

Re: Tagaytay Midlands Golf Club, Inc._SEC Form - 17A_25April2024

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>

Thu 4/25/2024 4:41 PM

To:Kaith Shaira D. Develos <shaira.develos@tagaytayhighlands.com>

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----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

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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 MIDLANDS GOLF CLUB, INC. ("Club")**, with SEC registration number A1997-9196 and principal office at Brgy. Tranca Talisay, Batangas, 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:

IN WITNESS WHEREOF, I have hereunto set my hand this 15 APR 2024.

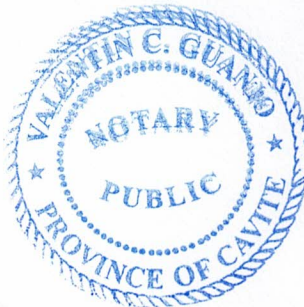


FREDERICK D. DEOCARIZA
Financial Controller

15 APR 2024 **TAGAYTAY CITY**

SUBSCRIBED AND SWORN to before me this _____ in _____ City,
affiant exhibiting to me his _____ as competent evidence
of identity.

Doc. No. 762;
Page No. 78;
Book No. 221;
Series of 2024.



ATTY. VALENTIN C. GUANIO
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

A 1 9 9 7 - 9 1 9 6

S.E.C. Registration Number

T A G A Y T A Y M I D L A N D S
G O L F C L U B , I N C .

(Company's Full Name)

B R G Y . T R A N C A , T A L I S A Y ,
B A T A N G A S

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

Ms. Anna Francesca C. Respicio
Contact Person
(02)8982-9100
Company Telephone Number

1 2 - 3 1
Month Day
Calendar Year

1 7 - A
FORM TYPE

0 5 - 2 5
Month Day
Annual Meeting

N/A
Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.
N/A
Amended Articles Number/Section

3,103
Total No. of Stockholders
Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)
Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Calendar 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 CORPORATION CODE OF THE PHILIPPINES

1. For the Twelve months ended **31 December 2023**
2. SEC Identification Number: **A1997-9196** 3. BIR Tax Identification Number: **005-008-526-000**
4. Exact name of issuer as specified in its charter **Tagaytay Midlands Golf Club, Inc**
5. **Makati, Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
- Brgy. Tranca, Talisay, Batangas** **4220**
Address of principal office Postal Code
- 7.
8. Registrant's telephone number, including area code: **(046) 413-3808**
- NOT APPLICABLE**
9. 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
and Amount of Debt Outstanding</u> |
|----------------------------|--|
| Proprietary Shares | 6,000 |
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: **₱ 3,204,200,000**

**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 Midlands Golf Club, Inc. (Golf Club) was incorporated on June 10, 1997 as an exclusive membership club operating on a non-profit basis. Its primary purpose is to promote social, recreational and athletic activities among its shareholders on a non-profit basis, the nucleus of which will be the construction, development, and maintenance of golf course and other sports and recreational facilities.

The Golf Club entered into a Development Agreement (DA) with Belle Corporation (Belle) for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The project cost in accordance with the amended DA will no less than be P2.65 billion. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progresses will be at a ratio of one club share for every pre-agreed amount of development cost, inclusive of the initial capital contribution. The excess of such development cost over the Golf Club's entire capital stock value shall constitute additional paid-in capital of the Golf Club. As of December 31, 2022, the Golf Club has a 27-hole championship golf course.

For the development of the Golf Club's golf course, Belle Corporation (Belle), as the developer thereof, has contracted the American golf architect, Richard Bigler, to design the Golf Club's all-weather golf course. Given the Golf Club's gentler terrain, Bigler designed the golf course as a walking course, designed for normal golf from the front tees yet suitable for top-level international tournament play from the tournament tees.

The degree of competition in the industry varies considerably by sector and geography. Belle, the Golf Club's developer, competes with other developers for purchase of land. Although there are other clubs engaged in the same line of business as the Golf Club, such clubs do not have the facilities being offered by the Golf Club such as the country's first Funicular System, an all-weather and world-class championship golf course which features a two-hectare man-made lake and a golf clubhouse with an unobstructed view of the majestic Taal Volcano. One of the highlights of being a member at the Golf Club is the reciprocity arrangement with Tagaytay Highlands. The Golf Club members are entitled to the use of Tagaytay Highlands facilities and vice versa.

The Golf Club started commercial operations on April 16, 2000. The 5,829 sq. m. Golf Clubhouse, which opened to the members in November 1999, houses the 70-seater Golfer's Lounge which is exclusive for golfers only; The Veranda, a 170-seater restaurant serving continental and Filipino cuisine, overlooking the majestic Taal Lake; a pro shop; and male & female locker rooms equipped with steam and massage rooms.

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 may not readily find a counterparty for the transaction at the desired asking price. At present, there is a growing number of golf and country clubs being established in various parts of the country. This may affect appreciation in the value of investment in the Golf 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 has the only funicular system in the Philippines which has 48 seats.

Sources and availability of raw materials

The Golf Club's principal suppliers include The Turf Company, Kart Plaza, and VMJ Global Trading Inc. There are no existing major supply contracts entered into by the Club.

Transactions with and/or dependence on 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 impairment losses 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.

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 employees as follows:

Regular Employees*

GM & Department Heads	22
Supervisors	36
Rank and File	<u>29</u>
Total	<u>87</u>

All regular rank and file employees are subject to the Collective Bargaining Agreement which expires in June 30, 2024.

(* 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.

Item 2. Properties

The Golf Club is located in Tranca, Talisay, Batangas. The Club has complete rights and substantial ownership over the property. In addition, certain transportation equipment of the Golf Club are mortgaged as a security for the Golf Club's loans payable. There are no limitations as to the ownership brought about by the terms and conditions of any encumbrances.

The principal properties include the 27-hole golf course incorporating a man-made lake, the Golf Clubhouse which houses two restaurants, a pro shop and Administrative Offices, and the 48-seater funicular system.

Item 3. Legal Proceedings

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

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

During the fourth quarter of the 2023 calendar/fiscal 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 Club:

1. Hans T. Sy
2. Willy N. Ocier
3. Jerry C. Tiu
4. Shirley C. Ong
5. Jacinto C. Ng, Jr.
6. Ruben C. Tan (independent)
7. Sergio C. Yu (independent)

All items were affirmatively voted upon (no negative votes and no abstentions) by 3,585 stockholders, representing 63.33% of all stockholders in good standing and entitled to vote. No other matter were 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 6,000 authorized and subscribed proprietary shares, of which 59.17% is owned by Belle Corporation and the remaining shares are owned by other club members. There are 3,103 holders of the Golf Club's proprietary shares.

The top shareholders are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES	%
Belle Corporation	3,550	59.17%
Highlands Prime, Inc.	43	0.72%
Klaas Holdings Corp.	5	0.08%
Northwest Development Corporation	5	0.08%
Solid Manila Corp.	4	0.07%
Tiu, Jerry C.	4	0.07%
Lancor Realty & Development Corp.	3	0.05%
Ajinomoto Philippines Corp.	3	0.05%
Nikkoshi Philippines Corp.	3	0.05%
Others	2,380	39.67%
Grand Total	6,000	100.00%

Market Value of Security

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

	HIGH	LOW
Quarter ended March 2021	650,000	650,000
Quarter ended June 2021	650,000	650,000
Quarter ended September 2021	900,000	700,000
Quarter ended December 2021	950,000	700,000
Quarter ended March 2022	1,300,000	1,300,000
Quarter ended June 2022	1,800,000	1,500,000
Quarter ended September 2022	1,500,000	1,500,000
Quarter ended December 2022	1,500,000	1,500,000
Quarter ended March 2023	1,500,000	1,500,000
Quarter ended June 2023	1,850,000	1,500,000
Quarter ended September 2023	1,850,000	1,850,000
Quarter ended December 2023	1,850,000	1,850,000

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

Dividends

The Golf Club does not declare dividends. 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 asset of the Golf Club at the time of the dissolution or liquidation of the Golf Club.

Recent Sales of Unregistered or Exempt Securities

All the Golf Club's securities are registered under the Securities Regulation Code. The Golf Club issued 587 shares to Belle for the construction and development costs of the additional nine holes. Moreover, there was no sale of reacquired securities, 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

Revenues for the year ended December 31, 2023 increased by ₱18.55 million or 26.08% from ₱71.14 million for the year ended December 31, 2022 to ₱89.69 million for the same period in 2023. This is mainly due to the following:

Green Fees

The Golf Club's green fees recorded an increase of ₱ 13.69 million or 49.73% from ₱27.53 million in 2022 to ₱41.22 million in 2023, as a result of higher patronage and increased in green fee rate.

Food, beverage and sundries

Food, beverage, and sundry increased by ₱2.53 million or 11.64% from ₱21.78 million in 2022 to ₱24.31 million in 2023.

Golf cart and Locker rental

The Golf Club's revenue from golf cart and locker rental showed an increase of ₱2.21 million or 11.20% from ₱19.76 million in 2022 to ₱21.97 million in 2023.

Other Revenues

Other revenue increased by ₱0.11 million from ₱2.07 million for the year 2022 to ₱2.18 million for the year 2023.

COST AND EXPENSES

The cost and expenses showed an increase of ₱30.18 million or 12.07% from ₱250.09 million for the year ended December 31, 2022 to ₱280.27 million for the year ended December 31, 2023, as a result of higher volume of business activities.

Cost of Sales

The Golf Club's cost of sales for the year ended December 31, 2023 showed an increase of ₱2.51 million or 11.46% from ₱21.9 million in 2022 to ₱24.4 million in 2023.

Cost of Services

Cost of services increased by ₱24.99 million or 12.85%, from ₱194.39 million in 2022 to ₱219.38 million for the year ended December 31, 2023.

