

COVER SHEET

181069
SEC Registration Number

THE MANILA SOUTHWOODS GOLF &
COUNTRY CLUB, INC.
(Company's Full Name)

BO. CABILANG BAYBAY
CARMONA, CAVITE
(Business Address: No., Street City / Town / Province)

Atty. Delfin P. Angcao
Contact Person

8817-6791
Company Telephone Number

SEC Form 20-IS
(2024 Definitive Information Statement)

1231
Month Day
Fiscal Year

FORM TYPE

1121
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes



**THE MANILA SOUTHWOODS
GOLF AND COUNTRY CLUB**
Southwoods Ave., Carmona, Cavite, Philippines 4116

**NOTICE OF 2024 ANNUAL MEETING OF
STOCKHOLDERS**

TO: ALL STOCKHOLDERS
The Manila Southwoods Golf & Country Club, Inc.

Please take notice that the annual meeting of the stockholders of The Manila Southwoods Golf & Country Club, Inc. (the “Club”) will be held on **November 21, 2024, Thursday, at 9:00 a.m.** through remote communication. The agenda of the annual meeting is as follows:

1. Call to Order;
2. Certification on Notice and Quorum;
3. Approval of Minutes of the Annual Stockholders’ Meeting held on September 16, 2009;
4. Approval of Management Report for the period of 2009 to 2023 and the 2023 Audited Financial Statements;
5. Ratification of all acts of the Board of Directors and Management from the last stockholders’ meeting to date;
6. Appointment of Independent Auditor (Isla Lipana & Co.);
7. Election of the Members of the Board of Directors for the term 2024-2025;
8. Such other business as may properly come before the meeting; and
9. Adjournment.

For purposes of the annual meeting, stockholders of record as of October 29, 2024 shall be entitled to notice of, participation via remote communication, and voting in absentia or through proxy at such meeting and any adjournment thereof. As approved by the Nomination and Election Committee on October 2, 2024, this notice with the guidelines for voting and related documents will be sent to the stockholders via email.

You may vote in absentia or through proxy by submitting (i) the original signed and accomplished pre- numbered Proxy/Ballot form attached to this notice by mail, courier, or delivery to the front desk of the Club’s principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite, or (ii) **a scanned copy thereof by email at the Club’s email address at southwoods.asm2024@gmail.com**. The deadline for submission of the Proxy/Ballot is on or before 5:00 pm of November 11, 2024. For corporate stockholders, a notarized Secretary’s Certificate attesting to the authority of their representative to execute the Proxy/Ballot should be attached thereto. When signing as attorney-in-fact, executor, administrator, guardian or in any representative capacity, please indicate your full title and file the necessary documents showing your authority. The validation of proxies shall be held on November 15, 2024 at 10:00 a.m.

Successfully verified stockholders voting *in absentia* or by proxy will receive an email from the Club providing them the weblink to be able to access the live streaming of the meeting.

Electronic copies of the Notice of the Meeting, Definitive Information Statement, Management Report, and other information and documents related to the annual meeting may be accessed through the Club's website at <https://manilasouthwoods.com/index.php/annual-report> in due time.

For any concerns, please reach us by email at southwoods.asm2024@gmail.com.
Makati City, Metro Manila

Makati City, Metro Manila

October 30, 2024

**THE MANILA SOUTHWOODS GOLF &
COUNTRY CLUB, INC.**

By:



DELFIN P. ANGCAO
Corporate Secretary

Code Number: _____

[For Individual Stockholder]

INSTRUCTIONS:

1. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the stockholder affixes his/her full signature beside such erasures or alterations. The initials of the said stockholder are not sufficient to validate the Proxy/Ballot unless the said initials are also the said stockholder's customary signature.
2. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier, or manual delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at southwoods.asm2024@gmail.com. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of November 11, 2024.

PROXY/BALLOT FORM

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
☐ The undersigned hereby votes as indicated below.	☐ The Undersigned hereby appoints the Chairman of the Board of Directors of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), or in his absence, the President of the Club to act for me/us and on my/our behalf at the Manila Southwoods Golf & Country Club, Inc.'s Annual Stockholders' Meeting to be held on November 21, 2024 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or, if no such indication is given, as my/our proxy thinks fit:

		Please check or mark the appropriate box		
	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval of minutes of the annual stockholders' meeting held on September 16, 2009			
2	Approval of Management Report for the period of 2009 to 2023 and the 2023 Audited Financial Statements			
3	Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date			
4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2024-2025			

	(Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected)			
	1. Robert John L. Sobrepeña (Regular Director)			
	2. Edward E. Dy (Regular Director)			
	3. Rafael Perez de Tagle, Jr. (Regular Director)			
	4. Francisco C. Gonzalez (Regular Director)			
	5. Federico P. Campos III (Regular Director)			
	6. Renato E. Lirio (Regular Director)			
	7. Rhais M. Gamboa (Regular Director)			
	8. Alberto Q. Avanceña (Regular Director)			
	9. Ferdinand T. Santos (Regular Director)			
	10. Daniel C. Samaniego (Independent Director)			
	11. Alfredo M. Mendoza (Independent Director)			

IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report for the period of 2009 to 2023 and 2023 Audited Financial Statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the election of the following directors for the term 2024-2025:

1. Robert John L. Sobrepeña (Regular Director)
2. Edward E. Dy (Regular Director)
3. Rafael Perez de Tagle, Jr. (Regular Director)
4. Francisco C. Gonzalez (Regular Director)
5. Federico P. Campos III (Regular Director)
6. Renato E. Lirio (Regular Director)
7. Rhais M. Gamboa (Regular Director)
8. Ferdinand T. Santos (Regular Director)
9. Alberto Q. Avanceña (Regular Director)
10. Daniel C. Samaniego (Independent Director)
11. Alfredo M. Mendoza (Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Club's external auditors; and
- TO authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES

Validation of proxies shall be on November 15, 2024 at 10:00 a.m. at the principal office of the Club.

REVOCATION OF PROXIES:

A stockholder giving a proxy has the power to revoke it at any time before the validation of proxies on November 15, 2024 at 10:00 a.m. by submitting either (i) the original signed letter of revocation by mail, courier, or manual delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at *southwoods.asm2024@gmail.com*.

Date

(Signature above printed name of Stockholder)

[For Corporate Stockholder]**INSTRUCTIONS:**

1. This Proxy/Ballot form must be accompanied by a notarized Secretary's Certificate of the company's Board Resolution appointing and authorizing its representative to accomplish this Proxy/Ballot form.
2. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the person authorized to accomplish this Proxy/Ballot form affixes his/her full signature beside such erasures or alterations. The initials of the said authorized person are not sufficient to validate the Proxy/Ballot, unless the said initials are also the said person's customary signature.
3. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier, or manual delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at *southwoods.asm2024@gmail.com*. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of November 11, 2024.

PROXY/BALLOT FORM**THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.****[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]**

VOTING IN ABSENTIA:	VOTING BY PROXY:
☐ The undersigned hereby votes as indicated below.	☐ The Undersigned hereby appoints the Chairman of the Board of Directors of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), or in his absence, the President of the Club to act for and on our behalf at the Manila Southwoods Golf & Country Club, Inc.'s Annual Stockholders' Meeting to be held on November 21, 2024 (and as may be rescheduled and/or adjourned) and to vote for us as indicated below, or, if no such indication is given, as our proxy thinks fit:

		<i>Please check or mark the appropriate box</i>		
	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval of minutes of the annual stockholders' meeting held on September 16, 2009			
2	Approval of Management Report for the period of 2009 to 2023 and the 2023 Audited Financial Statements			
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4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2024-2025 (Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected)			
	1. Robert John L. Sobrepeña (Regular Director)			
	2. Edward E. Dy (Regular Director)			
	3. Rafael Perez de Tagle, Jr. (Regular Director)			
	4. Francisco C. Gonzalez (Regular Director)			
	5. Federico P. Campos III (Regular Director)			
	6. Renato E. Lirio (Regular Director)			
	7. Rhais M. Gamboa (Regular Director)			
	8. Alberto Q. Avanceña (Regular Director)			
	9. Ferdinand T. Santos (Regular Director)			
	10. Daniel C. Samaniego (Independent Director)			
	11. Alfredo M. Mendoza (Independent Director)			

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- FOR the approval of the management report for the period of 2009 to 2023 and 2023 Audited Financial Statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the election of the following directors for the term 2024-2025:

1. Robert John L. Sobrepeña (Regular Director)
2. Edward E. Dy (Regular Director)
3. Rafael Perez de Tagle, Jr. (Regular Director)
4. Francisco C. Gonzalez (Regular Director)
5. Federico P. Campos III (Regular Director)
6. Renato E. Lirio (Regular Director)
7. Rhais M. Gamboa (Regular Director)
8. Ferdinand T. Santos (Regular Director)
9. Alberto Q. Avanceña (Regular Director)
10. Daniel C. Samaniego (Independent Director)
11. Alfredo M. Mendoza (Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Club's external auditors; and
- TO authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

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(Printed Name of Corporate Stockholder)

By:

Signature over Printed name of
Authorized Representative

Address

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
- [] Preliminary Information Statement
- [☒] **Definitive Information Statement**
2. Name of Registrant as specified in its charter: **The Manila Southwoods Golf & Country Club, Inc. ("Registrant" or "Club")**
3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number: **181069**
5. BIR Tax Identification Code: **000-645-256**
6. Address of principal office Postal Code: **Bo. Cabilang Baybay, Carmona, Cavite**
7. Registrant's telephone number, including area code: **(046) 430-0260 to 69**
8. Date, time, and place of the meeting of security holders: **November 21, 2024, 9:00 a.m. at the Main Clubhouse, The Manila Southwoods Golf & Country Club, Inc., Bo. Cabilang Baybay, Carmona, Cavite**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **October 30, 2024**
10. *In case of Proxy Solicitations:*
- Name of Person Filing the Statement/Solicitor:* **The Registrant**
- Address and Telephone No.:* **Bo. Cabilang Baybay, Carmona, Cavite**
(046) 430-0260 to 69
11. 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>No. of shares of stock</u> | <u>Amount</u> |
|--------------------------------|-------------------------------|------------------------------|
| Founders' and Class "A" | 1,800 | <u>₱1,508,650,362</u> |
| Class "B" | 1,200 | <u>1,005,100,242</u> |
| Total | <u>3,000</u> | <u>₱2,513,750,604</u> |
12. Are any or all of Registrant's Securities Listed with the Philippine Stock Exchange?

Yes ()

No (☒)

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

1. Date, Time, and Place of Meeting

The enclosed proxy is solicited for and on behalf of **The Manila Southwoods Golf & Country Club, Inc.** (hereinafter called the “Club” or the “Registrant”) for use in connection with the annual meeting of the stockholders to be held on November 21, 2024 (Thursday), 9:00 a.m. via remote communication or *in absentia*.

The definitive information statement and form of proxy will be sent to the stockholders of record as of October 29, 2024 (the “Record Date”) on or before October 30, 2024.

The matters to be considered and acted upon at such meeting are referred to in the Notice and are more fully discussed in this Statement.

2. Dissenter’s Right of Appraisal

Pursuant to Title X of the Revised Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares: (i) in case any amendment to the Club’s Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences over the outstanding shares, or of extending or shortening the term of corporate existence; (ii) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds in another corporation or business or for any purpose other than the primary purpose.

If an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Club has unrestricted retained earnings in its books to cover such payment.

The dissenter’s right of appraisal is not applicable in any of the matters or proposed Club actions to be submitted to the stockholders.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer, nominee for director, or their associates, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon, other than election to office. No director has informed the Registrant in writing of any intention to oppose any action to be taken during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

(a) As of the Record Date, the stockholders entitled to notice and to vote at the annual stockholders' meeting on November 21, 2024, the Registrant has the following issued shares:

1,800 Class "A" Common Shares,
inclusive of seven (7) Founders' Shares; and

1,200 Class "B" Common Shares.

(b) All stockholders in good standing as of the Record Date shall be entitled to notice and to vote at the annual stockholders' meeting on November 21, 2024. On the items of approval of minutes of previous meeting of stockholders, ratification of all the acts of the Board of Directors and officers during the previous year, appointment of independent external auditors, and amendments to the By-laws, each share of outstanding common stock is entitled to one (1) vote.

(c) In the election of directors, every stockholder entitled to vote shall have the right to vote, *in absentia* or by proxy, the number of shares of stock standing in his name at Record Date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Registrant multiplied by the whole number of directors to be elected.

Pursuant to the provisions of the Amended By-laws of the Registrant, nominations to the Board of Directors shall be made in writing and may be submitted by the stockholders in good standing to the Nomination and Election Committee, with the written consent of the nominees, on or before October 9, 2024 (at least 30 business days prior to November 21, 2024), provided, however, that only Regular Members in good standing who are duly qualified under Article VII, Section 2 (c) of the Amended By-laws of the Registrant may be nominated, and that the members of the Nomination and Election Committee may not themselves be nominated.

(d) *Security Ownership of Certain Record and Beneficial Owners*

The following table sets forth, as of October 24, 2024, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Club which are entitled to vote and the amount of such record and/or beneficial ownership.

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Record/Beneficial Owner	Citizenship	No. of Shares Held	Percent of Class
Common A and B	Fil-Estate Golf and Development, Inc. 5/F The Renaissance Tower MERALCO Avenue	Fil-Estate Golf and Development, Inc. 5/F The Renaissance Tower MERALCO Avenue	Filipino	153	5.30%

	Pasig City	Pasig City			
Common A and B	Southern Heights Land and Development Corporation 750 Shaw Boulevard Mandaluyong City	Southern Heights Land and Development Corporation 750 Shaw Boulevard Mandaluyong City	Filipino	226	7.84%

Note: Fil-Estate Golf and Development, Inc. (FEGDI) is a wholly-owned subsidiary of Global-Estate Resorts, Inc. (GERI, formerly Fil-Estate Land, Inc.). The shares of stock of GERI are registered under the Revised Securities Act and listed with the Philippine Stock Exchange. Its top stockholders are Alliance Global Group, Inc. and Fil-Estate Management, Inc. (FEMI). For the scheduled annual stockholders' meeting on November 21, 2024, the person who had the right to vote the shares of FEGDI was Atty. Delfin Angcao. As to Southern Heights Land Development Corporation, the person who had the right to vote its shares was Mr. Renato Lirio and/or Mr. Rhais Gamboa.

