱199,331,869</b>	₱180,909,771	₱120,799,539	<b>₱—</b>	₱4,177,130
<i>Trade and other payables (see Note 10)</i>	Reimbursement of expenses/ club services	<b>₱180,214,551</b>	₱168,535,458	₱102,000,178	<b>₱82,690,017</b>	₱97,493,978
<b>Plan Assets</b>						
<i>Retirement plan assets (see Note 17)</i>	Contributions	<b>₱4,593,492</b>	₱4,593,492	₱5,470,684	<b>₱29,314,766</b>	₱23,943,228

### 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, repairs and maintenance, and other 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. Receivables include rendering of sales and services to members of other Belle Clubs while payables 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:

	2023	2022	2021
Short-term employee benefits	<b>₱6,489,846</b>	₱6,100,923	₱5,632,278
Post-employment benefits	<b>1,252,051</b>	1,086,206	884,928
	<b>₱7,741,897</b>	₱7,187,129	₱6,517,206

## 12. 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
August 26, 1991	3,000	2,957	₱200,000 to ₱450,000

The proprietary membership certificates amounted to ₱910.7 million as at December 31, 2023 and 2022. The Company's APIC, which is the excess of proceeds and/or fair value received, amounted to ₱35.0 million as at December 31, 2023 and 2022.

The ownership of all shares of stock of the Company is subject to the following restrictive conditions:

- No issuance or 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.
- 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 violations of these conditions shall be null and void and shall not be recorded in the books of the Company.
- f. Except in the case of legally married spouses, shares of stock of the Company may be registered only in the name of a single person, firm, entity, association or corporation. One of the spouses may be entitled to apply for membership in the Company. Juridical entities may also designate only one individual playing representative for each share of stock owned by them.
- g. 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.
- h. 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.
- i. 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.

### 13. Basic and Diluted Income per Proprietary Membership Certificate

Basic and diluted income per proprietary membership certificate is computed as follows:

	2023	2022	2021
Net income (a)	<b>₱12,454,481</b>	₱7,314,265	₱1,783,881
Weighted average number of proprietary membership certificates (b)	<b>2,957</b>	2,957	2,957
Basic income per proprietary membership certificate (a/b)	<b>₱4,212</b>	₱2,474	₱603

In 2023, 2022 and 2021, the Company has no potential dilutive proprietary membership certificates outstanding, therefore basic income per proprietary membership certificate is the same as diluted income per proprietary membership certificate.

### 14. Cost of Sales and Services

#### Cost of Sales

This account consists of:

	2023	2022	2021
Food cost	<b>₱57,136,700</b>	₱51,428,434	₱32,969,438
Franchise fee	<b>8,613,531</b>	7,702,747	6,285,064
Beverage cost	<b>6,686,908</b>	6,862,999	4,647,450
Sundry inventory cost	<b>6,339,827</b>	5,769,293	3,257,515
	<b>₱78,776,966</b>	₱71,763,473	₱47,159,467

#### Cost of Services

This account consists of:

	Note	2023	2022	2021
Depreciation and amortization	7	<b>₱41,688,470</b>	₱35,774,735	₱35,047,779
Repairs and maintenance		<b>24,765,869</b>	23,519,741	21,429,646
Salaries and other benefits		<b>21,490,188</b>	20,322,738	18,777,162
Communication, light and water		<b>13,712,790</b>	11,226,271	10,446,362
Outside services	18	<b>6,087,420</b>	4,533,678	3,462,846
Taxes and licenses		<b>3,637,636</b>	3,265,806	3,658,453
Supplies		<b>2,469,142</b>	2,099,746	1,518,744
Fuel and oil		<b>2,336,358</b>	1,442,346	210,567
Club tournament expense		<b>2,015,684</b>	2,465,633	308,561
Commission expenses		<b>1,497,731</b>	1,327,035	1,092,360
Laundry		<b>1,397,213</b>	669,281	349,175
Bank charges		<b>1,116,153</b>	1,064,113	766,183
Retirement expense	17	<b>904,252</b>	1,043,678	990,841
Rent	18	<b>660,609</b>	508,033	583,921
Insurance		<b>641,652</b>	699,982	605,459
Waste disposal		<b>240,655</b>	198,091	350,384

(Forward)

	Note	2023	2022	2021
Representation		<b>₱217,589</b>	₱169,318	₱83,006
Advertising and promotions		<b>135,599</b>	420,182	188,149
Dues and subscriptions		<b>17,945</b>	35,181	122,081
Others		<b>6,411,199</b>	5,115,435	3,597,723
		<b>₱131,444,154</b>	₱115,901,023	₱103,589,402

Others pertain to costs incurred from events and other activities held by the Company.