General and Administrative expenses

The Golf Club recorded general and administrative expenses of ₱36.49 million, an increase of ₱2.69 million or 7.95% from ₱33.8 million for the year ended December 31, 2022, mainly due to increase in outside services and depreciation expense amounting to ₱1.17 million and ₱0.63 million, respectively.

OTHER INCOME (CHARGES)

Interest Income

The Golf Club's interest income showed an increase of ₱10.8 million or 418.90% from ₱2.58 million as of December 31, 2022 to ₱13.38 million for the year ended December 31, 2023, due to interest earned in savings and time deposit account.

Interest Expense

The Golf Club's increased interest expense of ₱0.10 million for the year ended December 31, 2023, due to car loan monthly amortization.

Other Income - net

The Golf Club's other income recorded an increase of ₱11.34 million or 44.88% from ₱25.27 million for the year 2022 to ₱36.62 million for the year 2023, mainly due to increase in membership transfer fee.

MEMBERS' SUPPORT

Membership dues decreased by ₱0.65 million or 0.35% from ₱188.56 million for the year 2022 to ₱187.90 million for the year ended December 2023, mainly due to the decrease of active members.

PROVISION FOR INCOME TAX

Provision for deferred income tax decreased by ₱0.16 million or 22.81% from ₱0.69 million for the year ended December 31, 2022 to ₱0.53 million in December 31, 2023.

NET INCOME

The Club's operation in 2023 resulted to a net income of ₱46.68 million as compared to 2021 net income of ₱36.77 million.

December 2022 compared to December 2021

REVENUES

Revenues for the year December 31, 2022 increased by ₱12.68 million or 21.69% from ₱58.46 million for the year ended December 31, 2021 to ₱71.14 million for the same period in 2022. This is mainly due to the following:

Green Fees

The Golf Club's green fees recorded an increase of ₱ 6.8 million or 33.03% from ₱20.7 million in 2021 to ₱27.5 million in 2022.

Food, beverage and sundries

Food, beverage, and sundry increased by ₱3.2 million or 17.23% from ₱18.58 million in 2021 to ₱21.78 million in 2022.

Golf cart and Locker rental

The Golf Club's revenue from golf cart and locker rental showed an increase of ₱1.78 million from ₱17.98 million for the year 2021 to ₱19.76 million for the year 2022.

Other Revenues

Other revenue increased by ₱0.87 million from ₱1.21 million for the year 2021 to ₱2.10 million for the year 2022.

COST AND EXPENSES

The cost and expenses showed an increase of ₱10.03 million or 4.18% from ₱240.06 million for the year ended December 31, 2021 to ₱250.09 million for the year ended December 31, 2022, due to high volume of business as a result of the lifting of community quarantine in March 2022.

Cost of Sales

The Golf Club's cost of sales for the year ended December 31, 2022 showed an increase of ₱5.23 million or 31.39% from ₱16.66 million in 2021 to ₱21.9 million in 2022.

Cost of Services

Cost of services increased by ₱1.66 million or 0.86%, from ₱192.73 million in 2021 to ₱194.39 million for the year ended December 31, 2022.

General and Administrative expenses

The Golf Club recorded general and administrative expenses of ₱33.8 million, an increase of ₱3.13 million or 10.22% from ₱30.66 million for the year ended December 31, 2021. This is mainly due to increase in personnel cost and bank charges amounting to ₱1.45 million and ₱0.51 million, respectively.

OTHER INCOME (CHARGES)**Interest Income**

The Golf Club's interest income showed an increase of ₱2.17 million or 534.21% from ₱0.41 million as of December 31, 2021 to ₱2.58 million for the year ended December 31, 2022.

Other Income - net

The Golf Club's other income recorded an increase of ₱0.62 million or 2.52% from ₱24.65 million for the year 2021 to ₱25.27 million for the year 2022.

MEMBERS' SUPPORT

Membership dues increased by ₱1.25 million or 0.67% from ₱187.31 million for the year 2021 to ₱188.56 million for the year ended December 2022 due to activation of membership for the year.

PROVISION FOR INCOME TAX

Provision for income tax-deferred decreased by ₱0.75 million or 52.23% from ₱1.45 million for the year ended December 31, 2021 to ₱0.69 million in December 31, 2022.

NET INCOME

The Club's operation in 2022 resulted to a net income of ₱36.77 million as compared to 2021 net income of ₱29.32 million.

Financial Condition and Changes in Financial Condition

December 2023 compared to December 2022

ASSETS

The Golf Club has total assets of ₱1.93 billion as of December 31, 2023 as compared to ₱1.86 billion as of December 31, 2022, an increase of ₱74 million or 4%. The Golf Club has a current ratio of ₱3.93 for each peso of current liabilities as of December 31, 2023 as compared to ₱4.18 as of December 31, 2022.

Cash and Cash equivalents

Cash and cash equivalents increased by ₱102.53 million or 29.63% from ₱346.03 million as of December 31, 2022 to ₱448.56 million as of December 31, 2023 due to the net cash provided by operating activities of ₱148.04 million and net cash used in investing activities of ₱44.66 million.

Trade and Other receivables

Receivables decreased by ₱41.31 million or 28.02% from ₱147.44 million as of December 31, 2022 to ₱106.12 million as of December 31, 2023 which was the result of decrease in receivables from related parties by ₱39.14 million or 45.53% from ₱85.95 million in 2022 to ₱46.82 million in 2023, and receivables from members by ₱3.62 million or 6.57% from ₱55.01 million in 2022 to ₱51.40 million in 2023.

Inventories

Inventories increased by ₱0.004 million or 2.32% from ₱0.190 million as of December 31, 2022 to ₱0.194 million as of December 31, 2023 due to increase in supplies.

Other Current Assets

Other current assets increased by ₱9.83 million or 16.01% from ₱61.13 million in 2022 to ₱70.96 million in 2023. The increase is mainly due to deferred input VAT amounting to ₱5.56 million and creditable withholding tax amounting to ₱2.14 million.

Property and Equipment – Net

Property and equipment increased by ₱14.60 million or 1.14% from ₱1.28 billion as of December 31, 2022 to ₱1.30 billion as of December 2023, due to accumulated depreciation charges of ₱50.41 million or 3.82%. There were additions to land, buildings and improvements by ₱37.64 million or 1.92%, transportation equipment by ₱14.88 million or 62.19%, facilities and equipment by ₱12.96 million or 2.20%, furniture, fixtures and equipment by ₱1.98 million or 9.88% and operating equipment by ₱0.91 million or 10.98%.

Net Retirement Asset

Net retirement asset showed an increase of ₱3.67 million or 135.93% as of December 31, 2023, mainly due to contributions made to the retirement fund.

Other Noncurrent Assets

The decrease in noncurrent assets is mainly due to the decrease in advances to contractors and suppliers by ₱13.85 million or 93.19% from ₱14.86 million in 2022 to ₱1.01 million in 2023.

LIABILITIES

Total liabilities increased by ₱28.73 million or 21.30% from ₱134.88 million as of December 31, 2022 to ₱163.60 million as of December 31, 2023, mainly due to mortgage payable amounting to ₱4.61 million and increase in trade and other payables by ₱24.66 million or 18.58% which mainly pertains to increase in trade payables of ₱17.06 million.

Trade and Other Payables

Trade and other payables increased by ₱24.63 million or 18.58% from ₱132.74 million as of December 31, 2022 to ₱157.41 million as of December 31, 2023, mainly due to increase in trade payables by ₱17.06 million or 37.94%, accrued expenses by ₱4.53 million or 100.77%, retention payable by ₱3.86 million or 188.91%, payable to concessionaires by ₱2.84 million or 131.73%, and refundable deposits by ₱0.69 million or 7.84%. On the other hand, there is a decrease in auctioned membership liability by ₱4.51 million or 30.20%, and membership dues collected in advance by ₱1.08 million or 2.16%.

MEMBERS' EQUITY

Members' equity increased by ₱45.30 million or 2.63% from ₱1.72 billion as of December 31, 2022 to ₱1.77 billion as of December 31, 2023 which is mainly due to net income recognized during the year.

December 2022 compared to December 2021

ASSETS

The Golf Club has total assets of ₱1.86 billion as of December 31, 2022 as compared to ₱1.79 billion as of December 31, 2021, an increase of ₱65.14 million or 3.64%. The Golf Club has a current ratio of ₱4.18 for each peso of current liabilities as of December 31, 2022 as compared to ₱4.54 as of December 31, 2021.

Cash and Cash equivalents

Cash and cash equivalents increased by ₱130.22 million or 60.34% from ₱215.81 million as of December 31, 2021 to ₱346.03 million as of December 31, 2022 due to the net cash provided by operating activities of ₱168.16 million and net cash used in investing activities of ₱38.05 million

Trade and Other receivables

Receivables decreased by ₱63.06 million or 29.96% from ₱210.49 million as of December 31, 2021 to ₱147.44 million as of December 31, 2022 which was the result of decrease in receivables from related parties by ₱54.21 million or 38.68% from ₱140.17 million in 2021 to ₱85.95 million in 2022, other nontrade receivables of ₱6.97 million or 67.87% from ₱10.27 million in 2021 to ₱3.30 million in 2022, and receivables from members by ₱4.61 million or 7.73% from ₱59.63 million in 2021 to ₱55.01 million in 2022.

Inventories

Inventories decreased by ₱0.01 million or 7.06% from ₱0.20 million as of December 31, 2021 to ₱0.19 million as of December 31, 2022 due to decrease in supplies.

Other Current Assets

Other current assets increased by ₱8.13 million or 15.35% from ₱52.99 million in 2021 to ₱61.13 million in 2022. The increase is mainly due to deferred input VAT amounting to ₱4.15 million and creditable withholding tax amounting to ₱2.74 million.