(e) Security Ownership of Management

As of October 24, 2024, the security ownership of management is as follows:

Title of Class (Common)	Name of Beneficial Owner	Amount and Nature	Citizenship	Percent of Class (Common)
Class A	Robert John L. Sobrepeña	1 nominal	Filipino	0.05%
Class A	Renato E. Lirio	2 nominal	Filipino	0.11%
Class A	Rafael Perez de Tagle, Jr.	1 nominal	Filipino	0.05%
Class A	Edward E. Dy	1 nominal	Filipino	0.05%
Class A	Alberto Q. Avanceña	1 nominal	Filipino	0.05%
Class A	Rhais M. Gamboa	1 nominal	Filipino	0.05%
Class B	Federico P. Campos III	1 nominal	Filipino	0.08%
Class A	Ferdinand T. Santos	1 nominal	Filipino	0.05%
Class A & B	Francisco C. Gonzalez	3 & 1 nominal	Filipino	0.17% & 0.08%
Class A	Alfredo M. Mendoza	1 nominal	Filipino	0.05%
Class A	Daniel C. Samaniego	1 nominal	Filipino	0.05%

Aggregate Ownership of All Directors and Officers as a Group is 15 shares or 0.52%

(f) Voting Trust Holders of 5% or more

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

(g) Changes in Control

There has been no change in control of the Registrant since the beginning of its last fiscal year. Neither is Registrant aware of any arrangement which may result in a change in control thereof.

5. Directors and Executive Officers

(a) Incumbent director, Executive Officers and Significant Employees.

The following are the incumbent directors, including independent directors, executive officers, and significant employees of the Registrant:

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Citizenship</u>
Robert John L. Sobrepeña	Chairman of the Board/Director	69	Filipino
Edward E. Dy	President/Director	76	Filipino
Rafael Perez de Tagle, Jr.	Treasurer/Director	69	Filipino
Francisco C. Gonzalez	Director	80	Filipino

Federico P. Campos III	Director	70	Filipino
Renato E. Lirio	Director	86	Filipino
Rhais M. Gamboa	Director	72	Filipino
Ferdinand T. Santos	Director	74	Filipino
Alberto Q. Avanceña	Director	72	Filipino
Daniel C. Samaniego	Independent Director	66	Filipino
Alfredo M. Mendoza	Independent Director	74	Filipino
Delfin P. Angcao	Corporate Secretary	66	Filipino
Alvin O. Geli	Asst. Corporate Secretary	54	Filipino
Jayson Q. Yu	Officer-in-Charge & COO	55	Filipino
Jerome U. Delariarte	Asst. General Manager	46	Filipino
Armando D. Sierra	Comptroller	61	Filipino
John R. Cope	Director of Grounds	59	American
Rodrigo G. Umayam II	Director of Engineering	47	Filipino
Andre Christian B. Santos	Asst. Golf Director	51	Filipino

(b) *Term of office.*

The term of office of the Directors and executive officers is one (1) year from their election as such until their successors are duly elected and qualified, subject to the provisions of the By-laws of the Registrant.

(c) *Business experience of the Directors and Officers during the past five (5) years.*

Robert John L. Sobrepeña

Mr. Robert John L. Sobrepeña conceptualized the Southwoods project and has been the Chairman of the Board since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected and qualified during the annual stockholders' meeting. He is also the Chairman of the Grounds Committee of the Club. He has been in the real estate business for over 15 years. He is a founder and Chairman of the Fil-Estate Group of Companies. He is also the Chairman of the Metro Rail Transit Holding, Inc., Summit Estate Realty & Development Corp., Camp John Hay Development Corporation, Camp John Hay Golf Club, Inc., Sherwood Hills Development Corp., Sherwood Hills Golf Club, Inc., and Club Leisure Management, Inc. He obtained his Bachelor of Arts in Psychology and Marketing degree from De La Salle University.

Edward E. Dy

Mr. Edward E. Dy, the President, has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He is the Chairman of Grandview Properties & Ventures, Inc., Sunrise Properties Corporation, Megaventures Realty Corporation, and DBH Development Corporation. He is also a Director of Timeplus Commercial and Seiko Service Center, Inc. He has been in the real estate business for over 25 years. He obtained his AB-BSC degree from Ateneo de Manila University.

Rafael Perez de Tagle, Jr.

Mr. Rafael Perez de Tagle, Jr., the Treasurer and Finance Committee Chairman, has been a Director since 1999. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He is President of Club Leisure Mgt. Corp., the Chairman Metro Countrywide Corp., and Smart Probe, Inc., and also a Director of Camp John Hay Development Corp., Metro Rail Transit Dev. Corp., and Metro

Global Holdings Corp. He has been in the real estate business for over 25 years. He is a graduate of De La Salle University with a degree of Bachelor of Arts major in Economics.

Francisco C. Gonzalez

Engr. Francisco C. Gonzalez has been a Director since January 1998. He is currently the Membership Committee Chairman of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He is the President of Romago Incorporated, Fabriduct & Metal Systems Inc., and Electro Mechanical Products International and the Proprietor of A&P of Manila, Inc. He has been in the construction and engineering business for over 30 years. He is also a director and Membership Committee Chairman of Camp John Hay Golf Club and Forest Hills Golf Club.

Federico P. Campos III

Mr. Federico P. Campos III was a Director in 2003 to 2008, also then Chairman of the Sports and Games Committee, and member of the House Committee, and again beginning January 2017 as replacement of Mr. Federico O. Campos. He is the President of Macaria Development Corp. and Macaria Properties, Inc., companies that he founded. Apart from these companies, he also founded Plaza Pacita Inc., a company primarily engaged in commercial leases, and Sunkis'd Resort and Leisure Group Inc. the owning company of Virgin Beach Resort in Laiya, San Juan, Batangas. He is a graduate of Lindenwood Colleges, St. Charles, Missouri with a degree of Bachelor of Business Administration.

Atty. Ferdinand T. Santos

Atty. Ferdinand T. Santos is currently the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., Fairways & Bluewater Resort Golf & Country Club, Inc., Forest Hills Golf & Country Club, Inc. Fil-Estate Urban & Development, Inc., MRT Development Corporation, St. Benedict Realty & Development, Inc., Royal Jade Memorial, Inc., Serenity View Resort Property, Inc., and Mt. Zion Memorial, Inc. He obtained his Bachelor of Arts degree, *Cum Laude* from Arellano University in 1970. He took his Bachelor of Laws in San Beda College graduating *Magna Cum Laude* and the class Valedictorian. He was admitted to the Philippine Bar in 1974 and coming in 2nd in rank.

Renato E. Lirio

Mr. Renato E. Lirio has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He was formerly the Senior Vice-President and General Manager of Greenfield Development Corporation. He is currently the Chairman and President of Lima Property Holdings, Inc., Makiling Resources, Inc., and Hill Creek Gardens Tagaytay, Inc. He has been in the real estate business for more than 25 years. He obtained his B.S. in Business Administration degree from the University of the Philippines.

Rhais M. Gamboa

Mr. Rhais M. Gamboa is presently the Chief Operating Officer of Mt. Grace Hospitals, Inc. He also sits in the Board of four (4) other private tertiary hospitals. He was formerly an Undersecretary in the Department of Health and Vice-Chairman of the Philippine Medical Care Commission (now Philippine Health Insurance Corporation). He obtained his B.S. Management Engineering degree from Ateneo de Manila University.

Alberto Q. Avanceña

Mr. Alberto Q. Avanceña is the President and Chief Operating Officer (COO) of Club Leisure Management Corporation. He previously served as General Manager of Manila Southwoods Golf & Country Club for a total of thirteen years from 1994 to 2006 and 2009. He worked with the Hyatt International chain of hotels for more than ten (10) years, assigned to Hyatt Terraces Baguio and Hyatt Regency Manila and assigned to do specific duties in other Hyatt hotels in the Asia Pacific Region. He studied Hotel and Restaurant Management in Tegernsee, Germany at the Hotelberuffachschule D. Speiser and in San Diego, California at the United States International University (USIU).

Alfredo M. Mendoza

Mr. Alfredo M. Mendoza was a Director of the Club from 1999 to 2003 and also then the Chairman of the Sports and Games Committee. He was again elected as Director in July 2006. His current term of office as a director is for one (1) year or until his successor is elected during the annual stockholders' meeting. He is the Managing Director and President of Cargoaire Freight Forwarders, Inc., Cargoaire Maritime Corporation and Cyclo Air System Technologies, Inc. He is also currently the Chairman of House Committee of the Club. He obtained his liberal arts and commerce (LIA-COM) degrees from De La Salle University.

Daniel C. Samaniego

Mr. Daniel C. Samaniego was an Independent Director of the Club in 2005 and 2007, and again beginning March 2012 as replacement of Mr. Hector Diangkinay. Since 1982 up to the present, Mr. Samaniego is engaged in the private practice of dentistry, and since 1996 up to the present, he is engaged in the specialty practice of surgical and prosthetic implant dentistry. He graduated in Dental Medicine in 1982 from the University of the Philippines and took up from 1994 to 1996 advanced postgraduate training in implant dentistry at New York University. Mr. Samaniego placed 4th in the 1982 Philippine National Dental Board Examinations. He is also currently the Chairman of Sports and Games Committee of the Club.

Atty. Delfin P. Angcao

Atty. Delfin P. Angcao is a Certified Public Accountant and a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. He earned his law degree at the University of the East, College of Law and was admitted to the Philippine Bar in 1990. He has been the Assistant Corporate Secretary since October 15, 2013, and then Corporate Secretary of the Club since September 24, 2014.

Atty. Alvin O. Geli

Atty. Alvin O. Geli is a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. He earned his law degree in the University of the Philippines, College of Law and later on admitted to the Philippine Bar in 1995. He has been the Assistant Corporate Secretary of the Club since September 24, 2014.

(d) *Nominees for Directors*

All the current directors, namely, Messrs. Robert John L. Sobrepeña, Edward E. Dy, Rafael Perez de Tagle, Jr., Ferdinand T. Santos, Federico P. Campos III, Francisco C. Gonzalez,

Renato E. Lirio, Rhais M. Gamboa, Alberto Q. Avanceña, Alfredo M. Mendoza and Daniel C. Samaniego, have been nominated and/or qualified to run for re-election as directors at this year's annual meeting of stockholders. The said nominees are all Filipinos and their qualifications and other required information about them are already stated previously in this Statement.

The *curriculum vitae* and the plan of action of each of the nominees for election as directors are attached to this Information Statement as required under the Electoral Code of the Registrant.

(e) Independent Directors; Members of Nomination Committee

Under its Amended Manual on Corporate Governance submitted with the Securities and Exchange Commission, the Club is required to have at least two (2) Independent Directors (as defined under the Amended Manual on Corporate Governance) or such number of Independent Directors as shall constitute at least twenty percent (20%) of the members of the Board of Directors of the Club, whichever is lesser.

The incumbent Independent Directors of the Club are Messrs. Daniel C. Samaniego and Alfredo M. Mendoza.

The following nominees for Independent Directors were selected by the Board's Nomination and Election Committee in accordance with the guidelines in the Manual of Corporate Governance, the Revised Code of Corporate Governance (SEC Memorandum Circular No. 24, Series of 2019,), and the Guidelines in the Nomination or Election of Independent Directors (SRC Rule 38):

NOMINEE	NOMINATOR/S
Alfredo M. Mendoza	Frumencio Deguito and Nestor Plana Jr.
Daniel C. Samaniego	Benjamin Abela

The above-named nominators are not related to the persons they have respectively nominated for independent directors.

To comply with the Securities and Exchange Commission (SEC) Memorandum Circular No. 5 which became effective March 10, 2017, the Registrant submits herewith the Certificates of Qualification of the independent directors in the form prescribed by the SEC. The term limits of the independent directors shall be in accordance with SEC Memorandum Circular No. 9, Series of 2011, which became effective beginning January 2, 2012. The term limits of the independent directors shall be for a maximum cumulative term of nine (9) years in accordance with SEC Memorandum Circular No. 4, Series of 2017, which became effective March 9, 2017. The reckoning date of the cumulative nine-year term is from 2012.

On August 26, 2009, the Board unanimously approved a resolution to implement the proposed amendments to the Club's Manual on Corporate Governance to affirm the Club's policy to abide by the provisions of its By-laws in all aspects which are in conflict with the Club's Manual on Corporate Governance, especially the provisions on the powers and composition of the Nomination and Election Committee. Said proposed amendments were duly approved by the stockholders during the annual stockholders' meeting held on September 16, 2009.

On July 30, 2010, the Club filed its Amended Manual on Corporate Governance with the SEC. One of the provisions amended was Sec. 2, Art. VI which originally provides that the Nomination Committee of the Club shall be composed of at least 3 directors, one of whom is an independent director. By virtue of the recent amendment, this provision now provides that “[t]he Nomination and Election Committee of the Club shall be composed of five (5) regular members in good standing. ...” The amendment was introduced because under the Club’s By-laws, the members of the Nomination and Election Committee are not allowed to run for election as director. The rationale behind this prohibition is to avoid any potential conflict of interest, since the duties of the said Committee include the validation of proxies, balloting and election, and as such, a director, who himself may be running for re-election, should not be allowed to sit in such Committee. In order to maintain confidence in the integrity and impartiality of the Nomination and Election Committee, a director, even one who is an independent director, must not be allowed to influence the nomination and election proceedings. Nonetheless, upon the instruction of the SEC, the matter of the composition of the Nomination and Election Committee to comply with SRC Rule 38 will in due course be taken up with the Club’s Board of Directors and stockholders.

The Board approved the Club’s updated Manual on Corporate Governance was updated based on SEC Memorandum Circular No. 24, Series of 2019 on January 27, 2021.