Details of personnel costs are as follows:

	2023	2022	2021
Salaries and wages	<b>₱24,375,566</b>	₱23,167,764	₱19,966,099
Employee benefits and others	<b>9,084,538</b>	8,034,658	7,521,736
	<b>₱33,460,104</b>	₱31,202,422	₱27,487,835

Personnel costs recognized in profit or loss are as follows:

	Note	2023	2022	2021
Cost of services		<b>₱21,490,188</b>	₱20,322,738	₱18,777,162
General and administrative expenses	15	<b>11,969,916</b>	10,879,684	8,710,673
		<b>₱33,460,104</b>	₱31,202,422	₱27,487,835

## 15. General and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Salaries and other benefits		<b>₱11,969,916</b>	₱10,879,684	₱8,710,673
Outside services	18	<b>9,161,907</b>	8,318,180	7,340,250
Depreciation and amortization	7	<b>4,582,110</b>	3,394,794	2,761,326
Taxes and licenses		<b>3,576,599</b>	3,217,190	3,623,475
Repairs and maintenance		<b>1,979,198</b>	2,600,320	2,351,738
Bank charges		<b>1,116,154</b>	1,063,116	766,183
Communication, light and water		<b>1,063,824</b>	1,274,521	982,457
Retirement expense	17	<b>904,253</b>	1,043,679	990,840
Supplies		<b>605,531</b>	615,079	536,319
Insurance		<b>587,553</b>	637,594	513,660
Representation		<b>397,801</b>	217,093	88,969
Rent	18	<b>297,939</b>	292,496	517,649
Waste disposal		<b>240,655</b>	198,091	350,384
Advertising and promotions		<b>105,499</b>	87,055	202,175
Dues and subscriptions		<b>94,471</b>	111,110	64,773
Fuel and oil		<b>60,742</b>	944,090	1,187,112
Transportation and travel		<b>26,676</b>	59,179	50,124
Club events		<b>10,000</b>	109,406	500
Laundry		<b>—</b>	—	61,752
Others		<b>1,538,923</b>	1,149,626	1,343,249
		<b>₱38,319,751</b>	₱36,212,303	₱32,443,608

Others pertain to expenses related to club activities which are not individually material.

# 16. Other Income - Net

This account consists of:

	Note	2023	2022	2021
Guest card fees		<b>₱6,722,258</b>	₱5,994,689	₱3,581,188
Membership transfer fees		<b>4,892,857</b>	6,767,857	9,267,857
Commission		<b>4,752,708</b>	3,382,231	2,319,344
Assignment fees		<b>2,779,583</b>	2,312,597	2,167,956
Income from sponsorship		<b>1,806,893</b>	349,371	–
Cell site rental	18	<b>1,610,594</b>	1,610,594	1,610,594
Room amenities		<b>1,552,951</b>	682,517	–
Reversal of accruals	10	<b>1,348,141</b>	1,001,018	2,151,485
Members' penalties and charges		<b>1,333,450</b>	1,820,299	910,346
Management fees		<b>754,381</b>	557,523	342,081
Photoshoot fees		<b>456,831</b>	859,832	163,294
Income from shuttle services		<b>132,607</b>	89,793	41,977
Unrealized foreign exchange gain (loss)		<b>(50,727)</b>	485,754	248,629
Car sticker sales		<b>14,673</b>	9,168	2,963
Sundries		–	–	1,842,404
Others		<b>1,388,615</b>	1,343,922	1,073,173
		<b>₱29,495,815</b>	₱27,267,165	₱25,723,291

Guest card fee pertains to the unused portion of the consumable amount charged against the Company's guests.

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 and green fees.

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.