Property and Equipment – Net

Property and equipment decreased by ₱23.76 million or 1.82% from ₱1.31 billion as of December 31, 2021 to ₱1.28 billion as of December 2022, due to depreciation charges of ₱50.57 million or 3.98%. There were additions to facilities and equipment amounting to ₱13.51 million or 2.35%, transportation equipment by ₱3.88 million or 19.37%, land, buildings and improvements by ₱2.76 million or 0.14%, office, furniture, fixtures and equipment by ₱2.45 million or 13.90% and operating equipment by ₱0.06 million or 0.79%.

Net Retirement Asset

Net retirement asset showed an increase of ₱2.70 million or 100% as of December 31, 2022, mainly due to contributions made to the retirement fund.

Other Noncurrent Assets

The increase in noncurrent assets is mainly due to the increase in deposit to contractors & suppliers by ₱12.68 million or 679.73% from ₱2.19 million in 2021 to ₱14.86 million in 2022.

LIABILITIES

Total liabilities increased by ₱27.68 million or 25.83% from ₱107.20 million as of December 31, 2021 to ₱134.88 million as of December 31, 2022, mainly due to increase in deferred tax liabilities amounting to ₱0.69 million or 47.77% and increase in trade and other payables by ₱27.04 million or 25.58% which mainly pertains to increase in trade payables of ₱16.50 million.

Trade and Other Payables

Trade and other payables increased by ₱27.04 million or 25.58% from ₱105.70 million as of December 31, 2021 to ₱132.74 million as of December 31, 2022, mainly due to increase in trade payables by ₱16.50 million or 58.42%, membership dues collected in advance by ₱6.84 million or 15.78%, auctioned membership liability by ₱3.90 million or 35.33%, refundable deposits by ₱1.62 million or 22.04%, concessionaires by ₱0.45 million or 26.71%, retention payable by ₱0.35 million or 20.87%, unclaimed gift certificate by ₱0.30 million or 50.84%. On the other hand, there is a decrease in nontrade payables by ₱1.62 million or 48.34%, accrued expenses by ₱1.43 million or 25% and decreased in statutory payables by ₱0.02 million or 0.71%.

Net Retirement Liability

Net retirement liability showed a decrease of ₱0.04 million or 100% as of December 31, 2022.

MEMBERS' EQUITY

Members' equity increased by ₱37.45 million or 2.22% from ₱1.68 billion as of December 31, 2021 to ₱1.72 billion as of December 31, 2022 which is mainly due to net income recognized during the year.

Schedule of Financial Soundness Indicators

Tagaytay Midlands Golf Club, Inc.
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	Current assets over current liabilities	3.93 : 1.00	4.18 : 1.00	4.54 : 1.00
Acid-test ratio	Quick assets*** over current liabilities	3.48 : 1.00	3.72 : 1.00	4.03 : 1.00
Solvency ratio	Net income(loss) before depreciation over total liabilities	59.52%	65.00%	75.84%
Total liabilities to equity ratio	Total liabilities over total members' equity	0.09 : 1.00	0.08 : 1.00	0.06 : 1.00
Asset-to-equity ratio	Total assets over total members' equity	1.09 : 1.00	1.08 : 1.00	1.06 : 1.00
Interest rate coverage ratio	Income from operations before depreciation over interest expense	n/a	n/a	n/a
Net Profit Margin	Net income/loss over total revenue	52.04%	51.69%	11.93%
Return on equity	Net income (loss) over ave. members' equity	2.68%	2.16%	1.76%

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 MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

1. The Golf Club's financial report is in compliance with Philippine Financial Reporting Standards. 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 business combination under PFRS 3.

10. The Golf Club applied 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 applied 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 sheet as of December 31, 2023 and December 31, 2022, and the related statements of revenues and expenses and cash flows for each of the three years in 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

There have been no disagreements with any accountant or any matter of accounting principles or practices, financial statement disclosure or auditing scope of procedure.

Independent Public Accountants, External Audit Fees and Services

Reyes Tacandong & Co. ("RT&Co") is the Company's external auditor for 2023. Representatives of RT&Co are expected to be present at the 2024 Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

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

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

The Company paid RT & Co. ₱300,000 for external audit services for 2023 and ₱284,000 for 2022. For each of the last two (2) fiscal years, RT&Co. did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

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

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The following are the incumbent Directors and Executive Officers of the Golf Club

NAME	NATIO- NALITY	POSITION	AGE	TERM OF OFFICE
Willy N. Ocier	Filipino	Chairman	67	1992 to present
Hans T. Sy	Filipino	Director	68	1992 to present
Jerry C. Tiu	Filipino	President	66	2001 to present
Shirley C. Ong	Filipino	Director	62	2010 to present
Jacinto C. Ng, Jr.	Filipino	Director	54	2001 to present
Ruben C. Tan	Filipino	Independent Director	68	2023 to present
Sergio C. Yu	Filipino	Independent Director	66	2021 to Present
Manuel A. Gana	Filipino	Vice President / Treasurer	66	2000 to present
Anna Francesca C. Respicio	Filipino	Corporate Secretary	37	2021 to present
Maria Clara T. Kramer	Filipino	General Manager	62	2010 to present

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

WILLY N. OCIER

Mr. Willy N. Ocier, 67, Filipino, is the Chairman of the Board of the Golf Club. He is also the Vice Chairman of the Board of the Tagaytay Highlands International 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 PremiumLeisure 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.

HANS T. SY

Mr. Hans T. Sy, 68, Filipino, is a Director of the Golf Club since 1992. He is the Chairman of the Board of the Tagaytay Highlands International 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.

JERRY C. TIU

Mr. Tiu, 66, Filipino, is the President of Tagaytay Midlands Golf Club, Inc., as well as Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands Inc., and The Spa and Lodge at Tagaytay Highlands, Inc., since year 1999 up to present. He is also the President and Director of Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Condominium Community Association, Inc., and Greenlands Community Homeowners Association, Inc. He is also the Vice-President and Director of The Highlands Prime Community Homeowners Association, Inc., The HPI's Horizon Community Condominium Owners' Association, Inc., and The Hillside at Tagaytay Highlands Community Homeowners' Association, Inc. He is an Independent Director of APC Group, Inc. and Premium Leisure Corp since 2021. He is also the former Director of Manila Polo Club from year 1996 to 1998.

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

SHIRLEY C. ONG

Ms. Ong, 62, Filipino, is a Director of the Club (since January 2010). She is a former Senior Vice President and the COO for Operations of Highlands Prime, Inc. (HPI) (Jan 2010-May 2013), former Senior Vice President of SM Land (May 2013-Oct 2013), former Senior Vice President of SM Prime Holdings Inc. for Residential Leisure (Oct 2013-May 2016) and currently, the Executive Vice President from May 2016 up to present. Before joining the Company, she was First Vice President for Business Development of Filinvest Alabang, Inc. (1995-2010). She brings with her over 27 years of experience, 21 years of which has been in various areas of real estate from city development, office/residential, high-rise development, residential village development including finance, marketing, sales and property management.

She earned her degree in Bachelor of Arts, Major in Economics from University of Sto. Tomas (Class of 1983) where she graduated as Cum Laude.

JACINTO C. NG, JR.

Mr. Jacinto C. Ng, Jr., 54, Filipino, is a Director of Tagaytay Midlands Golf Club, Inc. He is a Non-Executive Director of Belle Corporation since August 2000, a member of the Executive Committee, Audit Committee, and Risk Oversight Committee of Belle Corporation.

He is the Group Executive Officer of the Joy~Nostalg Group, chairman of the Joy~Nostalg Foundation, a member of the Rebisco Foundation, XS86 Men for Others Foundation, Xavier School Educational Trust Fund and Xavier School Inc.'s Board of Trustees.

Mr. Ng, Jr. holds a Bachelor of Science degree in Architecture from the University of the Philippines.

SERGIO C. YU – Independent Director

Mr. Sergio C. Yu, 66, Filipino, is currently a Chief Executive Officer (CEO) and President of Hyundai Elevator Services Philippines from September 14, 1993 to present and Hyco Industrial Sales Corporation – the exclusive distributor and after sales provider of Hyundai Elevators & Escalators from July 6, 1989 to present. He is also the Managing Director of Twingates Corporation and Managing Director at the University Athletic Association of the Philippines ("UAAP").

Mr. Yu graduated college from Far Eastern University, year 1975.

RUBEN C. TAN – Independent Director

Mr. Ruben C. Tan, 68, is currently an Independent Director of Tagaytay Midlands Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc. He is the President of Glendale Mining & Development Corporation since 1997, Citimex, Inc. since 1984, Cedarside Industries, Inc. since 1996 and Barrington Carpets, Inc. since 1989. He likewise holds directorships in Blue Ridge Mineral Corporation since 2012, Eagle Crest Mining & Development Corporation since 2012, RJT Ramipaan Holdings, Inc. since 2011, RCHAMPS Realty Corporation since 2009, MIGWINS Realty Corporation since 2009, MAGADEV Properties, Inc. since 2002 and JESSALEX, Inc. since 2000. He is also a Corporate Secretary of CWC-Prime Industries Corporation since 2012, Tile Trends, Inc. since 2000 and Prime Floorcoverings Incorporated since 1994.

Mr. Tan holds a Bachelor of Science degree in Mechanical Engineering from the De La Salle University obtained in 1978.

Principal Officers

ANNA FRANCESCA C. RESPICIO

Atty. Respicio, 38, Filipino, is the Corporate Secretary of the Club. She also serves as Corporate Secretary of Tagaytay Highlands International 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), Jolliville Holdings Corporation (2014 to date), Discovery World Corporation (2017 to date), and Sterling Bank of Asia, Inc. (A Savings Bank) (2018 to date).

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

MANUEL A. GANA

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

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

MARIA CLARA T. KRAMER

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

Significant Employee

The Golf Club has no significant employees.