The Club’s Nomination and Election Committee is presently composed of the following individuals, all of whom are regular members in good standings:

Renato L. Tobias	-	Chairman
Gene D. Lim	-	Vice Chairman
Ranie A. Carlos	-	Secretary
Marcelo C. de Guzman	-	Member
Efren P. Sarmiento	-	Member

(f) Other directorships held in reporting companies naming each company.

Mr. Robert John L. Sobrepeña - Co-Chairman, Global-Estate Resorts, Inc.

(g) Family Relationship

There is no family relationship up to the fourth civil degree, either by consanguinity or affinity, among directors, executive officers, or nominees for election as directors.

(h) No Involvement in Legal Proceedings

There are no events or legal proceedings occurring in the past five years up to this date that are material to an evaluation of the ability or integrity of any director or person nominated to become a director or executive officer of the Club.

The Club and its affiliates are parties to various legal actions or proceedings as disclosed in the Club’s Annual Reports (SEC Form 17-A) filed with the SEC. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Club’s financial position.

(i) Significant employees

<u>Significant Employees</u>	<u>Position</u>	<u>Age</u>
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Jayson Q. Yu	Officer-in-Charge	
	General Manager & COO	55
Jerome U. Delariarte	Asst. General Manager	46
Armando D. Sierra	Comptroller	61
John R. Cope	Director of Grounds	59
Andre Christian B. Santos	Asst. Golf Director	51
Rodrigo G. Umayam	Director of Engineering	47

(j) *Business experience of the significant employees of the Registrant for the last five years:*

Jayson Q. Yu

Mr. Jayson Q. Yu was appointed as Officer-in-Charge of the Club on July 1, 2023 after the retirement of the previous General Manager, Mr. Mark O. Watson, effective June 30, 2023. He was also a former Officer-in-Charge of the Club from May 2011 to 2014 as replacement of Mr. Tim Allen. Prior thereto, Mr. Yu has also served as Officer-in-Charge of Sherwood Hills Golf Club in Trece Martires City, Cavite. Mr. Yu is a Certified Public Accountant by profession and he is 55 years old.

Jerome U. Delariarte

Mr. Jerome U. Delariarte was promoted as the Club's Assistant General Manager in July 2023. Mr. Delariarte has been in the golf industry for over 14 years and has worked with Camp John Hay Golf Club in Baguio City as Golf Director from August 8, 2012 to June 30, 2014 after which he transferred to the Manila Southwoods Golf and Country Club and was appointed as the Club's Golf Director effective July 2, 2014. He has been an amateur player in various teams starting 2000 to 2003. He has also joined various professional tournaments like Asian Tour from 2005 to 2010, Philippine Golf Tour from 2008-2012 and The Razon Invitational Champion in 2005. Mr. Delariarte attended the University of Tennessee at Chattanooga USA for one and a half years starting August 2008 before deciding to focus on amateur and professional golf as a career and returned to the Philippines.

Armando D. Sierra

Mr. Armando D. Sierra became the Comptroller in March 2006. He is a Certified Public Accountant by profession. He has worked with the Club as Assistant Comptroller from 1995 to 2004 before he accepted the position of Chief Accountant of Ken Aqua Hotel & Resort in Saipan, USA. He has a degree in Bachelor of Science in Commerce, Major in Accounting, at the Polytechnic University of the Philippines.

John R. Cope

Mr. John Cope has over 30 years of experience in the golf course industry. He was appointed as the Club's Director of Grounds effective January 1, 2014. Prior to this, he has worked with Jack Nicklaus Design for over 21 years as a Senior Designer. During that period he has been assigned in various parts of the world and has designed 37 golf courses. Mr. Cope finished his B. S. in Landscape Horticulture in Colorado State University in 1986. He has been a member of the American Society of Golf Course Architects since 2007 and Golf Course Superintendents of America since 1980. He is currently running his own company, the Cope Design Limited, with offices in Manila and Hongkong.

Andre Christian B. Santos

Mr. Andre Christian B. Santos has joined the Company on August 16, 2022 as Assistant Golf Director. He was a member of JunGolf Philippines from 1985 to 1989 and participated in various local and international golf tournaments. His previous employment was in Sun Life Asset Management Company, Inc. as a Cluster Head for Territory 2B and Luzon. He also worked as an Independent Financial Advisor, Head Trader with GL Capital Partner, LLC, and Senior Global Equities Trader with Citisecurities, Inc. He graduated from De La Salle University - College of Saint Benilde with a degree of Bachelor of Arts major in Human Resource Management.

Rodrigo G. Umayam II

Engr. Rodrigo G. Umayam II has joined the Company on August 31, 2023 as a replacement of Engr. Charlie Panibe who has resigned effective September 15, 2023. Engr. Umayam is a Registered Electrical Engineer and Master Electrician. His previous employment was in Philippine Realty and Holdings Corporation as a Construction Manager and handled the construction of high-rise buildings. He was also employed as Electrical Manager at Will Decena & Associates, Inc., MEPFS Head at Cavite Ideal International Construction & Development Corp., and as COD 2 MEPFS Area Head at Makati Development Corporation. He graduated from Technological Institute of the Philippines.

(k) *Certain Relationships and Related Transactions*

Transaction with Other Related Parties (Key Management Personnel)

	2023	2022	2021	2020	2019
Short-term employee benefits	₱22,211,143	₱20,388,916	₱18,923,655	₱17,151,953	₱18,825,076
Retirement costs	₱1,980,394	₱1,241,989	₱1,174,753	₱778,204	₱866,956
	₱24,191,537	₱21,630,905	₱20,098,408	₱17,930,157	₱19,692,032

6. Compensation of Directors and Executive Officers

<u>Name and Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Other Accumulated Compensation</u>
Ferdinand T. Santos - President & CEO Edward E. Dy - President & CEO	2025	None	None	₱ 88,000
	2024	None	None	₱ 88,000
	2023	None	None	₱88,000
	2022	None	None	₱88,000
Jayson Q. Yu - OIC General Manager	2025	₱ 2,433,333	None	₱600,000
	2024	₱ 2,433,333	None	₱600,000
	2023	₱ 650,000	None	₱300,000
Mark O. Watson (retired)	2023	₱ 1,508,427	None	None
	2022	₱ 3,019,549	None	None
Jerome U. Delariarte - Asst. General Manager & former Golf Director	2025	₱ 2,509,351	None	₱300,000
	2024	₱ 2,509,351	None	₱300,000
	2023	₱ 1,859,351	None	₱300,000
	2022	₱ 1,108,861	None	₱300,000

Armando D. Sierra – Comptroller	2025	₱ 2,467,351	None	None
	2024	₱ 2,467,351	None	None
	2023	₱ 2,153,338	None	None
	2022	₱ 2,153,338	None	None
John R. Cope – Director of Grounds	2025	₱4,748,991	None	None
	2024	₱4,748,991	None	None
	2023	₱4,748,991	None	None
	2022	₱ 4,491,059	None	None
Andre Christian B. Santos – Asst.Golf Director	2025	₱831,480	None	₱120,000
	2024	₱831,480	None	₱120,000
	2023	₱780,000	None	₱120,000
	2022	₱292,500	None	₱45,000
Rodrigo G. Umayam II – Director of Engineering	2025	₱975,000	None	₱120,000
	2024	₱975,000	None	₱100,000
	2023	₱325,000	None	None
Charlie M. Panibe (resigned)	2023	₱627,632	None	₱85,000
	2022	₱908,808	None	₱120,000
All Officers and Directors as Group Unnamed	2025	₱13,965,506	None	₱1,228,000
	2024	₱13,965,526	None	₱1,208,000
	2023	₱12,652,739	None	₱893,000
	2022	₱11,974,115	None	₱553,000

All Club directors are not paid any salary for their services to the Club. Their compensation is in the form of exemption from the payment of monthly dues of ₱4,000.00 and locker rental, a monthly consumable of ₱3,333.00 for charges within the Club if they attend a monthly regular Board of Directors meeting, 40 rounds of free green fee per year and reserved parking.

There are no standard arrangements pursuant to which directors are compensated or are to be compensated, or is to be compensated for any services provided as director including committee participation or special assignments for the last completed year and the ensuing year.

There are neither other arrangements nor consulting contracts pursuant to which any director of the Club is compensated or is to be compensated directly or indirectly during the Club's completed fiscal year and the ensuing year for any service provided as a director.

There are no employment contracts between the Club and any named executive officer except for the standard arrangement for an employer-employee relationship. There are no compensatory plans or arrangements, including payments to be received from the Club, with respect to a named executive officer which resulted or will result from the resignation, retirement, or any other termination of such executive officer's employment with the Club or from a change-in-control of the Club or a change in the named officer's responsibilities.

There are no outstanding warrants or options held by any of the Club's executive officers. Consequently, there were no adjustments or amendments to any exercise price of stock warrants or options previously awarded to any officers or directors of the Club.

7. Independent Public Accountant; Audit Committee

- (a) The auditing firm named below will be recommended to the stockholders for re-appointment as the Registrant's principal accountant for the ensuing fiscal year.

Isla Lipana & Co.
(PricewaterhouseCoopers-Philippines)
29th Floor, Philamlife Tower
8767 Paseo de Roxas 1226
Makati City, Metro Manila
Handling Partner: Pocholo C. Domondon

The said external auditors charged the Club an aggregate amount for each of the last two fiscal years' financial audit amounting to Php344,960 for 2024 and Php351,899.42 for 2023, inclusive of out-pocket-expenses and VAT.

- (b) Isla Lipana & Co. was the principal accountant of the Registrant for the fiscal year most recently completed (December 31, 2023).
- (c) Representatives of Isla Lipana & Co. are expected to be present at the stockholders' meeting; they will have the opportunity to make a statement if they desire to do so, and they are expected to be available to respond to appropriate questions.
- (d) Audit Committee – The members of the Club's Audit Committee are as follows:

Alfredo M. Mendoza	- Chairman (Independent Director)
Daniel C. Samaniego	- Member (Independent Director)
Renato E. Lirio	- Member
Federico P. Campos III	- Member
Alberto Q. Avanceña	- Member
Jayson Q. Yu	- Member
Jose R. Cedo	- Member
- (e) There were no changes in, or disagreements with, accountants on accounting and financial disclosures.

8. Compensation Plans

There is no action to be taken during the meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed to any person.

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. Authorization or Issuance of Securities Other Than for Exchange

There is no action to be taken during the meeting with respect to the authorization or issuance of any securities of the Registrant.

10. Modification or Exchange of Securities

There is no action to be taken during the meeting with respect to the modification or any class of securities of the Registrant, or the issuance or authorization for issuance of one class of securities of the Registrant in exchange for outstanding securities of another class.

11. Financial and Other Information

Financial statements meeting the requirements of SRC Rule 68 and other information required under SRC Rule 20 are attached or incorporated in this Information Statement.

12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no action to be taken during the meeting with respect to mergers, consolidations, acquisitions, or similar matters involving the Registrant.

13. Acquisition or Disposition of Property

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

14. Restatement of Accounts

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

D. OTHER MATTERS

15. Action with Respect to Reports

- (a) Approval/ratification of the minutes of the annual meeting of stockholders held on September 16, 2009. As previously disclosed to the SEC, the annual meetings which were supposed to have been held on September 15, 2010, June 8, 2011, December 14, 2011, June 5, 2013, August 27, 2014, September 16, 2015, August 20, 2016, September 27, 2017, September 26, 2018, October 30, 2019, December 18, 2020, October 20, 2021, December 14, 2022, and November 22, 2023 failed to proceed due to lack of quorum. Also, the annual meeting that was supposed to be held on August 29, 2012 did not push through due to a Temporary Restraining Order. Approval of said minutes shall constitute a confirmation of the accuracy and faithfulness of the recording all the matters and events that transpired in the meeting as stated in the said minutes, namely: (i) approval of the minutes of the 2008 annual meeting; (ii) the ratification of the acts of the Board of Directors for the period 2008-2009; (iii) the selection of Sycip Gorres Velayo & Co. as independent auditors; and (iv) the election of the Board of Directors for the year 2008-2009. This will not constitute a second approval of the same matters that were already approved during the annual stockholders' meeting in 2009.
- (b) Ratification of the acts of the Board of Directors and Officers, which refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the minute books, annual report, and financial statements, for the period November 23, 2023 to November 21, 2024, to wit: (i) election of officers and appointment of the members of the Club's standing committees; (ii) sale of Club shares (including treasury shares) and the conditions thereof; (iii) waivers of the Club's right of first refusal; (iv) admission of Club membership applicants; (v) approval of increase in Club fees; (vi) public auction of delinquent shares; (vii) approval of golf tournaments; (viii) addition to the guest of the house list; (ix) renewal of employment contracts; (x) approval of salary adjustments

for employees; (xi) approval of the new terms of the collective bargaining agreement; (xii) approval of budget allocation for members' monthly tournament, renovation and additional works performed on the Club; (xiii) investment of Club funds in short-term placements, treasury bills, and treasury bonds; (xiv) imposition of fines and suspensions on members based on incident reports reviewed by the Board; (xv) renovation of Maintenance Office, Administrative Office, Main Clubhouse Clinic; (xvi) approval to enter into a service agreement with Mr. Romeo P. Borillo, doing business under the name and style of Connie Hair Salon and Spa; (xvii) approval and revision of the Club's operations budget; (xviii) approval to enter into agreements and contracts with vendors, suppliers, and other third parties in the regular course of the Club's business and operations; (xix) construction of Mulligan Sports Bar Extension; (xx) approval to enter into a Stock Transfer Agreement with Stock Transfer Service, Inc.; (xxi) appointment of a new Data Protection Officer ("DPO"); (xxii) nomination of the Club's nominee in the Board of Directors of the National Golf Association of the Philippines ("NGAP"); (xxiii) renewal of Comprehensive General Liability Insurance (June 7, 2024 to June 25, 2025); (xxiv) approval of the Club's policy on the Golf Supplemental Fund; (xxv) renewal of Commercial All-Risk Insurance (August 31, 2024 to August 31, 2025); and (xxvi) approval of the Audited Financial Statements of the Club for the year ended December 31, 2023, among others.

(c) Selection of Isla Lipana & Co. as independent auditors.