Income from sponsorship pertains to income earned from promotional events hosted by the Company.

Room amenities refer to sundry income from rooms including unconsumed set breakfast and consumed mini bar items.

Reversal of accruals pertain to reversal of over accrued amount from prior year(s), upon receipt of the actual billing.

Members' penalties and charges pertain to collection from members for late payments of membership dues and other charges.

Management fees pertain to income charged to concessionaires for administrative purposes.

Others pertain to income derived from events held by the Company which include wedding ceremonies, seminars, golf tournaments, among others.

## 17. 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 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, 2023.

The components of retirement expense are as follows:

	2023	2022	2021
Current service cost	<b>₱2,064,691</b>	₱2,128,837	₱1,937,827
Net interest expense (income)	<b>(256,186)</b>	(41,480)	43,854
	<b>₱1,808,505</b>	₱2,087,357	₱1,981,681

In 2023, interest expense on the effect of the asset ceiling amounted to ₱6,672.

The components of retirement expense recognized in profit or loss are as follows:

	Note	2023	2022	2021
Cost of services	14	<b>₱904,252</b>	₱1,043,678	₱990,841
General and administrative expenses	15	<b>904,253</b>	1,043,679	990,840
		<b>₱1,808,505</b>	₱2,087,357	₱1,981,681

The components of net retirement asset are as follows:

	2023	2022
FVPA	<b>₱29,314,766</b>	₱23,943,228
Present value of DBO	<b>(26,067,423)</b>	(22,490,218)
Effect of the asset ceiling	<b>(236,431)</b>	(95,184)
	<b>₱3,010,912</b>	₱1,357,826

The changes in FVPA are as follows:

	2023	2022
Balance at beginning of year	<b>₱23,943,228</b>	₱19,606,358
Contributions	<b>4,593,492</b>	4,593,492
Interest income	<b>1,839,422</b>	1,068,871
Remeasurement loss	<b>(1,061,376)</b>	(1,325,493)
Balance at end of year	<b>₱29,314,766</b>	₱23,943,228

The changes in present value of retirement liability are as follows:

	2023	2022
Balance at beginning of year	<b>₱22,490,218</b>	₱21,053,091
Current service cost	<b>2,064,691</b>	2,128,837
Interest expense	<b>1,576,564</b>	1,027,391
Benefits paid from book reserve	<b>(1,142,338)</b>	(97,950)
Remeasurement loss (gain) on DBO due to changes in:		
Financial assumptions	<b>852,546</b>	(1,927,231)
Experience adjustments	<b>225,742</b>	306,080
Balance at end of year	<b>₱26,067,423</b>	₱22,490,218

The cumulative remeasurement gain recognized in OCI amounted to ₱3.3 million and ₱5.0 million as at December 31, 2023 and 2022, respectively. The remeasurement gain (loss) amounted to (₱1.7 million), ₱0.2 million and (₱1.3 million), in 2023, 2022 and 2021, respectively.

The principal actuarial assumptions used to determine retirement benefits are as follows:

	2023	2022
Discount rate	<b>6.00%</b>	7.01%
Salary increase rate	<b>4.00%</b>	4.00%

The sensitivity analysis based on reasonably possible changes of the assumptions are as follows:

	Change in Assumption	Effect on the present value of retirement liability	
		2023	2022
Discount rate	+100bps	<b>(₱844,514)</b>	(₱762,994)
	-100bps	<b>936,920</b>	848,097
Salary increase rate	+100bps	<b>946,337</b>	865,256
	-100bps	<b>(867,866)</b>	(791,153)

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:

	2023	2022
Cash and cash equivalents	8.23%	1.54%
Debt instruments - government bonds	84.99%	93%
Debt instruments - other bonds	8.75%	8.82%
Unit investment trust funds	0.65%	1.19%
Others	-2.62%	-4.55%
	<b>100.00%</b>	<b>100.00%</b>

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 is as follows:

	2023	2022
Within one year	₱19,661,083	₱16,709,120
More than one year to five years	4,215,341	3,377,126
More than five years	8,249,610	10,007,913
	<b>₱32,126,034</b>	<b>₱30,094,159</b>

The average duration of the retirement liability is 3.4 years and 3.6 years at the end of December 31, 2023 and 2022, respectively.