Family Relationship

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

Involvement in Certain Legal Proceedings

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

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

Item 10. Executive Compensation

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

Annual Compensation

Named Group:

Name and Principal Position	Year	Salary (Php)	Bonus (Php)
Jerry C. Tiu (President)	2020		
	2021		
	2022		
Maria Clara T. Kramer (General Manager)	2020		
	2021		
	2022		
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/BENEFICIAL OWNER	AMOUNT AND NATURE OF RECORD/BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Proprietary share	Belle Corporation* 5 th Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex, CBP 1-A, Pasay City 1300, Philippines	3,550 shares	59.17%

*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	NUMBER OF STOCKS
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 Investment Corp.	Common	531,320,577
6	Social Security System	Common	442,402,786
7	Jacinto C. Ng Jr.	Common	135,860,666
8	Eastern Securities Dev. Corp.	Common	111,730,866
9	Premium Leisure Corp. (former 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 Ng, Jr. &/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	Willy N. Ocier [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Hans T. Sy [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Jerry C. Tiu [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Jacinto C. Ng, Jr. [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Shirley C. Ong [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Sergio C. Yu [REDACTED] [REDACTED]	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Ruben C. Tan [REDACTED] [REDACTED]	1 share/Beneficial	Filipino	0.02%
Aggregate Security Ownership of Directors and Officers		7 shares		0.14%

(3) Voting Trust Holders of 5% or more

The Corporation is not aware of any person holding more than 5% of the shares of the Corporation under a voting trust or similar agreement.

(4) Changes in Control

From its incorporation to date there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

Item 12. Certain Relationships and Related Transactions

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

Belle Corporation owns 3,550 shares or 59.17% 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 Company. The Club believes that corporate governance, the framework of rules, systems, and processes governing the performance of the Board of Directors and Management of their respective duties and responsibilities, and from which the organization's values and ethics emerge, is of utmost importance to the Club's shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government, and community in which operates. The Club undertakes every effort possible to create awareness throughout the entire organization.

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

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

As proof of compliance with leading practices and principles of Good Governance, the Club has formally adopted a manual on Corporate Governance and submits to SEC its Annual Corporate Governance Reports.

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 in 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

Exhibit "D"	Financial Statements (meeting the requirements of RSA Rule 48-1)
Exhibit "E"	Indebtedness to Unconsolidated Subsidiaries and Related Parties
Exhibit "F"	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 Security Regulation Code:

Date of Report	Information
24 August 2023	2023 Annual Stockholders Meeting Schedule and Record Date
10 October 2023	Results of 2023 Annual Stockholders Meeting 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:

[REDACTED]

JERRY C. TIU
Director / President

[REDACTED]

MARIA CLARA T. KRAMER
General Manager

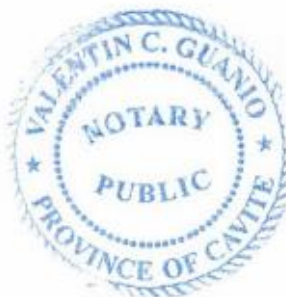
[REDACTED]

FREDERICK D. DEOCARIZA
Financial Controller

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

Doc. No. 25;
Page No. 6;
Book No. 222
Series of 2024.



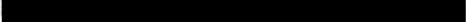

ATTY. VALENTIN C. GUANIO
JP Rizal Avenue, Kardsok North Tagaytay City
Commission Expires on DECEMBER 31, 2024
PTR No. 5649295/January 2, 2024
ROLL No. 22908
IBP LIFETIME RES. NO. 02892
MCLE COMPLIANCE NO. VII-0016975

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. 4;
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, Teklita 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 MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

Page No.

Financial Statements

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, December 31, 2022 and December 31, 2021
Statements of Changes in Members' Equity
 For the years ended December 31, 2023, December 31, 2022 and December 31, 2021
Statements of Cash Flows
 For the years ended December 31, 2023, December 31, 2022 and December 31, 2021
Notes to Financial Statements

Supplementary Schedules

Independent Auditor's Report on Supplementary Schedules

Supplementary Schedules Required by Annex 68-J

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	Attached
E.	Indebtedness to Related Parties	NA
F.	Guarantees of Securities of Other Issuers	NA
G.	Capital Stock	Attached

TAGAYTAY MIDLANDS GOLF CLUB, INC.
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
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 does not have financial assets that constitute five percent (5%) or more of the total current assets.		

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		Current	Non-Current	Balance as at December 31, 2023
			Amount Collected	Amount Written Off			
Advances to officers and employees	P-	P-	P-	P-	P-	P-	P-

There are no receivables which are considered outside of the Golf Club's ordinary course of business as at December 31, 2023.

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		Current	Non- Current	Balance as at December 31, 2023
			Amount Collected	Amount Written Off			
Not Applicable: The Golf Club does not prepare consolidated financial statements as at December 31, 2023.							

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
Mortgage Payable	₱ 5,438,000	₱ 1,782,667	₱ 2,822,556

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

Name	Balance, January 1, 2023	Balance, December 31, 2023
N/A	N/A	N/A

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

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
Not Applicable: The Golf Club has no guarantees of securities of other issuers as at December 31, 2023.				

Schedule G - Capital Stock
December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related parties	Directors, Officers and Employees	Others
Common	6,000	6,000	–	3,550	7	2,443

TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

INDEX TO EXHIBITS

FORM 17-A

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

-



Midlands Golf Club Tagaytay <tagaytay.midlandsgolf@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>

Sat, Apr 20, 2024 at 2:12 PM

To: TAGAYTAY.MIDLANDSGOLF@gmail.com
[REDACTED]

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

Valid files

- EAFS005008526TCRTY122023-01.pdf
- EAFS005008526ITRTY122023.pdf
- EAFS005008526RPPTY122023.pdf
- EAFS005008526TCRTY122023-03.pdf
- EAFS005008526TCRTY122023-02.pdf
- EAFS005008526AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-4RP31PPW03RV2VQM1MZ4STMRV0Q4PS43ZT**Submission Date/Time: **Apr 20, 2024 02:12 PM**Company TIN: **005-008-526**

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 Midlands 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.



Willy N. Ocier
Chairman of the Board



Jerry C. Tiu
President



Maria Clara T. Kramer
General Manager



Frederick D. Deocariza
Financial Controller


Signed this _____ day of 15 APR 2024, 2024.

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

NAME	Competent Evidence of Identity	Expiry Date	Place of Issue
WILLY N. OCIER	██████████ ██████████	██████████	██████████
JERRY C. TIU	██████████ ██████████	██████████	██████████
MARIA CLARA T. KRAMER	██████████ ██████████	██████████	██████████
FREDERICK D. DEOCARIZA	████████████████████ ████████████████████	██████████	

Doc. No. 749;
Page No. 74;
Book No. 221;
Series of 2221.




ATTY. VALENTIN C. GUANIO
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



INDEPENDENT AUDITORS' REPORT

The Members and the Board of Directors
Tagaytay Midlands Golf Club, Inc.
Barangay Tranca
Talisay, Batangas

Opinion

We have audited the financial statements of Tagaytay Midlands 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 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 the 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 MIDLANDS GOLF CLUB, INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents	4	P448,556,287	P346,029,600
Trade and other receivables	5	106,123,732	147,437,776
Inventories		194,560	190,156
Other current assets	6	70,960,635	61,132,267
Total Current Assets		625,835,214	554,789,799
Noncurrent Assets			
Property and equipment	7	1,295,969,434	1,281,368,208
Net retirement asset	17	6,369,528	2,699,706
Other noncurrent assets	8	1,606,204	16,897,547
Total Noncurrent Assets		1,303,945,166	1,300,965,461
		P1,929,780,380	P1,855,755,260
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	P157,407,318	P132,744,412
Current portion of mortgage payable	10	1,782,667	–
Total Current Liabilities		159,189,985	132,744,412
Noncurrent Liabilities			
Mortgage payable - net of current portion	10	2,822,556	–
Deferred tax liabilities	19	1,592,382	2,135,436
Total Noncurrent Liabilities		4,414,938	2,135,436
Total Liabilities		163,604,923	134,879,848
Equity			
Proprietary membership certificates	12	532,500,000	532,500,000
Additional paid-in capital	12	1,810,633,418	1,810,633,418
Deficit		(573,730,213)	(620,406,478)
Cumulative remeasurement loss on net retirement asset	17	(3,227,748)	(1,851,528)
Total Equity		1,766,175,457	1,720,875,412
		P1,929,780,380	P1,855,755,260

See accompanying Notes to Financial Statements.

TAGAYTAY MIDLANDS GOLF CLUB, INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2023	2022	2021
REVENUES				
Green fees		₱41,222,164	₱27,531,433	₱20,696,020
Food, beverage and sundries		24,314,509	21,780,322	18,578,852
Golf cart and locker rental		21,970,491	19,757,026	17,977,726
Others		2,181,670	2,070,320	1,205,211
		89,688,834	71,139,101	58,457,809
COSTS AND EXPENSES				
Cost of sales	14	24,404,658	21,895,541	16,664,635
Cost of services	14	219,381,522	194,394,492	192,732,974
General and administrative expenses	15	36,485,742	33,798,191	30,664,342
		280,271,922	250,088,224	240,061,951
OTHER INCOME (CHARGES) – NET				
Interest income	4	13,376,616	2,577,862	406,465
Interest expense	10	(103,818)	–	–
Other income - Net	16	36,615,084	25,273,408	24,651,469
		49,887,882	27,851,270	25,057,934
DEFICIENCY OF REVENUES OVER COSTS AND EXPENSES BEFORE MEMBERS' SUPPORT				
		(140,695,206)	(151,097,853)	(156,546,208)
MEMBERS' SUPPORT				
Membership dues		187,904,333	188,557,234	187,309,667
EXCESS OF REVENUES AND MEMBERS' SUPPORT OVER COSTS AND EXPENSES				
		47,209,127	37,459,381	30,763,459
PROVISION FOR DEFERRED INCOME TAX	19	532,862	690,326	1,445,110
NET INCOME		46,676,265	36,769,055	29,318,349
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item not to be reclassified to profit or loss -</i>				
Remeasurement gain (loss) on net retirement asset/liability	17	(1,376,220)	683,496	322,625
TOTAL COMPREHENSIVE INCOME		₱45,300,045	₱37,452,551	₱29,640,974
BASIC AND DILUTED INCOME PER PROPRIETARY MEMBERSHIP CERTIFICATE				
	13	₱7,779	₱6,128	₱4,886

See accompanying Notes to Financial Statements.