(d) Election of Directors

Election of eleven (11) directors, including the Independent Directors, who shall hold office for one (1) year and until their successors are duly elected and qualified. The following are the nominees for the Board of Directors:

1. Alberto Q. Avanceña
2. Federico P. Campos III
3. Edward E. Dy
4. Rhais M. Gamboa
5. Francisco C. Gonzales
6. Renato E. Lirio
7. Alfredo M. Mendoza
8. Rafael Perez de Tagle, Jr.
9. Daniel C. Samaniego
10. Ferdinand T. Santos
11. Robert John L. Sobrepeña

16. Matters Not Required to be Submitted

There is no action to be taken during the meeting with respect to any matter which is not required to be submitted to a vote of the security holders of the Registrant.

17. Amendment of Charter, By-laws or Other Documents

There are no proposed amendments to the charter documents.

18. Other Proposed Actions

There is no action to be taken during the meeting with respect to any matter not specifically referred to above.

19. Voting Procedures

(a) *Approval/ratification of the minutes of the annual stockholders' meeting held on September 16, 2009*

- (1) Vote required: A majority of the outstanding common shares present in person, *in absentia* or by proxy constituting a quorum.
- (2) Method by which votes shall be counted: Each outstanding common share shall be entitled to one (1) vote.

(b) *Ratification of the acts of the Board of Directors and Officers*

- (1) Vote required: A majority of the outstanding common shares present in person, *in absentia* or by proxy constituting a quorum.
- (2) Method by which votes shall be counted: Each outstanding common share shall be entitled to one (1) vote.

(c) *Appointment of Independent External Auditors*

- (1) Vote required: A majority of the outstanding common shares present in person, *in absentia* or by proxy constituting a quorum.
- (2) Method by which votes shall be counted: Each outstanding common share shall be entitled to one (1) vote each.

(d) *Election of Directors*

- (1) Vote required: The eleven (11) candidates receiving the highest number of votes shall be declared elected.
- (2) Method by which votes will be counted. A stockholder entitled to vote shall have the right to vote in person, *in absentia* or by proxy the number of shares of stock standing in his own name in the stock books of the Registrant as of the There is no family relationship up to the fourth civil degree, either by consanguinity or affinity, among directors, executive officers, or nominees for election as directors, and said stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Registrant multiplied by the whole number of directors to be elected.

Counting of votes will be done by balloting. Votes cast in the election of directors shall be counted by the Nomination and Election Committee and/or the canvassing body, while those for other actions shall be counted by the Corporate Secretary.

PART II
INFORMATION REQUIRED IN A PROXY FORM

1. Identification

This proxy is being solicited for and on behalf of the Registrant.

2. Instruction

- (a) In accordance with the Electoral Code of the Registrant, the Registrant shall issue and cause to be delivered the Registrant's official pre-numbered proxy forms to all stockholders in good standing and recorded as such in the stock and transfer of the Club as of the record date. The proxy of a corporate stockholder shall be accompanied by a notarized Secretary's Certificate of the resolution of its board of directors appointing its proxy and the person authorized to accomplish the proxy.

- (b) Duly accomplished proxies issued by the Registrant may be e-mailed, sent by courier or by postage mail, or submitted personally to the Corporate Secretary of the Club not later than 5:00 p.m. of November 11, 2024 at the following address:

E-mail: southwoods.asm2024@gmail.com

The Corporate Secretary
c/o The Manila Southwoods Golf and Country Club
Bo. Cabilang Baybay, Carmona, Cavite, Philippines

- (c) Validation of proxies will be conducted by the Nomination and Election Committee together with the Stock Transfer Agent of the Registrant on November 15, 2024 at 10:00 a.m. at the principal office of the Registrant at Bo. Cabilang Baybay, Carmona, Cavite.
- (d) If the name of the proxy is left in blank, the person to whom it is given or the issuer corporation receiving the proxy is at liberty to fill in any name he/it chooses.
- (e) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b) and the Electoral Code of the Registrant, and such other rules and regulations consistent therewith that may be promulgated from time to time by the Nomination and Election Committee.
- (g) The proxy, when properly executed, will be voted in the manner as directed by the stockholder. If no direction is made, the proxy will be voted for the items stated therein at the discretion of the Proxy.

3. Revocability of Proxy

Any individual stockholder who executes the proxy enclosed with this statement may revoke it at any time before the validation of proxies on November 15, 2024 at 10:00 a.m. by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at *southwoods.asm2024@gmail.com*.

4. *Persons Making the Proxy Solicitation*

The solicitation of proxy is made by the Registrant through email, courier or personal delivery. The Registrant will shoulder the cost of solicitation.

Registrant does not intend to bring any matter before the meeting other than those set forth in the notice of the annual meeting of stockholders and does not know of any matter to be brought before the meeting by others. If any other matter does come before the meeting, the proxy shall vote in the manner indicated by the stockholder, or if no such indication is made, in accordance with proxy's discretion.

ACCOMPANYING THIS INFORMATION STATEMENT IS A COPY OF THE NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF, PROXY/BALLOT FORM, AND A COPY OF THE REGISTRANT'S MANAGEMENT REPORT PURSUANT TO SRC RULE 20 (4).

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE REGISTRANT'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE REGISTRANT AT ITS PRINCIPAL OFFICE THROUGH ITS COMPTROLLER, MR. ARMANDO SIERRA.

PART III
SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on October 24, 2024.

**THE MANILA SOUTHWOODS GOLF &
COUNTRY CLUB, INC.**

By:



DELFIN P. ANGCAO
Corporate Secretary

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.
(A NONPROFIT CORPORATION)**

MANAGEMENT REPORT

**For the
2024 Annual Meeting of the Stockholders
Pursuant to SRC Rule 20 (4)**

FINANCIAL INFORMATION

(A) Management's Discussion and Analysis and Plan of Operation

Fiscal Year 2023 and 2022

Balance Sheet

Total assets of the club as of December 31, 2023 and 2022 is ₱5.90 billion and ₱5.81 billion, respectively, or increased by ₱93.4 million or 1.61%. Balance sheet accounts with significant movement from the previous year are as follows:

Cash and cash equivalent. Cash account decreased by ₱35.4 million or 25.8%, from ₱137.0 million to ₱101.6 million, attributable to the net effect of purchase of new short-term investments in the form of time deposits amounting to ₱66.42 million.

Receivables. Receivable decreased by ₱1.6 million or 3.2%, from ₱47.4 million to ₱45.8 million, due to the liquidation of various down payments to the suppliers and contractors in relation to the completed facility renovation projects.

Inventories. Increased by ₱1.4 million or 5.5%, from ₱25.9 million to ₱27.3 million, attributable to the additional golf merchandise for sale at the pro shop.

Investments. Increased by ₱66.4 million or 442.6%, from ₱15.0 million to ₱81.4 million, attributable to purchase of new short-term investments in the form of time deposits, reclassification of long-term investments to current assets, and termination of treasury bills from Union Bank during the year.

Prepayments and other current assets. Increased by ₱1.3 million or 11.8%, from ₱11.4 million to ₱12.7 million, attributed to the additional insurance premiums due to increased value of property, and increase in prepaid taxes.

Property and equipment. Increased by ₱83.8 million or 37.0%, from ₱226.6 million to ₱310.4 million, attributable to the renovation projects such as conversion of mulligan fine dining to sports bar, renovation of men's and ladies' lockers, renovation of ball room and function rooms, purchase of new air conditioning system, and acquisition of various turf maintenance equipment.

Investment, noncurrent. Decreased by ₱15.0 million or 100% due to reclassification of investment with BDO to current account.

Retirement benefit assets. Decreased by ₱0.6 million or 100%, from ₱0.60 million to nil, due to increase in retirement benefit obligation as a result of lower discount rate.

Other noncurrent assets. Decreased by ₱7.0 million or 28.6%, from ₱24.6 million to ₱17.6 million, due to the collection of installment receivables from members and amortization of prepaid dues and VAT during the year.

Accounts payable and other current assets. Increased by ₱40.6 million or 47.7%, from ₱84.9 million to ₱125.5 million, due to accrual of trade payables to third party representing partially completed facility renovation projects and capital expenditures and advance payment by the members.

Unearned receipts. Increased by ₱14.2 million or 16.0%, from ₱88.6 million to ₱102.7 million, representing advance payment of monthly dues and additional membership fees collected by the Club which are being amortized over an average length of membership of four (4) years, in compliance to PFRS#15.

Lease liabilities. Increased by ₱10.8 million or 75.6%, from ₱14.3 million to ₱25.1 million, due to the acquisition of new fleet of turf maintenance equipment and new generator set for the main clubhouse.

Retirement benefit obligation. Booked a total amount of ₱10.2 million in 2023 as compared to nil in 2022 attributable to the increase in retirement benefit obligation as a result of lower discount.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱34.4 million or 38.0%, from ₱90.5 million to ₱124.9 million, due to the re-issuance of four (4) class “A” and four (4) class “B” shares during the year at higher selling prices.

Result of Operations

The Club registered an excess of receipts over costs and expenses (before depreciation and income tax) this year amounting to ₱38.5 million as compared to ₱21.4 million last year or increased by ₱17.1 million or 80.4% attributable to higher receipts and income during the year.

Revenues from club operations and receipts from members. Total revenues and receipts for the year is ₱309.5 million as compared to ₱271.4 million of the previous year, or increased by ₱38.1 million or 14.0%. Receipts and revenue items with increase or decrease by 5% and above are as follows:

Membership fees – increased by ₱4.6 million or 19.1%, from ₱23.8 million to ₱28.4 million, due to high turnover of members and the membership fee rate increase from ₱200 thousand to ₱250 thousand starting March 1, 2022.

Transfer fees – increased by ₱3.8 million or 17.5%, from ₱21.7 million to ₱25.5 million, due to the increase in turnover of shareholders and transfer fee rate increase from ₱200 thousand to ₱250 thousand starting March 1, 2022.

Annual playing rights fees – increased by ₱5.5 million or 47.8%, from ₱11.5 million to ₱17.0 million, due to the increase in number of playing rights holders and the two-time increase of annual assignment fee rate from ₱100 thousand to ₱150 thousand effective March 1, 2022, and from ₱150 thousand to ₱200 thousand effective December 1, 2023.

Green fees and tourist fees - increased by ₱15.5 million or 32.9%, from ₱47.2 million to ₱62.7 million, due to the increase in green fee rate from ₱5,000 to ₱6,000 for weekend and ₱3,000 to ₱4,000 for weekdays effective March 1, 2023. Another increase of ₱500 of the green fee rate was imposed effective November 1, 2023.

Locker, golf cart and equipment rental fees – increased by ₱1.4 million or 5.2%, from ₱26.8 million to ₱28.2 million, attributed to the golf cart rental for the tournaments at premium rental fee.

Sale of golf merchandise – decreased by ₱0.7 million or 5.1%, from ₱13.8 million to ₱13.1 million, attributable to the change of giveaways for 2023 Southwoods Invitational Tournament from pro shop gift certificate to golf bag, hence, pro shop sales were reduced.

Tournament fees – increased by ₱1.6 million or 51.3% as greater number of members sponsored tournaments were held in 2023 compared to 2022.

Others – increased by ₱184 thousand or 9.3 % attributed to the disposal of old rental golf carts during the year.

Interest income - increased by ₱1.4 million or 42.0 % attributed to higher interest rates by the Club on investments in the form of short-term placements and treasury bond.

Costs and Expenses. Operating costs and expenses of the Club increased by ₱21.0 million or 8.4%, from ₱250.0 million to ₱271.0 million. Expense items with significant movements are the following:

Salaries and wages - increased by ₱2.1 million or 3.4%, from ₱63.4 million to ₱65.6 million, attributable to the new minimum wage order and salary adjustment during the year as provided for in the CBA.

Repairs and maintenance – decreased by ₱6.7 million or 16%, from ₱42.1 million last year to ₱35.4 million this year, attributed to extra expenditures in 2022 for the golf cart battery replacement using lithium instead of ordinary lead batteries with a longer life usage. Renovations works at the main clubhouse also contributed to the decrease in the repairs and maintenance cost during the year.

Security and janitorial – increased by ₱6.0 million or 37.3%, from ₱16.1 million to ₱22.1 million, due to the reinstated janitorial services and the effect of new minimum wage order imposed by the government.

Light and water – increased by ₱2.3 million or 12.7%, from ₱18.4 million to ₱20.8 million, attributed to inflation rate and full operations of the Club.

Other employee benefits – increased by ₱2.4 million or 15.7%, from ₱15.3 million to ₱17.7 million, due to the payroll increase brought by the new minimum wage order and salary adjustments, and increase on the employees' welfare.

Input VAT expense – increased by ₱3.7 million or 30.0% brought by various renovations works and capital expenditures during the year.

Taxes and licenses - increased by ₱7.3 million or 324% attributed to the one-time payment of LLDA regulatory fee in relation to the issuance of LLDA Clearance and Discharge Permit for club operations.

Fuel and oil – decreased by ₱1.0 million or 10.5% attributable to higher fuel consumption in 2022 due to the extended use of generator set while the main power line at the main clubhouse was down and under repair for more than one month.

Cost of sales of inventories – decreased by ₱1.0 million or 10.8% brought by lower sales of golf merchandise at the pro shop during the year.

Real property taxes – decreased by ₱2.7 million or 29.7% attributed to foregone real property discount in 2022 while the Club was negotiating with the provincial government for a lower and reasonable land valuation. Land valuation was successfully reduced from Php6,000 to Php1,800 per square meter.

Retirement benefit expense – increased by ₱3.0 million or 115%, from ₱2.6 million to ₱5.6 million, based on latest actuarial valuation conducted by an independent contractor, and the impact of benefit increment given to the former G of the Club.

Contract services – increased by ₱0.7 million or 57.0%, from ₱1.3 million to ₱2.0 million, attributed to the laundry services and courier services as the Club is back to its full normal operations.

Communication – increased by ₱0.5 million or 22.7% due to additional internet subscription from Globe as a back-up internet service provider of the Club.