## 18. Significant Agreements

### Outside Services

The Company has entered into several 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, and technical support, and the 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	2023	2022	2021
Cost of services	14	<b>₱6,087,420</b>	₱4,533,678	₱3,462,846
General and administrative expense	15	<b>9,161,907</b>	8,318,180	7,340,250
		<b>₱15,249,327</b>	₱12,851,858	₱10,803,096

#### **The Company as a Lessee**

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 ₱68,993, ₱43,324 and ₱54,322 in 2023, 2022 and 2021, respectively.

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	2023	2022	2021
Cost of services	14	<b>₱660,609</b>	₱508,033	₱583,921
General and administrative expenses	15	<b>297,939</b>	292,496	517,649
		<b>₱958,548</b>	₱800,529	₱1,101,570

#### **The Company as a Lessor**

The Company has entered into a Memorandum of Agreement (MOA) with Smart Communications, Inc. (Smart) wherein Smart will lease the land owned by the Company for cell sites to be situated in the area. The agreement shall be deemed to have started on September 1, 2010 and shall end on August 31, 2020 unless earlier terminated and may be renewed for a period to be mutually agreed upon by both parties. Accordingly, this MOA was extended until August 31, 2030. Also, the Company entered into another agreement with Smart for another cell site to be situated in the area. The agreement shall be deemed to have started on December 4, 2014 and shall end on December 30, 2024 unless earlier terminated.

The Company entered into a Contract Agreement with Digitel Mobile Philippines, Inc. (Digitel) wherein Digitel will lease the land owned by the Company for cell sites to be situated in the area. The term is for the period of five years which ended on June 15, 2021.

Cell site rental income recognized by the Company amounted to ₱1.6 million in 2023, 2022 and 2021 (see Note 16).

#### **Franchise**

The Company entered into a MOA with Philippine Seven Corporation for the franchise of a 7-Eleven store to operate in the premises of the Company. Actual operations commenced on August 3, 2014 and effective until August 3, 2024. Income and cost of sales from franchise from amounted to ₱13.0 million and ₱8.6 million respectively, in 2023, ₱11.5 million and ₱7.7 million respectively, in 2022 and ₱9.4 million and ₱6.3 million, respectively, in 2021.

### **Concessions**

The Company has concession agreements with food, beverage and pharmaceutical service providers, which operate restaurants and pharmacy 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 ₱4.0 million, ₱2.7 million and ₱2.3 million in 2023, 2022 and 2021, respectively.

Payable to concessionaire which pertains to food and beverage sales collected by the Company as at December 31, 2023 and 2022 are disclosed in Note 10 to the financial statements.

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### **19. Income Tax**

The Company has no provision for current income tax due to its taxable loss position in 2023, 2022 and 2021. Provision for (benefit from) deferred income tax amounted to (₱0.8 million), ₱0.5 million and ₱2.4 million in 2023, 2022 and 2021, respectively.

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 deferred tax liabilities are as follows:

	<b>2023</b>	2022
Retirement asset	<b>₱752,728</b>	₱2,003,345
Unrealized foreign exchange gain	—	121,439
	<b>₱752,728</b>	₱2,124,784

Provision for (benefit from) deferred income tax is presented in profit or loss.

The components of the Company's unrecognized deferred tax assets as at December 31, 2023 and 2022 are as follows:

	<b>2023</b>	2022
NOLCO	<b>₱70,778,357</b>	₱58,330,083
Excess of contribution over service cost	<b>2,843,922</b>	2,618,840
Allowance for expected credit losses	<b>88,492</b>	88,492
Unrealized foreign exchange loss	<b>12,682</b>	—
	<b>₱73,723,453</b>	₱61,037,415

These deferred tax assets amounting to ₱73.7 million and ₱61.0 million as at December 31, 2023 and 2022, 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
2023	₱—	₱49,793,096	₱—	₱49,793,096	2026
2022	54,459,002	—	—	54,459,002	2025
2021	53,831,922	—	—	53,831,922	2026
2020	125,029,407	—	—	125,029,407	2025
	<b>₱233,320,331</b>	<b>₱49,793,096</b>	<b>₱—</b>	<b>₱283,113,427</b>	