TAGAYTAY MIDLANDS GOLF CLUB, INC.
STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2023	2022	2021
PROPRIETARY MEMBERSHIP CERTIFICATES	12	₱532,500,000	₱532,500,000	₱532,500,000
ADDITIONAL PAID-IN CAPITAL	12	1,810,633,418	1,810,633,418	1,810,633,418
DEFICIT				
Balance at beginning of year		(620,406,478)	(657,175,533)	(686,493,882)
Net income		46,676,265	36,769,055	29,318,349
Balance at end of year		(573,730,213)	(620,406,478)	(657,175,533)
CUMULATIVE REMEASUREMENT LOSS ON NET RETIREMENT ASSET	17			
Balance at beginning of year		(1,851,528)	(2,535,024)	(2,857,649)
Remeasurement gain (loss)		(1,376,220)	683,496	322,625
Balance at end of year		(3,227,748)	(1,851,528)	(2,535,024)
		₱1,766,175,457	₱1,720,875,412	₱1,683,422,861

See accompanying Notes to Financial Statements.

TAGAYTAY MIDLANDS GOLF CLUB, INC.

STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenues and members' support over costs and expenses		₱47,209,127	₱37,459,381	₱30,763,459
Adjustments for:				
Depreciation and amortization	7	50,696,772	50,899,358	51,973,634
Interest income	4	(13,376,616)	(2,577,862)	(406,465)
Retirement expense	17	1,839,232	2,199,441	2,194,620
Reversal of allowance for ECL	5	(808,298)	—	—
Reversal of accruals	16	(787,105)	(387,794)	(587,104)
Interest expense	10	103,818	—	—
Unrealized foreign exchange loss (gain)	16	6,633	(116,663)	(55,069)
Operating income before working capital changes		84,883,563	87,475,861	83,883,075
Decrease (increase) in:				
Trade and other receivables		42,830,279	63,423,182	(19,497,210)
Inventories		(4,404)	14,437	109,542
Other current assets		(7,686,180)	(5,398,169)	9,812,240
Increase in trade and other payables		25,450,011	27,427,377	20,618,841
Net cash generated from operations		145,473,269	172,942,688	94,926,488
Interest received		12,668,679	2,210,198	381,119
Retirement benefits paid	17	(4,270,674)	(570,285)	(574,655)
Contributions to the retirement plan	17	(3,690,516)	(3,690,516)	(7,237,148)
Income tax paid		(2,142,188)	(2,735,319)	(292,898)
Net cash provided by operating activities		148,038,570	168,156,766	87,202,906
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	7	(59,666,983)	(26,809,319)	(11,085,820)
Decrease (increase) in other noncurrent assets		15,008,328	(11,240,819)	(147,506)
Net cash used for investing activities		(44,658,655)	(38,050,138)	(11,233,326)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Mortgage	10	(742,777)	—	—
Interest	10	(103,818)	—	—
Cash used for financing activities		(846,595)	—	—
NET INCREASE IN CASH AND CASH EQUIVALENTS		102,533,320	130,106,628	75,969,580
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(6,633)	116,663	55,069
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	346,029,600	215,806,309	139,781,660
CASH AND CASH EQUIVALENTS AT END OF YEAR		₱448,556,287	₱346,029,600	₱215,806,309

(Forward)

		Years Ended December 31		
	Note	2023	2022	2021
COMPONENTS OF CASH AND CASH EQUIVALENTS				
	4			
Cash on hand		₱2,506,893	₱2,177,686	₱956,811
Cash in banks		67,702,305	104,615,827	73,818,999
Cash equivalents		378,347,089	239,236,087	141,030,499
		₱448,556,287	₱346,029,600	₱215,806,309
NONCASH FINANCIAL INFORMATION				
Acquisition of property and equipment through mortgage	10	₱5,348,000	₱—	₱—

See accompanying Notes to Financial Statements.

TAGAYTAY MIDLANDS 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

1. Corporate Information

Tagaytay Midlands Golf Club, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 10, 1997. The Company was established to promote social, recreational and athletic activities among its members 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 Barangay Tranca, Talisay, Batangas.

On July 23, 1997, 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 59.17% and 59.27% of the Company's proprietary membership certificates as at December 31, 2023 and 2022, respectively.

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.

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 International Financial Reporting Interpretations Committee (IFRIC) and SEC pronouncements.

The material accounting policies used in the preparation of the financial statements has 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 are measured at fair value and retirement liability which is measured at the present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 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 price 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 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 any allowance for impairment. 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 or impaired or through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

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

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

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

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

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

Offsetting Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

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

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

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

Inventories

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

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

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

Other Current Assets

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

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

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

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

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

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

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

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

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

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

Property and Equipment

Property and equipment, excluding land and construction in progress, is stated at cost less accumulated depreciation and any impairment in value. 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 a 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:

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

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

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

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

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

Other Noncurrent Assets

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

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

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

Expenditure which enhances or extends the performance of the computer software beyond their original specifications is recognized as capital improvements and added to the original cost of the computer software. Computer software 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.

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's 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

Proprietary membership certificates are measured at par value for all proprietary membership certificates issued. Unpaid certificates are recognized as a reduction of subscribed capital. 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 Loss on Net Retirement Asset

Cumulative remeasurement loss 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/liability.

Basic and Diluted Income per Proprietary Membership Certificate

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:

Green Fees, Golf Cart and Locker Rental and Other Revenues. Revenue from green fees, golf cart and locker rental, and others are recognized upon satisfaction of performance obligation of transferring the promised services to the customer.

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.

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 membership transfer fees, assignment fee 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 Services. Cost of services is recognized as expense when the related services are rendered.

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

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

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

Employee Benefits

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

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

Retirement Benefits. The net retirement asset 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 reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net retirement liability or plan asset; 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. These 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 (ROU) 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 benefit 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.

3. Significant Judgments, Accounting Estimates and Assumptions

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

While the 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 statements 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.

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 Lessor. The Company, as a lessor, has accounted for the lease agreements for its store space and cell site under an operating lease. The Company has determined that it has not transferred the significant risks and rewards of ownership of the leased properties to the lessee because of the following factors:

- a) the lessee will not acquire ownership of the leased properties upon termination of the lease;
- b) the lessee was not given an option to purchase the assets at a price that is sufficiently lower than the fair value at the date of the option;
- c) the lease term is not a major part of the economic life of the asset; and
- d) the present value of the minimum lease payments is not substantially all of the fair value of the leased asset.

Rental income earned from the lease in 2023, 2022 and 2021 are disclosed in Note 16 to the financial statements.

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 in 2023, 2022 and 2021 are disclosed in Note 18 to the financial statements.

Accounting Estimates and Assumptions

The key accounting 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 receivables 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. The Company reversed allowance for ECL in 2023. No reversals were made in 2022 and 2021. The allowance for ECL and reversal of allowance are disclosed in Note 5 to the financial statements.

The carrying amounts of financial assets at amortized cost are disclosed in Notes 4, 5 and 8 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 lives 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 respectively, 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 fair value less cost to sell. In determining value in use, the present value of estimated future cash flows expected to be generated from the continued use of the assets is determined using estimates and assumptions that can materially affect the financial statements.

The Company assessed that there were no impairment indicators, hence no impairment loss was recognized in 2023, 2022 and 2021. The carrying amounts of nonfinancial assets as at December 31, 2023 and 2022 are disclosed in Notes 6, 7 and 8 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.

The retirement expense and net retirement asset as at December 31, 2023, 2022 and 2021, respectively, are 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	₱2,506,893	₱2,177,686
Cash in banks	67,702,305	104,615,827
Cash equivalents	378,347,089	239,236,087
	₱448,556,287	₱346,029,600

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 ₱13.4 million, ₱2.6 million and ₱0.4 million in 2023, 2022 and 2021, respectively. Interest receivable, included in “Nontrade” under “Trade and other receivables” account, amounted to ₱1.1 million and ₱0.4 million as at December 31, 2023 and 2022, respectively (see Note 5).

5. Trade and Other Receivables

This account consists of:

	Note	2023	2022
Trade:			
Members		₱51,397,318	₱55,014,178
Related parties	11	46,815,609	85,953,872
Credit card		3,521,650	3,979,706
Nontrade		4,389,155	3,298,318
		106,123,732	148,246,074
Less allowance for ECL		—	808,298
		₱106,123,732	₱147,437,776

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.

Receivable from credit card pertains to receivable from local banks arising from the use by the Company’s members of credit card in payment of their dues. These are noninterest-bearing and are normally settled within the following month.

Nontrade receivables mainly pertain to interest receivable, and advances to employees and third parties, which are noninterest- bearing and generally have 30 to 90 days’ term.

Movement in allowance for ECL is as follows:

	Note	2023	2022	2021
Balance at beginning of year		₱808,298	₱808,298	₱808,298
Reversal	16	(808,298)	—	—
Balance at end of year		₱—	₱808,298	₱808,298

In 2023, the Company reversed allowance for ECL due to collection from members.