Others – increased by ₱3.7 million or 24.8%, from ₱15.9 million to ₱20.0 million, due to the resumption of various club events and rental expense for standby generator set while the new generator set is being procured and installed.

Fiscal Year 2022 and 2021

Balance Sheet

Total assets of the club as of December 31, 2022 and 2021 is ₱5.81 billion and ₱5.75 billion, respectively, or increased by ₱60.8 million or 1.06%. Balance sheet accounts with significant movements from the previous year are as follows:

Cash and cash equivalent. Cash account increased by ₱10.2 million or 8.0%, from ₱126.8 million to ₱137.0 million, due to investments in treasury bills and bonds, collection of unearned receipts, and proceeds from the re-issuance of club acquired delinquent shares during the year.

Receivables. Receivable increased by ₱17.6 million or 59.2%, from ₱29.8 million to ₱47.4 million, due to increase in club fees during the year, and advance payment to suppliers and contractors in relation to rehabilitation projects in the Club and capital expenditures.

Inventories. Increased by ₱9.5 million or 57.9%, from ₱16.4 million to ₱25.9 million, which is attributed to the increased par stocking of consumable supplies for facility maintenance and increase of golf merchandise for sale at the Pro Shop.

Investments. A new account with an aggregate amount of ₱30.0 million investments on treasury bills and bonds during the year.

Prepayments and other current assets. Increased by ₱7.6 million or 198.4%, from ₱3.8 million to ₱11.4 million, attributed to advance payment of real property taxes for the covering year 2023 based on the adjusted land valuation imposed by the local government of Cavite.

Property and equipment. Decreased by ₱8.8 million or 3.7%, from ₱235.4 million to ₱226.6 million, mainly due to the depreciation expense for the year.

Retirement benefit assets. Increased by ₱0.2 million or 53.2%, from ₱396 thousand to ₱608 thousand, due to additional payment of retirement contribution during the year.

Other noncurrent assets. Decreased by ₱6.4 million or 20.7%, from ₱31.0 million to ₱24.6 million, due to collection of installment receivables and amortization of prepaid dues during the year.

Accounts payable and other current assets. Increased by ₱18.7 million or 28.3%, from ₱66.2 million to ₱84.9 million, due to purchases from suppliers, advance payment of dues by the members, and accruals of partially completed renovation projects.

Unearned receipts. Increased by ₱20.2 million or 29.5%, from ₱68.4 million to ₱88.6 million, representing the advance payment of monthly dues, and additional membership fees collected by the Club which are being amortized over an average length of membership of four (4) years, in compliance to PFRS#15.

Lease liabilities. Increased by ₱5.0 million or 54.6%, from ₱9.3 million to ₱14.3 million, due to the new acquisitions of operating equipment through finance lease during the year.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱34.7 million or 62.0%, from ₱55.8 million to ₱90.5 million, due to the re-issuance of various class “A” and class “B” shares during the year.

Result of Operations

The Club registered an excess of receipts over costs and expenses (before depreciation and income tax) this year amounting to ₱21.4 million as compared to ₱24.2 million last year or decreased by ₱2.8 million or 11.7% as there were more renovation projects carried out during the year.

Revenues from club operations and receipts from members. Total revenues and receipts for the year is ₱271.4 million as compared to ₱221.4 million of the previous year, or increased by ₱50.0 million or 22.5%. Revenue items with increase or decrease by 5% and above are as follows:

Membership fees – increased by ₱2.6 million or 14.4%, from of ₱21.2 million to ₱23.8 million, due to the increase of club fees during the year.

Transfer fees – increased by ₱4.7 million or 27.6%, from of ₱17.0 million to ₱21.7 million, due to the increase of club fees and more members have sold their shares during the year.

Annual playing rights fees – increased by ₱2.3 million or 25.6%, from of ₱9.2 million to ₱11.5 million, due to the increase of club fees during the year.

Green fees and tourist fees - increased by ₱17.4 million or 58.4%, from of ₱29.8 million to ₱47.2 million, due to the increase of club fees and higher number of guests that patronized the club’s facilities during the year.

Locker, golf cart and equipment rental fees – increased by ₱11.0 million or 70.2%, from of ₱15.8 million to ₱26.8 million, because of higher patronage/number of players during the year.

Sale of golf merchandise – increased by ₱8.7 million or 170.0%, from of ₱5.1 million to ₱13.8 million, as more players have patronized the facilities during the year and the utilization of various golf merchandise as raffle prizes for club events/tournaments.

Tournament fees – registered a total revenue of ₱3.2 million as compared to nil in 2021 brought by the resumption of tournaments after the COVID-19 pandemic.

Others – increased by ₱0.7 million or 50%, from of ₱1.3 million to ₱1.9 million, attributed to the disposal of scrap materials and the sale of drinking water.

Costs and Expenses. Operating costs and expenses of the Club likewise increased by ₱52.7 million or 26.7%, from ₱197.3 million to ₱250.0 million. Expense items with significant movements are the following:

Salaries and wages - increased by ₱11.2 million or 21.5%, from ₱52.2 million to ₱63.4 million, due to full deployment of the club's manpower, implementation of the new minimum wage order, salary adjustment as provided for by the CBA, and the salary adjustments for the department managers and supervisors.

Repairs and maintenance – increased by ₱3.4 million or 8.7%, from ₱38.8 million last year to ₱42.2 million this year, as there were more repairs and renovation projects completed during the year.

Materials and supplies – increased by ₱3.1 million or 17.2%, from ₱18.2 million to ₱21.3 million, brought by higher consumption of operating supplies due to improved club operations and the impact of inflation rate.

Light and water – increased by ₱3.8 million or 26.3%, from ₱14.6 million to ₱18.4 million, as the club has returned its normal operations after the COVID-19 pandemic.

Security and janitorial – increased by ₱1.3 million or 8.5%, from ₱14.8 million to ₱16.1 million, due to the effect of new minimum wage order imposed by the government.

Other employee benefits – increased by ₱1.3 million or 9.4%, from ₱14.0 million to ₱15.3 million, due to payroll increase brought by the new minimum wage increase and salary adjustments.

Input VAT expense – increased by ₱5.4 million or 78.9% brought by the increase in operating expenses during the year.

Fuel and oil – increased by ₱3.6 million or 53.7% due to higher consumption of fuel brought by the normal club operations and the impact of inflation rate.

Cost of sales of inventories – increased by ₱6.4 million or 224.9% brought by higher sales of golf merchandise during the year.

Real property taxes – increased by ₱3.6 million or 67.3% due to higher land valuation imposed by the government and the penalty charges for the delayed payment of taxes.

Taxes and licenses - increased by ₱0.3 million or 18.0% due to higher business tax assessment brought by higher club revenues.

Meetings and conferences – increased by ₱0.7 million or 47.3%, from ₱1.5 million to ₱2.2 million, due to the increased frequency of membership interviews and number of new members' cocktails during the year.

Professional fees – increased by ₱0.6 million or 22.7%, from ₱2.8 million to ₱3.4 million, which is mainly attributed to the timing of submission of billing statements by the Club's legal counsel.

Contract services – increased by ₱0.3 million or 32.7%, from ₱1.0 million to ₱1.3 million, due to the impact of new minimum wage order by the government.

Others – increased by ₱7.2 million or 82.0%, from ₱8.7 million to ₱15.9 million, due to resumption of various club events such as Southwoods Pro-Am, SW Founders Circle tournament, and allocations for SW Invitational and Chairman's Charity Cup.

Liquidity

The Club has a current ratio of 1.35:1.00 as of December 31, 2023 as compared to 1.66:1.00 as of December 31, 2022. With the Club's positive working capital, the management is confident that it has sufficient resources to sustain its day-to-day operation and pay-off financial obligations as they mature. The Club has available shares acquired from the delinquent shareholders over the years which can be re-issued anytime when there is a need to raise additional funds for its operation. During the year, the Club sold four (4) Class "A" shares at an average price of ₱4.38 million per share and four (4) Class "B" shares at an average price of ₱5.75 million, for a combined total amount of ₱40.5 million. As of December 31, 2023, the Club has a total of 118 delinquent shares acquired through auctions. Further, the Club may also to impose special assessment to its general membership or increase the monthly dues when the need arises.

The Club is a respondent in other cases arising from the normal course of business. Any potential liability is likely to have a repayment period of more than a year and would probably be classified to noncurrent liabilities thereby the Club's current ratio will not be materially affected.

Except for the contingent liability discussed above, there are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

Top Five (5) Key Performance Indicators

The Club identifies its top five (5) key performance indicators as follows:

1. Net working capital (current assets less current liabilities)
2. Current ratio (current assets over current liabilities)
3. Base equity (members' equity over total liabilities)
4. Collection from membership dues and consumables
5. Earnings before depreciation (EBD)

Net working capital and current ratio measures the liquidity or short-term debt paying ability of the Club. Having a positive net working capital and current ratio of at least 1:1 is a fair indication of liquidity. The positive net working capital and 1.35:1.00 current ratio as of December 31, 2023 was discussed under the liquidity section above.

Base equity measures the dependence of the Club on its shareholders or creditors in meeting its financial obligations. A base equity of at least 25% is a good indication of a healthy capitalization. As of December 31, 2023, the Club has a base equity of 358% as compared to 379% in 2022. The decrease was due to the increase in current liabilities brought by the on-going rehabilitation and special projects in the Club.

The benchmark average monthly collection from membership dues and consumables of about ₱9.8 million for 2023 and 2022 is based on the monthly dues of ₱4,000 for about 2,300+ members and unused consumables of ₱500 about 1,000+ members. An additional average monthly collection of about ₱5.9 million was also realized in 2023 from the membership fees of the new members, transfer fees and annual assignment fees. The average monthly collection of membership dues, unused consumables, and other related joining fees is a good indication of the Club's ability to sustain its fixed revenue and collection target.

Having a positive EBD determines that the Club can sustain viable and normal operation being a non-profit organization. Club operations registered positive EBD of ₱38.5 million and ₱21.4 million for 2023 and 2022, respectively.

Others

Except for the items discussed under liquidity caption above, there are no other events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities or other persons created during the reporting period.

The Club is continually doing the renovation projects and improvement programs for its facilities to maintain its premier service to its members. Various projects that were completed in 2023 are the conversion of mulligan fine dining to mulligan sports bar, renovation of men's and ladies' locker rooms, replacement of air conditioning system at the main clubhouse, renovation of ballroom and function rooms. The club had also purchased additional rental golf carts for its operation as well as turf maintenance equipment. The next projects of the Club include renovation of the administration offices, rehabilitation of the verandah, and extension of the mulligan sports bar.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

The club does not have any significant elements of income or loss that did not arise from continuing operations during the year.

There are no seasonal aspects that had a material effect on the financial condition and results of operation of the club.

Causes for material (5%) changes from period to period aside from those already discussed in the comparative analysis of full fiscal years above are as follow:

Balance Sheets

Receivables:

- **Receivable from members** – increased by ₱6.2 million or 36.1% attributed to the increase in golf rates and higher patronage by the increased number of active members.
- **Advances to suppliers and contractors** - decreased by ₱4.4 million or 28.7% brought by the liquidation of various down payments pertaining to the completed renovation projects.
- **Current portion of installment receivables** - decreased by ₱4.3 million or 45.8% attributed to paid amortizations during the year. The club did not sell golf shares on installment during the year.
- **Advances to officers and employees** - increased by ₱0.3 million or 8.7% due to availment of company loans by the employees as provided for in the CBA.
- **Other receivables** – increased by ₱0.5 million or 27.5% attributed to advances to various suppliers and contractors subject to the offsetting arrangement.

Materials and supplies:

- **Fertilizers, herbicides and chemicals** - decreased by ₱1.3 million or 22.8% mainly attributed to the timing of consumption and stock replenishment.
- **Spare parts** - increased by ₱2.3 million or 38.8% due to the par stocking of various parts for the rental golf carts turf maintenance equipment.

- **Supplies** – decreased by ₱1.3 million or 22.8% attributed to the utilization of irrigation supplies and other operating supplies.
- **Fuel and oil** – increased by ₱136 thousand or 19.0% mainly due to the timing of stock replenishment.
- **Inventories for sale** – increased by ₱1.6 million or 31.8% attributed to the additional items for sale in the store to cater the tournament gift certificates.

Investments – increased by ₱51.4 million or 171.6% due to additional short-term investments in the form of time deposits and reclassification of treasury bonds from noncurrent account.

Prepayments and other current assets:

- **Prepayments** - increased by ₱0.5 million or 6.5% attributed to increase in insurance premium due to increased value of club properties.
- **Prepaid income tax** – increased by ₱0.5 million or 23.6% arising from the non-taxability of various club receipts in relation to the SC ruling on RMC 35-2012.

Other non-current assets:

- **Prepaid dues** - decreased by ₱1.2 million or 6.7% representing the amortization of ₱100 thousand per month for the perpetual use of the sports club facilities by the club members.
- **Installment receivable, net of current portion** – decreased by ₱5.1 million or 92.0% due to the installment payments received by the Club during the year and reclassification of portion of receivables to current account.
- **Prepaid VAT** – decreased by ₱0.8 million or 100.0% attributed to the amortization of input VAT on various capital expenditures from previous years.

Payables:

- **Trade payables to third parties** – increased by ₱23.0 million or 53.7% due to accruals of repair works and other late or unbilled charges by the suppliers and contractors.
- **Deferred liabilities** – increased by ₱5.6 million or 42.2% representing advance payment of membership fees and annual assignment fees pending completion of membership processes.
- **Deposit from members** - increased by ₱1.8 million or 16.7% attributed to the collection of golfers' insurance fund, additional assignment fee deposits from playing rights holders, and tournament deposit.
- **Renovation costs** – accrual of partially completed renovation cost amounting to ₱10.8 million as of end of the year.
- **Statutory liabilities** - decreased by ₱0.7 million or 8.9% attributed to the collection of newly created golf fund account.
- **Withholding taxes** - decreased by ₱89 thousand or 10% mainly attributed the application of tax refund from the employees' payroll.
- **Other accrued expense** - decreased by ₱2.4 million or 49% attributed to the settlement of various billing statement from the suppliers and contractors.
- **Tournament fund** - increased by ₱0.5 million or 24.4% attributed to the additional collection of sinking funds during the year.
- **Other payables** – increased by ₱0.3 million or 19.4% due to net proceeds from club events during the year.