The reconciliation of provision for (benefit from) income tax computed at the statutory tax rate and the effective tax rate follows:

	2023	2022	2021
Provision for income tax at statutory income tax rate	<b>₱2,912,746</b>	₱1,943,790	₱1,056,488
Tax effects of:			
Nontaxable membership dues	<b>(23,581,134)</b>	(23,550,478)	(15,882,462)
Nondeductible expenses	<b>7,689,986</b>	8,842,275	1,757,233
Interest income subjected to final tax	<b>(511,132)</b>	(123,382)	(18,958)
Change in unrecognized deferred tax assets	<b>12,686,038</b>	(3,801,981)	4,359,605
Expired NOLCO	—	17,150,672	—
Effect of change in income tax rate	—	—	10,331,764
Expired MCIT	—	—	838,402
	<b>(₱803,496)</b>	<b>₱460,896</b>	<b>₱2,442,072</b>

#### Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act)

Under the CREATE Act which took effect on July 1, 2020, the RCIT of domestic corporations is computed at 25% or 20% depending on the amount of total assets and taxable income. MCIT is computed at 1% of gross income for a period three years from July 1, 2020 to June 30, 2023 and reverted to 2% of gross income effective July 1, 2023.

Accordingly, the income tax rates used in preparing the financial statements as at and for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
RCIT	<b>25%</b>	25%
MCIT	<b>1.5%</b>	1%

## 20. 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 (excluding advances to employees), refundable deposits (presented under "Other noncurrent assets" account), and trade and other payables (excluding statutory payables and membership dues collected in advance). 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. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company does not offer credit terms without the specific approval of the BOD. There is no significant concentration of credit risk.

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.

	2023				
	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade			
Simplified approach -					
Trade receivables	P20,199,933	P-	P-	P-	P20,199,933
12-month ECL:					
Cash in banks and cash equivalents	91,115,161	-	-	-	91,115,161
Nontrade receivables	7,429,574	-	-	353,969	7,783,543
Refundable deposits*	-	975,969	-	-	975,969
	P118,744,668	P975,969	P-	P353,969	P120,074,606

\*Presented under "Other noncurrent assets" account in the statements of financial position.

	2022		Past Due but not Impaired	Impaired	Total
	Neither Past Due nor Impaired High Grade	Standard Grade			
Simplified approach -					
Trade receivables	P21,493,163	P—	P—	P—	P21,493,163
12-month ECL:					
Cash in banks and cash equivalents	63,892,247	—	—	—	63,892,247
Nontrade receivables	7,570,764	—	—	353,969	7,924,733
Refundable deposits*	—	966,469	—	—	966,469
	P92,956,174	P966,469	P—	P353,969	P94,276,612

\*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, 2023 and 2022, the Company's trade and other payables (excluding statutory payables and membership dues collected in advance) 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 operations, pay existing obligations and maximize members' 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 in 2023, 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:

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at Amortized Cost</b>				
Cash and cash equivalents	<b>₱93,164,973</b>	<b>₱93,164,973</b>	₱66,233,586	₱66,233,586
Trade and other receivables*	<b>27,629,507</b>	<b>27,629,507</b>	29,063,927	29,063,927
Refundable deposits**	<b>975,969</b>	<b>975,969</b>	966,469	966,469
	<b>₱121,770,449</b>	<b>₱121,770,449</b>	₱96,263,982	₱96,263,982

### **Financial Liability at Amortized**

<b>Cost</b>				
Trade and other payables***	<b>₱148,299,671</b>	<b>₱148,299,671</b>	₱150,527,605	₱150,527,605

\*Excluding advances to employees amounting to ₱0.4 million and ₱1.1 million as at December 31, 2023 and 2022, respectively.

\*\*Presented under "Other noncurrent assets" account in the statement of financial position

\*\*\*Excluding statutory payables and membership dues collected in advance with an aggregate amount of ₱64.2 million and ₱61.2 million as at December 31, 2023 and 2022, 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 (excluding Advances to Employees), Trade and Other Payables (excluding Statutory Payables and Membership Dues Collected in Advance).* 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 a third party service provider which cannot be reasonably and reliably estimated.