6. Other Current Assets

This account consists of:

	2023	2022
Deferred input VAT on:		
Services	₱38,371,184	₱32,582,550
Capital goods	1,180,987	1,409,508
Prepayments	11,409,088	11,763,024
Input VAT	10,115,798	7,635,795
CWT	9,883,578	7,741,390
	₱70,960,635	₱61,132,267

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

7. Property and Equipment

Movements in this account are as follows:

	2023						
	Land	Building and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Cost							
Balances at beginning of year	₱948,444,086	₱1,007,042,606	₱598,098,935	₱19,202,033	₱23,935,011	₱5,419,423	₱2,602,142,094
Additions	–	5,593,937	7,385,708	1,719,646	14,884,052	35,431,640	65,014,983
Reclassifications	–	32,046,580	6,750,893	–	–	(38,797,473)	–
Balances at end of year	948,444,086	1,044,683,123	612,235,536	20,921,679	38,819,063	2,053,590	2,667,157,077
Accumulated Depreciation							
Balances at beginning of year	–	723,643,281	561,143,939	15,336,915	20,649,751	–	1,320,773,886
Depreciation	–	27,898,911	18,640,383	1,969,344	1,905,119	–	50,413,757
Balances at end of year	–	751,542,192	579,784,322	17,306,259	22,554,870	–	1,371,187,643
Carrying Amount	₱948,444,086	₱293,140,931	₱32,451,214	₱3,615,420	₱16,264,193	₱2,053,590	₱1,295,969,434

	2022						
	Land	Building and Improvements	Facilities and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Cost							
Balances at beginning of year	₱948,444,086	₱1,004,285,659	₱584,236,071	₱17,040,768	₱20,050,860	₱1,275,331	₱2,575,332,775
Additions	–	2,756,947	13,862,864	2,161,265	3,884,151	4,144,092	26,809,319
Balances at end of year	948,444,086	1,007,042,606	598,098,935	19,202,033	23,935,011	5,419,423	2,602,142,094
Accumulated Depreciation							
Balances at beginning of year	–	696,272,548	540,495,744	14,129,222	19,307,198	–	1,270,204,712
Depreciation	–	27,370,733	20,648,195	1,207,693	1,342,553	–	50,569,174
Balances at end of year	–	723,643,281	561,143,939	15,336,915	20,649,751	–	1,320,773,886
Carrying Amount	₱948,444,086	₱283,399,325	₱36,954,996	₱3,865,118	₱3,285,260	₱5,419,423	₱1,281,368,208

Depreciation and amortization recognized in profit and loss consists of:

	Note	2023	2022	2021
Property and equipment		₱50,413,757	₱50,569,174	₱51,690,620
Computer software	8	283,015	330,184	283,014
		₱50,696,772	₱50,899,358	₱51,973,634

Depreciation and amortization are allocated as follows:

	Note	2023	2022	2021
Cost of services	14	₱48,160,097	₱48,988,931	₱50,163,677
General and administrative expenses	15	2,536,675	1,910,427	1,809,957
		₱50,696,772	₱50,899,358	₱51,973,634

The cost of fully depreciated property and equipment still being used by the Company amounted to ₱1,208.8 million and ₱1,132.4 million as at December 31, 2023 and 2022, respectively.

Construction in progress pertains to construction of Boom Gates, Midlands Golfers Lounge and other ongoing projects that are expected to be completed in 2024.

8. Other Noncurrent Assets

This account consists of:

	2023	2022
Advances to contractors and suppliers	₱1,012,404	₱14,861,745
Computer software	283,014	566,029
Deferred input VAT on capital goods - net of current portion	277,286	1,458,273
Refundable deposits	33,500	11,500
	₱1,606,204	₱16,897,547

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

Computer software pertains to the cost of the Company's accounting and information system. Movements in the computer software are as follows:

	Note	2023	2022
Cost			
Balance at beginning and end of year		₱1,415,072	₱1,415,072
Accumulated Amortization			
Balance at beginning of year		849,043	518,859
Amortization	7	283,015	330,184
Balance at end of year		1,132,058	849,043
Carrying Amount		₱283,014	₱566,029

9. Trade and Other Payables

This account consists of:

	Note	2023	2022
Trade:			
Third parties		₱31,906,099	₱23,569,264
Related parties	11	30,116,380	21,393,160
Membership dues collected in advance		49,108,401	50,191,560
Auctioned membership liability		10,430,934	14,944,615
Refundable deposits		9,552,703	8,858,110
Accrued expenses:			
Outside services		5,417,676	2,485,060
Employee benefits		1,832,717	299,475
Professional fees		724,152	767,325
Utilities		501,978	245,870
Insurance		298,481	173,728
Others		247,078	522,375
Retention payable		5,895,732	2,040,679
Payable to concessionaire	18	4,991,611	2,154,105
Statutory payables		2,581,252	2,510,089
Nontrade		2,538,224	1,706,297
Unclaimed gift certificate		1,263,900	882,700
		₱157,407,318	₱132,744,412

Trade payables to third parties are noninterest-bearing and are normally settled on a 30 to 60 days' term.

Payables to related parties arise 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.

Membership dues collected in advance pertain to membership dues that are already collected but are not yet earned as at reporting date. These are expected to be classified as members' support within the next financial year.

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.

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.

Accrued expenses are generally settled within the following month.

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

Payable to concessionaires pertain to food and beverage sales collected by the Company for a service provider which are remitted every month.

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

Nontrade payables are noninterest-bearing and are normally settled within a 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.

The accruals reversed by the Company in 2023, 2022 and 2021 are disclosed in Note 16 to the financial statements.

10. Mortgage Payable

On July 31, 2023, the Company entered into four promissory notes with chattel mortgage for the acquisition of four vehicles with a local bank. The principal of each mortgage amounting to ₱730,100 bears an interest rate of 8.70%. The mortgage is payable on a monthly installment basis starting August 2023 for a period of 36 months.

On August 8, 2023, the Company entered into four promissory notes with chattel mortgage for the acquisition of four vehicles with a local bank. The principal of each mortgage amounting to ₱606,900 bears an interest rate of 8.70%. The mortgage is payable on a monthly installment basis starting August 2023 for a period of 36 months.

As at December 31, 2023, the outstanding balance of the mortgages amounted to ₱4.6 million. The current and noncurrent portion of the mortgages amounted to ₱1.8 million and ₱2.8 million, respectively.

The reconciliation of the Company's liabilities arising from financing activities is presented below:

	2023				
	Balance at Beginning of Year	Noncash Changes	Interest Expense	Financing Cash Flows Payments	Balance at End of Year
Mortgage payable	₱—	₱5,348,000	₱—	(₱742,777)	₱4,605,223
Interest payable	—	—	103,818	(103,818)	—
	₱—	₱5,348,000	₱103,818	(₱846,595)	₱4,605,223

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
Shareholder						
<i>Trade and other receivables (see Note 5)</i>	Assignment Fee, Sponsorship and Others	₱2,900,000	₱300,000	₱—	₱1,112,278	₱—
	Utilities	₱25,335,754	₱23,731,640	₱23,593,622		
<i>Trade and other payables (see Note 9)</i>	Repairs and maintenance	5,312,197	5,271,091	3,415,060	₱—	₱2,314,179
Related parties with common shareholder						
	Green fees					
<i>Trade and other receivables (see Note 5)</i>	Food, beverage and sundries					
	Golf cart and locker rental	₱67,144,899	₱61,932,529	₱48,273,486	₱45,703,331	₱85,953,872
	Reimbursement of expenses/ club services					
<i>Trade and other payables (see Note 9)</i>		₱208,473,971	₱196,098,638	₱144,869,656	₱30,116,380	₱19,078,981
Plan assets						
<i>Retirement plan assets (see Note 17)</i>	Contributions	₱3,690,516	₱3,690,516	₱7,237,148	₱31,055,323	₱26,513,022

Terms and Conditions of Transactions with Related Parties

The outstanding balances as at year-end are unsecured, noninterest-bearing, due and demandable and settlement occurs in cash. The Company has not made any provision for ECL relating to the amounts owed by the related parties. This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related parties operate.

Transactions with a Shareholder

The Company has an agreement with Belle wherein Belle will provide utilities and repairs and maintenance works on the Company's facilities.

Transactions with Other Belle Clubs

Reciprocity Agreements. On October 6, 1999, the Company entered into a Reciprocity Agreement with other Belle Clubs that are substantially owned by Belle, whereby members of the Company and other Belle Clubs will be allowed to enjoy the use of each other's facilities, subject to rules and regulations. This agreement shall remain in effect until mutually terminated by the parties. 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 are as follows:

	2023	2022	2021
Short-term employee benefits	₱10,915,975	₱11,267,365	₱9,371,353
Long-term employee benefits	2,105,961	2,006,014	1,472,401
	₱13,021,936	₱13,273,379	₱10,843,754

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
July 23, 1997	6,000	6,000	₱1,500,000 to ₱3,000,000

The authorized capital stock of the Company amounted to ₱600,000,000 divided into 6,000 shares with par value of ₱100,000 per share. The details of the Company's proprietary membership certificates and APIC as at December 31, 2023 and 2022 are as follows:

Authorized and subscribed	₱600,000,000
Subscription receivable	(67,500,000)
Proprietary membership certificates	₱532,500,000
Excess of pre-agreed amount of development cost over total par value of shares	₱2,044,000,000
Subscription receivable	(233,366,582)
APIC	₱1,810,633,418

Development Agreement

The Company entered into a Development Agreement (DA) with Belle for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progresses will be in proportion to pre-agreed amount of development cost, inclusive of the initial capital contribution.

The excess of such development cost over the total par value of the Company's shares of stock shall constitute APIC of the Company.