Interim Financial Statements

Current assets of the Club decreased by ₱5.9 million or 2.1%, from ₱268.8 million as at December 31, 2023 to ₱262.9 million as at September 30, 2024. The negative variance is attributable to the decrease in prepayments brought by the amortization of real property taxes for the year and decrease in receivables

due to the collection of installment receivables from the members. Inventories on the other hand, increased brought by re-stocking of supplies while the investment account decreased mainly due to the transfer to cash account after its maturity date.

Non-current assets on the other hand increased by ₱2.6 million or 0.05% on top of the depreciation expense attributable to the recognition of completed renovation projects such as the main club ballroom and function rooms, purchase of new furniture and fixtures, and purchase of various operating and maintenance equipment.

Total Assets of the Club as at September 30, 2024 and December 31, 2023 is ₱5.90 billion.

Current liabilities of the Club decreased by ₱13.3 million or 6.7%, from ₱197.4 million to ₱184.1 million, attributable to the settlement of trade payables in relation to the renovation projects and amortization of finance leases and unearned receipts for the period.

Non-current liabilities likewise decreased by ₱6.3 million or 0.6% attributable to the amortization of finance leases and payment of retirement contribution to the Employees' Retirement Fund. Total liabilities as at September 30, 2024 and December 31, 2023 is ₱1.3 billion consisting of deferred tax liabilities on appraisal increment of land, trade payables, unearned receipts and finance lease obligations of the Club.

Members' equity increased by ₱16.2 million or 0.4% attributed to the positive result of Club operation and proceeds from the re-issuance of acquired shares from the delinquent shareholders.

The Club registered an excess of receipts over costs and expenses before income tax amounted to ₱12.9 million for the period ended September 30, 2024 which is ₱5.5 million or 72.8% higher than that of 2023. Receipts and expenses with significant movements are discussed in the succeeding paragraphs.

Club revenues and receipts for the covering period is ₱253.6 million as compared to ₱242.2 million of the previous year or increased by ₱11.5 million or 4.7% with the following highlights:

Annual playing rights fee - increased by ₱4.75 million or 35.9% attributable to the increase in annual assignment fee from Php150,000 to P200,000 effective December 1, 2023 and increase in the number of assignees by 1 pax.

Locker, golf cart and equipment rental - increased by ₱1.6 million or 7.6% attributable to the rental carts used for the tournaments at a premium rate and the reinstatement of locker rental for the members after the completion of the locker room renovation.

Sale of golf merchandise – increased by ₱1.2 million or 13.6% attributed to the use of Pro shop gift certificates as giveaways during the Southwoods Invitational. Large number of Chairman's Charity Cup gift certificates issued to participants last December 2023 were also used during the period, hence, improving further the pro shop sales.

Tournament fee – increased by ₱2.9 million of 74% attributable to the increased tournament rate and higher number of member-sponsored private tournaments this year.

Others – increased by ₱0.4 million or 27% attributable to the disposal of old generator set from the main clubhouse.

Interest income – increased by ₱0.2 million or 5.5% attributable to bank interests earned from the short-term placements of the Club.

Costs and expenses of the Club for the period ended September 30, 2024 is aligned from last year at ₱201 million with the following highlights:

Salaries and wages – increased by ₱2.3 million or 5%, from ₱48.9 million last year to ₱51.2 million this year, due to the impact of new minimum wage order and salary adjustment for supervisors and department heads as well the appointment of the Assistant General Manager.

Security and janitorial – increased by ₱2.3 million or 14%, from ₱16.4 million last year to ₱18.7 million this year, due to the full deployment of janitorial services and the impact of the new minimum wage order.

Light and Water – increased by ₱3.5 million or 22% attributable to the electricity consumption brought by full operations of the main club facility after the re-opening of the newly renovated locker rooms, mulligan bar, ball room and function rooms, and the impact of electricity power rate adjustment.

Other employee benefits – increased by ₱1.8 million or 14.3%, from ₱13.2 million last year to ₱15 million this year, attributable to the adjusted employee welfare contribution as mandated by the government, impact of the new minimum wage order adjustment, and the increase of health insurance premium for the employees.

Input VAT expense - decreased by ₱3.3 million or 25.3% which is mainly attributable to the timing of VAT expense recognition in relation to the capital expenditures and the completion of various renovation projects.

Fuel and oil - decreased by ₱0.4 million or 6.2% attributable to the higher consumption of fuel last year due to the extended use of generator set while the Meralco main power line at the main club clubhouse was under rehabilitation.

Cost of sales of inventories – increased by ₱0.9 million or 17.3% mainly attributed to higher pro shop sales this year.

Professional fees - decreased by ₱0.68 million or 25% which is attributed to the timing of billing for legal services and other related expenses.

Retirement benefit expense - decreased by ₱1.3 million or 30.9% brought by the accrual adjustment based on the latest actuarial valuation performed by an independent contractor.

Communications - decreased by ₱0.5 million or 27% due to the upgraded internet subscription with PLDT using higher bandwidth with a lower monthly subscription fee.

Taxes and licenses - decreased by ₱5.8 million or 67% attributable to extra-ordinary tax payment made by the Club in 2023 pertaining to the LLDA regulatory fee in relation to the issuance of LLDA Permit.

Meetings and conferences – decreased by ₱0.14 million or 7.7% as there were more membership interviews conducted in 2023 compared this year.

Interest expense - increased by ₱0.27 million or 19.6% attributed to the new finance leases availed by the Club in relation to the purchase of various operating and maintenance equipment.

Contracted services - increased by ₱0.4 million or 28.9% attributable to laundry services brought by the increase in rates and higher usage of fairway towels during summer season.

Depreciation expense - increased by ₱6.3 million or 18.9% due to the depreciation of new capital expenditures from the renovation of the Club facilities and new acquisition of equipment.

The Club identifies five (5) key performance indicators as follows: 1.) net working capital; 2.) current ratio; 3.) base equity; 4.) collection from membership dues and consumables; and 5.) earnings before depreciation (EBD).

Net working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or short-term debt paying ability of the Club. Having a positive working capital and a current ratio of at least 1:1 is a fair indication of liquidity. While base equity (member's equity over total liabilities) of at least 25% measures the level of dependence of the Club from its stockholders or creditors in meeting its financial obligation. A positive EBD determines that the Club can sustain its normal operation being a non-profit organization.

The Club has a net working capital of ₱78.8 million as at September 30, 2024 as compared to ₱71.4 million as at December 31, 2023. The increase of the Club's net working capital in a period of nine (9) months is a significant indication that the Club has the ability to raise sufficient funds for its day-to-day operations and pay-off its financial obligations as they mature. The potential liability is also likely to have a repayment period of more than a year and would probably be reclassified to noncurrent liabilities thereby improving further the Club's current ratio. The Club has also available shares acquired from its delinquent shareholders that can be sold anytime at the prevailing market prices when the need arises. The current ratio of the Club increased to ₱1.42 current asset for each peso of current liabilities as of September 30, 2024 as compared to ₱1.36 as of December 31, 2023. The Club has a base equity of 364% and 358% as of September 30, 2024 and December 31, 2023, respectively. The benchmark average monthly collection from membership dues and consumables of about ₱9 million monthly is based on the monthly dues of ₱4,000 and ₱500 monthly consumables. The average monthly collection is a good indication of the Club's ability to sustain its fixed revenue and collection targets. EBDA registered at ₱52.7 million and ₱40.9 million for the periods ended September 30, 2024 and 2023, respectively.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Club's liquidity that could affect the business establishments nationwide.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

There are no known trends, events or uncertainties expected to have a material impact on sales, revenues and income from continuing operations.

There were no significant elements of income or loss that did not arise from the Club's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

(B) Information on Independent Accountant

(1) External Audit Fees and Services

(a) Audit and Audit-Related Fees

The aggregate fees for each of the last two fiscal years' financial audit rendered by the external auditors, Isla Lipana & Co. amounted to ₱344,960 for 2024 and ₱351,899.42 for 2023, including out-of-pocket expenses and the VAT. The signing auditor of the Club's Audited Financial Statements (AFS) for the year ended December 31, 2023 is Mr. Pocholo C. Domondon, Partner in Charge of Isla Lipana & Co.

(b) Tax Fees

There was no tax compliance review conducted for the covering years 2023 and 2022.

(c) All Other Fees

The external auditors normally assist the Club in the canvassing of ballots in the annual election of its Board of Directors in an annual stockholders meeting. But since there were no annual stockholders' meetings carried out for the past several years due to lack of quorum, there were no other fees incurred by the Club with its external auditors.

(d) The audit committee's approval on policies and procedures for the above services

The above engagements of Isla Lipana & Co. as recommended by the management were deliberated upon and approved by the Audit Committee and the Board.

(2) Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with Accountants on accounting and financial disclosure.

General Nature and Scope of Business

The Manila Southwoods Golf & Country Club, Inc. (the Club) was incorporated on September 5, 1990 and started full operations on January 2, 1995. Its securities were registered with the Securities and Exchange Commission for sale to the public on October 23, 1991.

The Club was organized and operates exclusively for the promotion of the social, recreational and athletic activities on a non-profit basis among its shareholders, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The Club has not been subject to any bankruptcy, receivership or similar proceedings. Neither has the Club been subject to any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

As a nonprofit entity, the Club generates revenues in the form of membership and other fees in order to meet the expenses for its general operations, maintenance and improvements of the premises and facilities. The major source of revenue from club operations and receipts from members and their corresponding contribution to total receipts are as follows: membership dues, 40%; green fees and tourist fees, 20%; and membership and transfer fees, 17%. Total receipts and income of the Club for 2023 registered an increase of ₱38.1 million or 14% mainly attributable to higher number of turnover of members that resulted to ₱4.6 million revenue increase paired with higher number of playing rights in 2023 and higher number of share transfers by ₱5.5 million and ₱3.8 million, respectively. Revenue from Club operations likewise increase by ₱18 million attributable to golf rate increases and full operations of the Club this year. There is notable increase in green fee rates from ₱5,000 to ₱6,000 for weekend rate and ₱3,000 to ₱4,000 from weekday rate effective March 1, 2023. These increases were paired with increased number of guests and members using the club premises. The percentage of contribution of other receipts and revenues during the year is almost the same of the preceding year. Other services offered by the Club to the members and their guests are golf tournament management, banqueting functions and golf cart rentals.

The Club has no sales or revenues and net income contributed by foreign sales.

All Club products and services are delivered within the premises of the Club to visiting members and their guests. There are no elaborate distribution methods of products and services.

There is no publicly-announced new product or service of the Club.

The golf industry caters to upper and middle class individuals and families who have available disposable income to be able to own a proprietary share of stock or rent a share for playing rights. Located to the south of Metro Manila or the CALABARZON area, the Club is in direct competition with other golf courses such as The Orchard Golf & Country Club, Riviera Golf & Country Club, Eagle Ridge Golf & Country Club, Tagaytay Highlands, Tagaytay Midlands and Sherwood Hills Golf Club, all located within the province of Cavite. Further down south are Sta. Elena Golf & Country Club, The Country Club, Canlubang Golf Club and Ayala Greenfields, all in Laguna province and Mt. Malarayat Golf & Country Club in Lipa City, Batangas.

Principal methods of competition in the golf industry consist of quality of facilities, amenities and services, pricing and accessibility. The Club enjoys higher patronage as compared to its competitors due to its accessibility from major thoroughfares. It is the first golf course a golfer would reach south of Metro Manila via South Luzon Expressway. It is only about 10-minute drive from Alabang, Muntinlupa and 40 minutes from the Makati financial district. This fact, coupled with the quality of its 36-hole golf course and leisure facilities, which are being maintained all year round at the highest level, in turn gives more value for money. Further, the Club maintains superior member-guest relations and services as compared to its competitors. With these factors, the Club has always been considered as one of the leaders in the industry to which others measure and gauge their own performance.

The Club is not dependent on any particular supplier or group of suppliers for various supplies needed in the operation and maintenance of its facilities. Major parts of its requirements are readily available in the local market from various manufacturers and traders. Specialized requirements such as imported spare parts for turf equipment, irrigation and pump systems and a number of fertilizers and herbicides grades are available through local authorized distributors or directly from the foreign manufacturers. The Club has no existing major supply contracts.

The Club is not dependent upon a single customer or a few customers. It currently has 2,300+ active members, all can use the facilities and services of the Club together with their guests subject to existing house rules, regulations and procedures. In the normal Club operations, it is also open to member-sponsored golf tournaments and to a limited extent, and tourists program at premium rates. There is no customer that accounts for at least twenty percent (20%) of the Club's revenues and there are no existing major sales contracts.

In the normal course of business, there were transactions involving expense allocations for key management personnel and outstanding balances for the retirement benefits and contributions which were specifically discussed in the related party transactions and balances of this report. The Club is not dependent on any related party.

The Club has no patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements to which its operations depend on or is expected to depend.

There is no need for any government approval of principal products or services being offered by the Club to its members and their guests.

The Club has successfully obtained its revised Environmental Compliance Certificate (ECC) from the Department of Environment and Natural Resources (DENR) and the LLDA Clearance from Laguna Lake Development Authority (LLDA) for golf operations during the year.

The Club has not spent on research and development activities during the three last years.

Since April 9, 1999, the Club has been fully certified by the Audubon Cooperative Sanctuary Program, a leading non-governmental, internationally-recognized environmental organization based in the United States. The objective of the program is to educate people to become environmental stewards and motivate them to take action and enhance their habitats and, conserve natural resources and improve the environment and the surrounding communities. The Club has the distinction of being the first golf club to receive this Audubon Certification in the Asia-Pacific region. The Club had since been recertified on a bi-annual basis and expects to be continuously recertified again in the succeeding years.