There were no transfers between levels in the fair value hierarchy in 2023 and 2022.



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

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

We have audited the accompanying financial statements of Tagaytay Highlands International Golf Club, Inc. (the Company) as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, on which we have rendered our report dated April 11, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares.

**REYES TACANDONG & Co.**



**BELINDA B. FERNANDO**

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

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

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

April 11, 2024  
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  
Tagaytay Highlands International Golf Club, Inc.  
Tagaytay Highlands Complex  
Barangay Calabuso, Tagaytay City, Philippines

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Tagaytay Highlands International Golf Club, Inc. (the Company) as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated April 11, 2024. 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, 2023 and 2022
- Schedules required Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the year ended December 31, 2023

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 December 31, 2023 and 2022, and for the years ended December 31, 2023, 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. 102-086-538-000

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

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

April 11, 2024  
Makati City, Metro Manila

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

**DECEMBER 31, 2023 and 2022**

<b>Ratio</b>	<b>Formula</b>	<b>2023</b>	<b>2022</b>
Current Ratio	Total current assets	<b>₱197,853,422</b>	₱169,315,415
	Divided by: Total current liabilities	<b>212,511,027</b>	211,730,224
	Current Ratio	<b>0.93</b>	0.80
Acid Test Ratio	Total current assets	<b>₱197,853,422</b>	₱169,315,415
	Less: Inventories	<b>(1,384,480)</b>	(1,215,411)
	Other current assets	<b>(75,248,717)</b>	(71,748,576)
	Quick assets	<b>121,220,225</b>	96,351,428
	Divide by: Total current liabilities	<b>212,511,027</b>	211,730,224
	Acid Test Ratio	<b>0.57</b>	0.46
Solvency Ratio	Net income	<b>₱12,454,481</b>	₱7,314,265
	Add: Depreciation and amortization	<b>46,270,580</b>	39,169,529
	Net income before non-cash expenses	<b>58,725,061</b>	46,483,794
	Divided by: Total liabilities	<b>213,263,755</b>	213,855,008
	Solvency Ratio	<b>27.54%</b>	21.74%
Debt-to-Equity Ratio	Total liabilities	<b>₱213,263,755</b>	₱213,855,008
	Divided by: Total equity	<b>336,653,553</b>	325,904,751
	Debt-to-Equity Ratio	<b>0.63</b>	0.66
Asset-to-Equity Ratio	Total assets	<b>₱549,917,308</b>	₱539,759,759
	Divided by: Total equity	<b>336,653,553</b>	325,904,751
	Asset-to-Equity Ratio	<b>1.63</b>	1.66
Return on Equity	Net income	<b>₱12,454,481</b>	₱7,314,265
	Divided by: Average total equity	<b>331,279,152</b>	322,172,441
	Return on Equity	<b>3.76%</b>	2.27%
Return on Assets	Net income	<b>₱12,454,481</b>	₱7,314,265
	Divided by: Average total assets	<b>544,838,534</b>	551,897,865
	Return on Assets	<b>2.29%</b>	1.33%
Net Profit Margin	Net income	<b>₱12,454,481</b>	₱7,314,265
	Divided by: Revenue	<b>134,326,979</b>	109,689,357
	Net Profit Margin	<b>9.27%</b>	6.67%

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**  
**SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY**  
**PAR. 7 PART II OF REVISED SRC RULE 68**  
**DECEMBER 31, 2023**

**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	Capital Stock	<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, 2023 is not applicable.*

**TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**

**SCHEDULE G – PROPRIETARY MEMBERSHIP CERTIFICATES**

**DECEMBER 31, 2023**

<i><b>Title of Issue</b></i>	<i><b>Number of proprietary membership certificates authorized</b></i>	<i><b>Number of proprietary membership certificates issued and outstanding as shown under statement of financial position</b></i>	<i><b>Number of proprietary membership certificates reserved for options, warrants, conversion and other rights</b></i>	<i><b>Number of proprietary membership certificates held by related parties</b></i>	<i><b>Directors, officers and employees</b></i>	<i><b>Others</b></i>
Proprietary Membership Certificates	3,000	2,957	–	1,326	11	1,620