As at December 31, 2018, 18 holes were already constructed for which 4,738 shares have been issued to Belle. In 2019, additional 9 holes were developed and turned-over to the Company with a total development cost of ₱264.5 million for which additional 587 shares were issued to Belle. Subscriptions receivable pertains to the remaining 9 holes for development.

Restrictive Conditions

The Company is an exclusive club and is organized on a nonprofit basis for the sole benefit of its members. The ownership of all shares of stock of the Company is subject to the following restrictive conditions:

- a. No issuance or transfer of shares of stock of the Company which would reduce the stock ownership of Philippine citizens or nationals to less than the minimum percentage of the outstanding capital stock required by any applicable provisions of the Constitution, law, or regulation to be owned by Philippine citizens or nationals, shall be made or effected by, or shall be recorded in the books of the Company.
- b. No holder, of any class of shares of the Company shall have, as such holder any preemptive right to acquire, purchase, or subscribe for any share of the capital stock of any class of the Company which it may issue or sell, whether out of the number of shares authorized by the Articles of Incorporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Company acquired by it after the issue thereof; nor shall any holder of any class of shares of the Company have, as such shareholder, have any preemptive right to acquire, purchase, or subscribe for any obligation which the Company may issue or sell that shall be convertible into or exchangeable for any shares of the capital stock of any class of the Company or to which shall be attached or appertain any warrant or any instrument that shall confer upon the owner of such obligation, warrant, or instrument the right to subscribe for, or to acquire or purchase from the Company, any share of its capital stock of any class.
- c. No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividend 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. In the case of legally married spouses, 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:

	Note	2023	2022	2021
Net income (a)		₱46,676,265	₱36,769,055	₱29,318,349
Weighted average number of proprietary membership certificates (b)	12	6,000	6,000	6,000
Basic income per proprietary membership certificate (a/b)		₱7,779	₱6,128	₱4,886

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	₱17,920,502	₱15,863,403	₱12,354,111
Beverage cost	5,215,733	4,856,061	3,227,231
Sundry inventory cost	1,268,423	1,176,077	1,083,293
	₱24,404,658	₱21,895,541	₱16,664,635

Cost of Services

This account consists of:

	Note	2023	2022	2021
Depreciation and amortization	7	₱48,160,097	₱48,988,931	₱50,163,677
Personnel costs		47,427,124	43,370,463	43,040,710
Repairs and maintenance		40,961,596	38,480,554	40,645,784
Communication, light and water		21,506,752	21,028,570	23,192,597
Club tournament		14,903,659	3,971,923	1,006,846
Outside services		13,940,700	9,726,701	9,707,139
Taxes and licenses		5,784,670	5,629,881	5,652,525
Supplies		4,593,680	3,960,960	3,248,140
Fuel and oil		3,436,733	3,433,865	2,479,244
Caddy expense		2,371,888	2,196,902	195,016
Laundry		2,322,037	1,094,837	697,509
Bank charges		1,911,911	1,726,700	1,520,751
Rent	18	1,447,290	1,165,644	1,728,817
Representation		999,469	596,980	482,405
Retirement expense	17	919,616	1,099,720	1,097,310
Insurance		823,256	1,030,644	1,341,481
Waste disposal		691,300	588,506	1,311,778
Dues and subscriptions		189,236	243,450	338,730
Transportation and travel		121,620	134,663	558,659
Others		6,868,888	5,924,598	4,323,856
		₱219,381,522	₱194,394,492	₱192,732,974

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	₱41,034,068	₱38,543,137	₱36,194,675
Employee benefits and others	15,295,338	13,370,791	13,941,705
	₱56,329,406	₱51,913,928	₱50,136,380

Personnel costs recognized in profit or loss are as follows:

	Note	2023	2022	2021
Cost of services		₱47,427,124	₱43,370,463	₱43,040,710
General and administrative expenses	15	8,902,282	8,543,465	7,095,670
		₱56,329,406	₱51,913,928	₱50,136,380

15. General and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Personnel costs	14	₱8,902,282	₱8,543,465	₱7,095,670
Outside services		6,593,883	5,422,411	5,315,683
Taxes and licenses		5,621,518	5,587,644	5,604,064
Repairs and maintenance		3,232,617	3,049,850	2,663,220
Depreciation and amortization	7	2,536,675	1,910,427	1,809,957
Bank charges		1,912,087	1,726,700	1,220,138
Waste disposal		1,668,923	1,460,194	1,295,367
Communication, light and water		1,668,715	1,430,102	1,642,663
Retirement expense	17	919,616	1,099,721	1,097,310
Insurance		601,516	849,803	547,249
Fuel and oil		598,427	537,497	54,478
Supplies		545,679	520,466	511,636
Transportation and travel		309,793	407,045	351,769
Rent	18	50,142	99,259	169,643
Representation		36,998	47,116	322,353
Laundry		29,962	18,939	58,156
Donations and contributions		—	—	91,237
Others		1,256,909	1,087,552	813,749
		₱36,485,742	₱33,798,191	₱30,664,342

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
Membership transfer fees		₱18,318,594	₱13,057,822	₱15,977,989
Assignment fees		5,887,181	3,220,322	2,548,803
Commissions		4,321,062	2,184,463	1,134,015
Members' penalties and charges		3,856,542	4,451,501	2,839,144
Reversal of allowance for ECL	5	808,298	—	—
Reversal of accruals	9	787,105	387,794	587,104
Store space rental	18	664,342	823,610	654,545
Cell site rental	18	220,536	204,840	204,840
Unrealized foreign exchange gain (loss)		(6,633)	116,663	55,069
Others		1,758,057	826,393	649,960
		₱36,615,084	₱25,273,408	₱24,651,469

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.

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.

Commissions include share of the Company to the income of its concessionaires and green fees.

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

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 of credited service or in accordance with the collective bargaining agreement. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

The retirement benefit obligation is determined using the projected unit credit method. The latest available actuarial report of the Company is as at December 31, 2023.

The components of retirement expense are as follows:

	2023	2022	2021
Current service cost	₱2,154,653	₱2,286,566	₱2,112,270
Net interest expense (income)	(315,421)	(87,125)	82,350
	₱1,839,232	₱2,199,441	₱2,194,620

In 2023, the interest expense on the effect of the asset ceiling amounted to ₱16,530.

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

	Note	2023	2022	2021
Cost of services	14	₱919,616	₱1,099,720	₱1,097,310
General and administrative expenses	15	919,616	1,099,721	1,097,310
		₱1,839,232	₱2,199,441	₱2,194,620

The components of net retirement asset are as follows:

	2023	2022
FVPA	₱31,055,323	₱26,513,022
Present value of DBO	(23,882,664)	(23,575,127)
Effect of the asset ceiling	(803,131)	(238,189)
	₱6,369,528	₱2,699,706

The changes in FVPA are as follows:

	2023	2022
Balance at beginning of year	₱26,513,022	₱23,127,361
Contributions	3,690,516	3,690,516
Interest income	1,968,065	1,208,675
Remeasurement loss	(1,116,280)	(1,513,530)
Balance at end of year	₱31,055,323	₱26,513,022

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

	2023	2022
Balance at beginning of year	₱23,575,127	₱23,172,511
Benefits paid from book reserve	(4,270,674)	(570,285)
Current service cost	2,154,653	2,286,566
Interest expense	1,636,114	1,121,550
Remeasurement loss (gain) on DBO due to changes in:		
Financial assumptions	972,396	(2,552,435)
Experience adjustments	(184,952)	117,220
Balance at end of year	₱23,882,664	₱23,575,127

The cumulative remeasurement loss recognized in OCI amounted to ₱3.2 million and ₱1.9 million as at December 31, 2023 and 2022, respectively. The remeasurement gain (loss) amounted to (₱1.4 million), ₱0.7 million and ₱0.3 million in 2023, 2022 and 2021 respectively.

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

	2023	2022
Discount rate	6.02%	6.94%
Salary increase rate	4.00%	4.00%

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

	Change in Assumption	Effect on the present value of retirement liability	
		2023	2022
Discount rate	+100bps	(P1,052,947)	(P1,046,304)
	-100bps	1,162,728	1,149,960
Salary increase rate	+100bps	1,174,625	1,172,271
	-100bps	(1,082,325)	(1,084,448)

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
Debt instruments - government bonds	84.99%	93%
Debt Instruments - other bonds	8.75%	8.82%
Cash and cash equivalents	8.23%	1.54%
Unit investment trust funds	0.65%	1.19%
Others (market gain/loss, accrued receivables net of payables, etc.)	-2.62%	-4.55%
	100.00%	100.00%

The retirement plan exposes the Company to actuarial risks as follows:

Investment and Interest Risks. The present value of retirement liability for consistency is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Longevity and Salary Risks. The present value of retirement liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

Maturity analysis of the undiscounted benefit payments as at reporting date are as follows:

	2023	2022
Within 1 year	₱10,216,285	₱9,156,377
More than 1 year to 5 years	8,132,201	8,927,927
More than 5 years	16,520,100	19,013,312
	₱34,868,586	₱37,097,616

The weighted average duration of the retirement liability is 4.6 years and 4.7 years as at December 31, 2023 and 2022, respectively.

18. Significant Agreements

The Company as a Lessee

The Company has lease agreement with Belle for the lease of its staff house. The lease term is mutually renewed every year, unless written notice of termination or cancellation is served by either party to the other at least 30 days in advance.

The Company also leases a five-door and eight-door building with lease terms of 12 months or less and leases of office equipment that is of low value. The Company applied the short-term lease and lease of low-value assets recognition exemptions for these leases.

Rent expense is presented in the statements of comprehensive income as follows:

	Note	2023	2022	2021
Cost of services	14	₱1,447,290	₱1,165,644	₱1,728,817
General and administrative expenses	15	50,142	99,259	169,643
		₱1,497,432	₱1,264,903	₱1,898,460

The Company as a Lessor

Store Space

The Company has a lease agreement with a third party for the lease of its store space. The lease term is mutually renewed every year, unless earlier terminated and may be renewed for a period to be mutually agreed upon by both parties.