The Club obtained its Integrated Management System (IMS) certification in 2005 from TUV Philippines to become the first golf club in the Philippines that successfully established, implemented, and maintained the three governing IMS standards, namely, the ISO 9001, ISO 14001 and ISO 45001 for Golf Club Operations. The Club is the first of its kind to be certified individually on Quality Management System (ISO 9001), Environmental Management Systems (ISO 14001), and Occupational Health and Safety (ISO 45001). The certification is generally awarded to companies that continually improve the quality of their products and services while paying careful attention to the impact on the environment and the well-being of their members and employees. The IMS certification involves achieving all members' requirements, the health and safety of members and employees, as well as prevention of pollution in and around the club venue and golf course. The Club has successfully maintained its re-certification since 2005.

The Club was previously awarded as Philippine Best Golf Course (Masters Course) by World Golf Awards for six (6) times in seven (7) years. The Club was the venue of the prestigious Asian Tour, the Resorts World Manila Masters for five (5) consecutive years from 2013 to 2017 with prize money of US\$1 million, the highest prize money ever offered in the Philippines.

The Club has won several inter-club and national tournaments such as the Mens Regular Founders Division of PAL Interclub Tournament and Fil-AM Golf Tournaments. When the inter-club events had resumed last year after the COVID-19 pandemic, the Club was declared once again as Champion of the 72nd Fil-Am Golf Tournament (held from November 23 to December 11, 2022 in Baguio City) on the following categories:

Champion-Fil Championship Division (Regular); Champion-Am Championship Division (Regular); and Champion-Fil Championship Division (Seniors).

As of December 31, 2023, the Club has 237 employees working full-time. This figure consisted of 198 employees involved in operations (i.e., golf operations, grounds maintenance, engineering, purchasing and materials management, security and housekeeping) and 39 employees involved in office/administrative functions (i.e., personnel, training, executive office and accounting). A total of 133 employees as of December 31, 2023 are covered by the existing CBA with an expiration date of December 31, 2025. The labor group and the Club management has established and maintained a good and harmonious working relationship ever since. The Club has never experienced any dispute, strike or disturbance from employees and the local union since its formation in 1998. Supplemental benefits given by the Club to its employees include salary adjustment, duty meal and allowances, partial cash conversion of unused sick leave benefit, provision of uniforms, loyalty awards, retirement benefits, bereavement financial assistance, birthday gift, emergency loans, life and medical insurance, among others.

The major risk involved in the operations of the Club is mainly the stoppage or hampering of operations which may be brought about by natural calamities, fire, and other causes such as COVID-19 pandemic. The Club is normally open 365 days a year especially on holidays where patronage or player traffic is high. In the industry itself, premium is given to all year-round playability and the clubs are always open. Several years back, the Club had suffered flooding incidents that resulted to series of repair works and temporary closure of the areas affected by floodwater and silts. The last flooding incident that had temporarily paralyzed portion of the facilities while undergoing clean-up and rehabilitation. The Club had been continuously doing the clean-up program of all river channels going through its property to minimize the risk of water overflowing during rainy months. In 2020 and 2021, the Club had to stop temporarily its operations in several occasions due to Taal Volcano eruption and the imposition of enhanced community quarantine (ECQ) by the national government to prevent the spread of corona virus disease (COVID-19) that hit world-wide on the early part of 2020. Club operations had returned to its normal operations since the first quarter of 2022 with high number of patronage.

Directors and Executive Officers

Name	Position	Age	Citizenship
Robert John L. Sobrepeña	Chairman of the Board	69	Filipino
Ferdinand T. Santos	President	74	Filipino
Rafael Perez de Tagle, Jr.	Treasurer	69	Filipino
Alfredo Mendoza	Director	74	Filipino
Alberto Q. Avancena	Director	72	Filipino
Rhais M. Gamboa	Director	72	Filipino
Renato Lirio	Director	86	Filipino
Edward E. Dy	Director	76	Filipino
Daniel C. Samaniego	Director	66	Filipino
Francisco C. Gonzalez	Director	80	Filipino
Federico P. Campos III	Director	70	Filipino
Jayson Q. Yu	Officer-in-Charge/COO	55	Filipino
Armando D. Sierra	Comptroller	61	Filipino
John R. Cope	Director of Grounds	59	American
Jerome U. Delariarte	Asst. Gen. Manager	46	Filipino
Rodrigo G. Umayam II	Director or Engineering	47	Filipino
Andre Christian B. Santos	Asst. Golf Director	51	Filipino
Atty. Delfin P. Angcao	Corporate Secretary	66	Filipino
Atty. Alvin O. Geli	Asst. Corporate Secretary	54	Filipino

The following are the independent directors of the Club:

1. Alfredo M. Mendoza
2. Daniel C. Samaniego

For the information regarding the term, tenure, educational background, business experience and positions in other companies of the directors, officers and significant employees of the Club, please refer to Item 5 of the Information Statement to which this Management Report is appended

Market for the Issuer's Common Equity and Related Stockholder Matters

Market Information

As of January 2, 1995 all the 3,000 authorized no-par shares have been issued to the developer and its land owner partners in exchange for the two (2) 18-hole golf courses, buildings and facilities and the land where the Club now stands. The Club itself does not engage in any trading activities of its own shares except as provided for in its By-Laws with regards to the auctioning of shares of delinquent members to settle their outstanding liabilities to the Club. As of December 31, 2023, the Club has a total of one hundred eighteen (118) delinquent shares acquired at the public auctions. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as of the date of auction plus costs incurred in the auction. There is no public trading market for the Club's shares. These are available only from the developer, its landowner partners and existing individual/corporate owners at a price agreed upon by both parties concerned, subject to the exercise of the Club of its right to first refusal over the shares.

Buyers of the Registrant's golf shares are expected to be from the upper and middle income class bracket, the Metropolitan Manila based golfers (and surrounding cities and municipalities) and present and future residents of the Manila Southwoods Residential Estates. The Registrant's golf shares are not traded in any Stock Exchange. The primary golf shares issued to the Developer and its landowner partners are sold to individuals and corporations through the marketing arm of the Developer while secondary shares are usually traded through individual transactions and brokers of club shares. In 2024, there were 179 transfer fees earned by the Club for the transfer of share ownership as of September 30, 2024.

SHARE PRICES (Millions)

		2024		2023		2022	
		High	Low	High	Low	High	Low
First Quarter	A	5.80	4.00	4.50	4.00	2.60	2.30
	B	6.00	4.50	5.00	4.50	3.20	2.50
Second Quarter	A	5.80	4.50	5.50	4.50	2.60	2.90
	B	6.00	5.00	5.60	5.00	3.50	3.40
Third Quarter	A	5.80	5.00	4.50	3.50	3.00	2.90
	B	6.00	6.00	5.00	4.00	3.50	3.40
Fourth Quarter	A			4.00	4.50	4.00	3.50
	B			5.00	5.00	4.20	3.70

Holder

Top 20 shareholders as of September 30, 2024 are as follows (for practical presentation, only those shareholders holding 3 shares and above were included in the list):

Class A:

Name	No. of Shares Held	% to Total
1. Southern Heights Land Development Corp.	55	3.07%
2. Grandview Properties and Ventures, Inc.	49	2.74%
3. La Paz Housing Dev. Corporation	42	2.35%
4. Fil-Estate Land, Inc.	31	1.73%
5. College Assurance Plan	21	1.17%
6. Carmona Realty & Development Corp.	16	0.89%
Fareast Bank & Trust Co.	16	0.89%
7. Fil-Estate Management, Inc.	11	0.61%
8. Greenfield Development Corp.	10	0.56%
9. Homerson Development Corp.	7	0.39%
10. Fil-Estate Golf Development, Inc.	6	0.34%
11. Chuateco Romeo Sy	4	0.22%
Buenafortuna, Inc.	4	0.22%
Ignacio Co	4	0.22%
Travellers Intl. Hotel Group, Inc.	4	0.22%
Development Bank of the Phils	4	0.22%
Carino, Noel	4	0.22%
12. Mitsubishi Motors Phils. Corp.	3	0.17%
Advanced Medical System, Inc.	3	0.17%
Brent International School Manila, I	3	0.17%
Francisco Gonazalez	3	0.17%
Looyuko Alberto T.	3	0.17%
Petron Corp	3	0.17%
Summit Estate Realty and Dev. Corp.	3	0.17%
San Miguel Corporation	3	0.17%
Integrated Microelectronics, Inc.	3	0.17%
Foscon Express Shipping Corp.	3	0.17%

Class B:

Name	No. of Shares Held	% to Total
1. Southern Heights Land Development Corporation	171	14.55%
2. Fil-Estate Golf & Development Inc.	147	12.51%
3. La Paz Housing & Development Corp.	85	7.23%
4. Grandview Properties and Ventures, Inc.	31	2.64%
5. Greenfield Development Corporation	21	1.78%
6. College Assurance Plan	20	1.70%
7. Southcoast Real Estate Development Corp.	18	1.53%
8. Carmona Realty & Development Corp.	8	0.68%
9. Po Chi Chang and Fu Shu Shi	4	0.34%
Mitsui & Co., Ltd.	4	0.34%

10. Tan Caysing/Czarnita	3	0.26%
11. Wan-Chu Chen	3	0.26%
Benito R. Araneta	3	0.26%
The Coca-Cola Export Corp.	3	0.26%
Mitsubishi Corporation	3	0.26%
Caltex Phils., Inc.	3	0.26%

Founders' and Class "A" and Class "B" shares outstanding as of September 30, 2024 are 1,789 and 1,175 shares, respectively, after deducting the club acquired delinquent shares per record. Out of the 118 delinquent shares acquired by the Club, 36 shares were already transferred in the name of the Club while the transfer of 95 shares are still being processed.

Dividends

Being a non-profit organization, there are no cash dividends declared or will be declared at anytime in the future as provided in the Articles of Incorporation. Stockholders are entitled only to a pro rata share of the assets of the Corporation at the time of dissolution or liquidation.

Recent Sales of Unregistered Securities or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

Within the past three (3) years there are no sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction under the Code including sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities resulting from the modification of outstanding securities.

Discussion on Compliance with Leading Practice on Corporate Governance

- (a) At present, the Club utilizes the Self Rating System on Corporate Governance being implemented by the SEC through its SEC Memorandum Circular No. 24, Series of 2019 to assess compliance with leading practices on good corporate governance. The Compliance Officer meets with the directors and top-level management from time to time evaluates compliance with the Manual on Corporate Governance.
- (b) The Club is in full compliance with its Manual on Corporate Governance. The Compliance Officer is present at all the regular meetings of the Board of Directors and closely coordinates with the Chairman of the Board to ensure full compliance with the adopted leading practices on good corporate governance. In addition, the Club encourages its directors and the top-level management to attend seminars on good corporate governance.
- (c) There are no deviations to date from the Club's Manual of Corporate Governance.
- (d) The Board has no immediate plans to adopt new policies to improve corporate governance.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE REGISTRANT'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

**MR. ARMANDO D. SIERRA
THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.
BO. CABILANG BAYBAY
CARMONA, CAVITE**

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Statements of Financial Position

As at September 30, 2024 and December 31, 2023

	Notes	Sept. 30, 2024	Dec. 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	2	180,764,947	101,597,273
Receivables	3	43,179,210	45,824,332
Inventories	4	32,517,381	27,349,124
Investments, current	5	-	81,386,232
Prepayments and other current assets	6	6,513,706	12,719,425
Total Current assets		262,975,244	268,876,386
Non-current assets			
Property and equipment, net	7	314,310,977	310,409,374
Land	8	5,305,108,000	5,305,108,000
Other non-current assets	9	16,230,823	17,574,220
Total non-current Assets		5,635,649,800	5,633,091,594
Total assets		5,898,625,044	5,901,967,980
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	10	119,125,266	125,517,955
Current portion of unearned receipts		55,096,815	59,224,396
Current portion of lease liabilities	11	9,931,384	12,676,461
Total current liabilities		184,153,466	197,418,812
Noncurrent Liabilities			
Unearned receipts, net of current portion		45,865,035	43,506,446
Lease liabilities, net of current portion	11	5,810,121	12,437,293
Retirement benefit obligation	17	8,133,991	10,165,404
Deferred income tax liability	18	1,025,119,337	1,025,119,337
Total non-current liabilities		1,084,928,484	1,091,228,480
Total liabilities		1,269,081,950	1,288,647,292
Equity			
Proprietary shares	12	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	13	(31,393,695)	(31,441,819)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	13	128,144,622	124,907,275
Other comprehensive income	8, 18	3,064,142,093	3,064,142,093
Cumulative excess of costs and expenses over receipts		(1,045,100,530)	(1,058,037,465)
Total Equity		4,629,543,094	4,613,320,688
Total liabilities and equity		5,898,625,044	5,901,967,980

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Statements of Total Comprehensive Income
For the periods ended September 30, 2024, 2023 and 2022

		Quarter Ended Sept. 30		
	Notes	2024	2023	2022
Membership fees and assessments				
Membership dues		90,422,413	91,321,473	87,634,507
Membership fees		30,742,688	31,191,915	27,114,973
Transfer fees		20,750,000	20,250,000	16,200,000
Annual playing rights fees		17,950,000	13,200,000	12,300,000
		159,865,101	155,963,388	143,249,480
Revenues from club operations				
Green fees and tourist fees		47,836,402	46,747,802	32,630,586
Locker, golf cart and equipment rental fees		22,383,915	20,797,210	19,543,760
Sale of golf merchandise		10,421,520	9,175,602	9,786,885
Tournament fees		6,901,445	3,955,937	2,132,883
Concessionaires' fees		163,598	94,675	52,400
Others		1,896,083	1,494,026	1,424,990
		89,602,963	82,265,252	65,571,504
Other income				
Interest income	16	4,162,617	3,943,998	1,994,338
Receipts and income		253,630,681	242,172,638	210,815,322
Costs and expenses	15	200,926,963	201,263,713	182,473,298
Excess of receipts over costs and expenses				
before depreciation		52,703,718	40,908,925	28,342,024
Depreciation expense	7	39,766,785	33,422,207	30,783,386
Net income (loss)		12,936,933	7,486,718	(2,441,362)
Basic and diluted income (loss) per share		4,489	2,597	(1,129)

See accompanying Notes to Financial Statements.