Store space rental income in 2023, 2022, and 2021 are disclosed in Note 16 to the financial statements.

Cell Site

The Club entered into a Lease Agreement with Smart Communications, Inc. wherein Smart will lease the land located at Midlands for cell sites to be situated in the area. The term is for the period of ten years starting August 12, 2013 to August 11, 2023 and was renewed from August 12, 2023 to August 11, 2033.

The Club entered into a Lease Agreement with Globe Telecom, Inc. wherein Globe will lease the land free of charge located at Midlands Talisay, Batangas for cell site to be situated in the area. The term is for the period of ten years starting June 25, 2014 to June 24, 2024.

Cell site rental income recognized by the Company in 2023, 2022, and 2021 are disclosed in Note 16 to the financial statements.

Concession

The Company has a concession agreement with food and beverage service providers, which operates a restaurant within the Company's premises to provide services to their members and guests.

The Company charges the concessionaire commission based on monthly sales. Commission income from concessionaire amounted to ₱1.4 million, ₱0.9 million and ₱0.2 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 9 to the financial statements.

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 deferred income tax amounted to ₱0.5 million, ₱0.7 million and ₱1.4 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 the Company's deferred tax liabilities are as follows:

	2023	2022
Net retirement asset	₱1,592,382	₱674,927
Receivable arising from transferred net retirement liability	—	1,431,343
Unrealized foreign exchange gain	—	29,166
	₱1,592,382	₱2,135,436

Provision for deferred income tax is presented in profit or loss.

The components of the Company's unrecognized deferred tax assets are as follows:

	2023	2022
NOLCO	₱144,220,064	₱112,934,470
Excess of contribution over service cost	2,853,843	2,893,266
Unrealized foreign exchange loss	1,658	—
Allowance for ECL	—	202,075
	₱147,075,565	₱116,029,811

These deferred tax assets amounting to ₱147.1 million and ₱116.0 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	₱—	₱125,142,378	₱—	₱125,142,378	2026
2022	123,236,219	—	—	123,236,219	2025
2021	129,373,393	—	—	129,373,393	2026
2020	199,128,267	—	—	199,128,267	2025
	₱451,737,879	₱125,142,378	₱—	₱576,880,257	

The reconciliation of provision for 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	₱11,802,282	₱9,364,845	₱7,690,865
Tax effects of:			
Nontaxable membership dues	(46,976,083)	(47,139,309)	(46,827,417)
Nondeductible expenses	8,005,063	8,345,494	7,391,758
Interest income subjected to final tax	(3,344,154)	(644,466)	(101,616)
Change in unrecognized deferred tax assets	31,045,754	(18,495,611)	12,947,953
Expired NOLCO	—	49,259,373	—
Effect of change in income tax rate	—	—	20,343,567
	₱532,862	₱690,326	₱1,445,110

Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

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 of 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	25%	25%
MCIT	1.5%	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, refundable deposits (presented under "Other noncurrent assets" account), and trade and other payables (excluding membership dues collected in advance, statutory payables and mortgage payable).

The main purpose of these financial instruments is to provide funds for the Company's operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to credit risk and liquidity risk from the use of its financial instruments. The BOD reviews and approves the policies for managing each of these risks.

Credit Risk. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company limits its exposure to credit risk by depositing its cash in banks with highly reputable and pre-approved financial institutions. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to credit losses is not significant.

The Company's maximum exposure to credit risk is equal to the carrying amount of its financial assets. The Company has no concentration of credit risk.

The tables below show the credit quality by class of financial assets based on the Company's credit rating system.

	2023				
	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade			
Simplified approach -					
Trade receivables	₱101,734,577	₱-	₱-	₱-	₱101,734,577
12-month ECL:					
Cash in banks and cash equivalents	446,049,394	-	-	-	446,049,394
Nontrade receivables	4,389,155	-	-	-	4,389,155
Refundable deposits*	-	33,500	-	-	33,500
	₱552,173,126	₱33,500	₱-	₱-	₱552,206,626

*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	P144,139,458	P—	P—	P808,298	P144,947,756
12-month ECL:					
Cash in banks and cash equivalents	343,851,914	—	—	—	343,851,914
Nontrade receivables	3,298,318	—	—	—	3,298,318
Refundable deposits*	—	11,500	—	—	11,500
	P491,289,690	P11,500	P—	P808,298	P492,109,488

*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 membership dues collected in advance and statutory payables) and mortgage payable 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
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱448,556,287	₱448,556,287	₱346,029,600	₱346,029,600
Trade and other receivables	106,123,732	106,123,732	147,437,776	147,437,776
Refundable deposits*	33,500	33,500	11,500	11,500
	₱554,713,519	₱554,713,519	₱493,478,876	₱493,478,876
Financial Liability at Amortized Cost				
Trade and other payables**	₱105,717,665	₱105,717,665	₱80,042,763	₱80,042,763
Mortgage payable	4,605,223	4,605,223	—	—
	₱110,322,888	₱110,322,888	₱80,042,763	₱80,042,763

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

**Excluding membership dues collected in advance and statutory payables with an aggregate amount of ₱51.7 million and ₱52.7 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, Trade and Other Payables (excluding Membership Dues Collected in Advance and Statutory Payables). Due to the short-term nature and demandable feature of these financial instruments, their fair values approximate the carrying amounts as at reporting date.

Refundable Deposits. These are presented at cost since the timing and amounts of future cash flows related to the refundable deposits are linked to the termination of the contract with the electricity provider which cannot be reasonably and reliably estimated.

Mortgage Payable. This is presented at cost since the carrying amount of this financial liability approximates its fair value. The effect of not discounting the cash flow from this instrument was determined by management to be insignificant.

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 Midlands Golf Club, Inc.
Barangay Tranca
Talisay, Batangas

We have audited the accompanying financial statements of Tagaytay Midlands 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 Midlands Golf Club, Inc.
Barangay Tranca
Talisay, Batangas

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Tagaytay Midlands 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 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 and for the years ended December 31, 2023 and 2022, 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 audits 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

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Valid until October 16, 2025

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Issued January 2, 2024, Makati City

April 11, 2024
Makati City, Metro Manila

TAGAYTAY MIDLANDS GOLF CLUB, INC.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2023 and 2022

Ratio	Formula	2023	2022
Current Ratio	Total current assets	₱625,835,214	₱554,789,799
	Divided by: Total current liabilities	159,189,985	132,744,412
	Current Ratio	3.93	4.18
Acid Test Ratio	Total current assets	₱625,835,214	₱554,789,799
	Less: Inventories	(194,560)	(190,156)
	Other current assets	(70,960,635)	(61,132,267)
	Quick assets	554,680,019	493,467,376
	Divide by: Total current liabilities	159,189,985	132,744,412
	Acid Test Ratio	3.48	3.72
Solvency Ratio	Net income	₱46,676,265	₱36,769,055
	Add: Depreciation and amortization	50,696,772	50,899,358
	Net income before depreciation and amortization	97,373,037	87,668,413
	Divided by: Total liabilities	163,604,923	134,879,848
	Solvency Ratio	59.52%	65.00%
Debt-to-Equity Ratio	Total liabilities	₱163,604,923	₱134,879,848
	Divided by: Total equity	1,766,175,457	1,720,875,412
	Debt-to-Equity Ratio	0.09	0.08
Asset-to-Equity Ratio	Total assets	₱1,929,780,380	₱1,855,755,260
	Divided by: Total equity	1,766,175,457	1,720,875,412
	Asset-to-Equity Ratio	1.09	1.08
Return on Equity	Net income	₱46,676,265	₱36,769,055
	Divided by: Average total equity	1,743,525,435	1,702,149,137
	Return on Equity	2.68%	2.16%
Return on Assets	Net income	₱46,676,265	₱36,769,055
	Divided by: Average total assets	1,892,767,820	1,823,186,605
	Return on Assets	2.47%	2.02%
Net Profit Margin	Net income	₱46,676,265	₱36,769,055
	Divided by: Revenue	89,688,834	71,139,101
	Net Profit Margin	52.04%	51.69%

TAGAYTAY MIDLANDS 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>Attached</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Proprietary Membership Certificates	<u>Attached</u>

Notes:

A - None to report. The Company has no financial assets measured at fair value through profit or loss.

B - None to report. All receivables arise from the ordinary course of business.

C - Not applicable. The Company does not prepare consolidated financial statements.

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 MIDLANDS GOLF CLUB, INC.**SCHEDULE D - LONG-TERM DEBT****DECEMBER 31, 2023**

<i>Title of issue and type of obligation</i>	<i>Amount authorized by indenture</i>	<i>Amount shown under caption "current portion of long-term debt" in related statement of financial position</i>	<i>Amount shown under caption "long-term debt" in related statement of financial position</i>
Mortgage payable	₱5,348,000	₱1,782,667	₱2,822,556*

*Each mortgage bears an interest of 8.70% payable on a monthly installment basis for a period of 36 months.

TAGAYTAY MIDLANDS GOLF CLUB, INC.

SCHEDULE G – PROPRIETARY MEMBERSHIP CERTIFICATES

DECEMBER 31, 2023

<i>Title of issue</i>	<i>Number of proprietary membership certificates authorized</i>	<i>Number of certificates issued and outstanding as shown under statement of financial position</i>	<i>Number of certificates reserved for options, warrants, conversion and other rights</i>	<i>Number of proprietary membership certificates held by</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Proprietary Membership Certificates	6,000	6,000	–	3,550*	7	2,443

*Include subscription receivable amounting to ₱67,500,000 (675 shares).