Explanatory Notes:

- a) The following are transactions that may affect the assets, equity and cash flows of the Club:
 - 1). Re-issuance of club acquired delinquent shares at premium prices;*
 - 2). Renovation projects to upgrade the club facility and capital expenditures;**
- b) Except for the possible resurgence of health emergency situations like COVID-19, there are no seasonal aspects that had material effect on financial condition or result of interim operations of the club.*
- c) Except for the possible resurgence of health emergency situations like COVID-19, there are no changes in estimates of amounts that had material effect on the current interim period.*
- d) The Club had no issuances, repurchases and repayment of debt and equity securities during the interim period.*
- e) There are no changes in the composition of the Club for the covering interim period.*
- f) There are no material changes in contingent liabilities or assets of the Club from the last annual balance sheet date.*
- g) Except for the impact of possible resurgence of COVID-19, there are no events that will trigger direct or contingent financial obligation that is material to the Club, including default or acceleration of an obligation.*

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Statements of Changes in Equity
For the periods ended September 30, 2024, 2023 and 2022

	Proprietary Shares (Note 12)	Shares of delinquent shareholders acquired through auctions (Note 13)	Excess of proceeds over cost from re-issuance of shares of delinquent shareholders (Note 13)	Other comprehensive income (Note 8, 17, 18)	Cumulative excess of expenses over receipts	Total Equity
Balance at January 1, 2022	2,513,750,604	(33,536,586)	55,855,789	3,074,513,342	(1,030,774,719)	4,579,808,430
Net income (loss)					(2,441,362)	(2,441,362)
Shares of delinquent shareholders acquired through auctions		200,740				200,740
Re-issuance of shares of delinquent shareholders		-	8,885,564			8,885,564
Balance at September 30, 2022	2,513,750,604	(33,335,846)	64,741,353	3,074,513,342	(1,033,216,081)	4,586,453,372
Balance at January 1, 2023	2,513,750,604	(32,434,614)	90,524,682	3,074,348,486	(1,050,519,626)	4,595,669,532
Net income (loss)					7,486,718	7,486,718
Shares of delinquent shareholders acquired through auctions		963,695				963,695
Re-issuance of shares of delinquent shareholders		-	28,497,514			28,497,514
Balance at September 30, 2023	2,513,750,604	(31,470,919)	119,022,196	3,074,348,486	(1,043,032,908)	4,632,617,459
Balance at January 1, 2024	2,513,750,604	(31,441,819)	124,907,275	3,064,142,093	(1,058,037,464)	4,613,320,689
Net income (loss)					12,936,934	12,936,934
Shares of delinquent shareholders acquired through auctions		48,124	-	-		48,124
Re-issuance of shares of delinquent shareholders			3,237,347			3,237,347
Balance at September 30, 2024	2,513,750,604	(31,393,695)	128,144,622	3,064,142,093	(1,045,100,530)	4,629,543,094

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Statements of Cash Flows
For the periods ended September 30, 2024, 2023 and 2022

	Notes	2024	2023	2022
Cash flows from operating activities				
Excess of receipts over costs and expenses		12,936,933	7,486,718	(2,441,361)
Adjustments for:				
Depreciation expense	7	39,766,785	33,422,207	30,783,386
Retirement benefit expense	15,17	2,979,681	4,313,184	1,804,140
Amortization of prepaid dues	6	900,000	900,000	905,060
Interest expense	11,15	1,624,374	1,357,434	1,041,896
Interest income	16	(4,162,617)	(3,943,998)	(1,994,338)
Income before working capital changes		54,045,156	43,535,545	30,098,783
Changes in working capital:				
Receivables		2,645,122	9,374,837	(10,218,162)
Inventories		(5,168,257)	(1,198,872)	(10,891,882)
Prepayments and other current assets		6,205,719	4,125,370	(3,374,964)
Other non-current assets		443,398	-	-
Accounts payable and other current Liabilities		(6,392,689)	7,375,277	24,122,486
Unearned receipt		(1,768,991)	8,140,762	2,811,001
Net cash generated from operations		50,009,458	71,352,919	32,547,262
Interest received	16	4,162,617	3,943,998	1,994,338
Contributions to the retirement fund	17	(5,011,094)	(1,502,822)	(304,140)
Net cash flows provided by operating Activities		49,160,981	73,794,095	34,237,460
Cash flows from investing activities				
Acquisition of property and equipment		(43,668,388)	(74,038,519)	(17,036,572)
Investments to treasury bills & bonds	5	81,386,232	14,999,755	(29,970,922)
Net cash flows used in investing activities		37,717,845	(59,038,764)	(47,007,494)
Cash flows from financing activities				
Proceeds from re-issuance of shares of delinquent shareholders	3,13	3,237,347	28,497,514	8,885,564
Principal and interest payment of lease Liabilities	11	(10,996,623)	(10,879,882)	(3,679,865)
Payment for shares of delinquent shareholders acquired through auctions	13	48,124	963,694	200,740
Net cash used in financing activities		(7,711,152)	18,581,326	5,506,439
Net increase in cash and cash equivalents		79,167,673	33,336,657	(7,263,595)
Cash and cash equivalents at January 1		101,597,273	136,986,029	126,819,083
Cash and cash equivalents at Sept. 30	2	180,764,946	170,322,686	119,555,488

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Notes to the Financial Statements

As at September 30, 2024 and December 31, 2023 and for each of the third quarters in the period ended September 30, 2024, 2023, and 2022.

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated.)

1 General information

The Manila Southwoods Golf & Country Club, Inc. (the "Club") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 5, 1990. The Club is organized and operating exclusively for the promotion of social, recreational and athletic activities on a nonprofit basis among its shareholders and members, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The registered office address and principal place of business of the Club is Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite.

The audited financial statements of the Club as of December 31, 2023 were approved and authorized for issuance by the Board of Directors (BOD) on February 28, 2024.

2 Cash and cash equivalents

Cash and cash equivalents as at September 30, 2024 and December 31, 2023 consist of:

	2024	2023
Cash on hand	942,343	1,342,343
Cash in banks	93,927,087	100,254,930
Cash equivalents	85,895,517	-
	180,764,947	101,597,273

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to 90 days depending on the immediate cash requirements of the Club and earn interest at 0.06% to 6.00% in 2024 and 2023. Total interest earned from cash in banks and cash equivalents are disclosed in Note 16.

3 Receivables

Receivables as at September 30, 2024 and December 31, 2023 consist of:

	2024	2023
Receivables from members	25,513,924	23,483,666
Advances to suppliers and contractors	8,485,076	10,885,946
Current portion of installment receivables	959,293	5,042,663
Advances to officers and employees	5,849,334	4,044,524
Others	2,371,583	2,367,533
	43,179,210	45,824,332

Interest income earned from receivables from members and installment receivables are disclosed in Note 16.

4 Inventories

Inventories at cost as at September 30, 2024 and December 31, 2023 consist of:

	2024	2023
Spare parts	9,394,753	8,099,355
Fertilizers, herbicides and chemicals	8,364,089	7,287,387
Supplies	7,751,074	4,430,814
Fuel and oil	859,397	849,427
Material and supplies	26,369,313	20,666,983
Inventories for sale	6,148,068	6,682,141
	32,517,381	27,349,124

The cost of materials and supplies and inventories for sale charged to expenses are disclosed in Note 15.

5 Investments

Investments as at September 30, 2024 and December 31, 2023 consist of:

	2024	2023
Current		
Time deposits	-	66,415,065
Treasury bills	-	-
Treasury bonds	-	14,971,167
	-	81,386,232
Non-current		
Treasury bonds	-	-
	-	81,386,232

Time deposits consist of short-term placements with term ranging from 104 days to 112 days and earn interest at 6.4% per annum.

On August 9, 2022, the Club purchased investment in short-term treasury bill with a face value of P15,332,000 which matures on July 19, 2023. The investment earns interest at 3.08% for the year ended December 31, 2022. As at September 30, 2024 and December 31, 2023, the carrying value of these investments amounted to nil and P14,999,755, respectively.

Treasury bonds consist of retail treasury bond purchased in 2022 with face value of P14,550,000 and matures on March 12, 2024. The investment earns interest at 6.25% per annum. As at December 31, 2023 and 2022, the carrying value of these investments amounted to P14,971,167. Treasury bonds were not renewed upon maturity dates.

Interest income earned from investments are disclosed in Note 16.

6 Prepayments and other current assets

Prepayments and other current assets as at September 30, 2024 and December 31, 2023 consist of:

	2024	2023
Prepayments	3,683,200	8,506,036
Deferred input VAT	300,915	300,915
Prepaid income tax	1,329,590	2,712,474
Current portion of prepaid dues	1,200,000	1,200,000
	6,513,705	12,719,425

Prepayments pertain to insurance and real property taxes.

Prepaid dues

On behalf of Manila Southwoods Homeowners' Association (MSHA), the Club made prepayments for operating expenses of the sports club facilities, which at the time the payments were made, were principally being used by members of the Club. Over the years, members of the Club have continued using the Manila Southwoods Sports Club (the "Sports Club") and the Club made prepayments out of its own funds to partially defray the costs of the maintenance and continued operation of the Sports Club.

Pursuant to a BOD resolution dated October 29, 2003, the Club negotiated for the amortization of the prepayments. The negotiation includes the granting to all members of the Club playing rights or privilege to use the Sports Club facilities in exchange for a fee which shall be deducted from or offset against the prepayment until such advances are fully liquidated. In consideration for the use of the Sports Club facilities, effective May 31, 2006, the monthly fee shall be P100,000 or P1.2 million annually.

A supplement to the abovementioned agreement was made on November 12, 2007 in which the parties intend that all payments made or to be made by the Club for the operation and maintenance of Sports Club shall be considered as prepayment for all the monthly dues, which may be assessed for the use of the Sports Club's facilities.

On January 28, 2015, the BOD resolved that the amounts paid for the Sports Club starting in 2014 onwards shall be treated and booked as usage fees and not as advances pending the negotiations and until such time that a formal arrangement with MSHA is finalized with respect to the use of the Sports Club. The amortization of prepaid dues and any usage fees are reported as members' dues and other charges in Note 15.

7 Property and equipment, net

Details of and movements in property and equipment, net as at and for the periods ended September 30, 2024 and December 31, 2023 are as follows:

	Golf course developments	Buildings and improvements	Golf course maintenance and transportation equipment	Furniture, fixtures, and office equipment	Clubhouse equipment	Total
Cost						
January 1, 2023	1,138,671,676	245,529,465	181,488,842	39,822,392	7,814,351	1,613,326,726
Additions	423,580	52,004,809	53,372,011	21,997,189	1,705,528	129,503,117
Disposals	-	-	(2,163,340)	(5,033,509)	-	(7,196,849)
Transfer	(2,925,000)	-	2,925,000	-	-	-
December 31, 2023	1,136,170,256	297,534,274	235,622,513	56,786,072	9,519,879	1,735,632,994
Additions	309,146	26,019,861	7,530,099	9,809,282	-	43,668,388
Disposals	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Sept. 30, 2024	1,136,479,402	323,554,135	243,152,612	66,595,354	9,519,879	1,779,301,382
Accumulated depreciation and amortization						
January 1, 2023	980,241,474	201,884,077	160,287,342	36,539,745	7,814,351	1,386,766,989
Depreciation and amortization	23,188,906	7,206,667	11,692,399	3,470,409	95,075	45,653,456
Disposal	-	-	(2,163,340)	(5,033,485)	-	(7,196,825)
Transfer	(48,750)	-	48,750	-	-	-
December 31, 2023	1,003,381,630	209,090,744	169,865,151	34,976,669	7,909,426	1,425,223,620
Depreciation and amortization	12,218,102	8,824,459	12,934,343	5,534,052	255,829	39,766,785
Disposal	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Sept. 30, 2024	1,015,599,732	217,915,203	182,799,494	40,510,721	8,165,255	1,464,990,405
Net book value						
December 31, 2023	132,788,627	88,443,530	65,757,362	21,809,403	1,610,453	314,861,855
Sept. 30, 2024	120,879,670	105,638,932	60,353,118	26,084,633	1,354,624	314,310,977

Additions to cost and depreciation of property and equipment in 2022 amounted to P32.13 million and P40.94 million, respectively.

Golf course maintenance and transportation equipment includes right-of-use assets disclosed in Note 11.

Transfers pertain to change from right-of-use assets to Club-owned assets in the same asset class.

8 Land

As at September 30, 2024 and December 31, 2023, land has carrying amount of P5,305,108,000. This includes accumulated revaluation amounting to P4,100,477,347. The land's original cost was P1,204,630,653.

Land titles covering about 123 hectares out of the total land area actually covered by Golf Course Project of approximately 136 hectares have already been transferred and registered in the name of the Club on the basis of a tax-free exchange ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue (BIR). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free exchange ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name Club. The Club's management and legal counsel believed that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares or are there any adverse claims by third parties to the aforesaid 13 hectares of land.

As at September 30, 2024 and December 31, 2023, the parcels of land are stated at revalued amount under Level 3 fair value category based on the appraisal report by an independent appraiser dated February 15, 2021. The fair value of land has been derived using the sales comparison approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. Sales prices of comparable land in close proximity are adjusted for differences in key attributes or internal factors such as property size, location, and improvement. The most significant input into this valuation is price per square meter. The land is currently used as a recreational development (golf course) which is the highest and best use of the land.

9 Other non-current assets

Other non-current assets as at September 30, 2024 and December 31, 2023 consist of:

	Note	2024	2023
Prepaid dues, net of current portion		15,808,946	16,708,946
Installment receivables, net of current portion	19	-	443,398
Deferred input VAT		-	-
Others		421,877	421,876
		16,230,823	17,574,220

Interest income earned from installment receivables are disclosed in Note 16.

10 Accounts payable and other current liabilities

Accounts payable and other current liabilities as at September 30, 2024 and December 31, 2023 consist of:

	2024	2023
Trade payables to third parties	49,868,861	65,748,150
Deferred liabilities	22,265,829	18,961,829
Deposits from members	19,181,238	12,531,401
Accrued expenses:		

Renovation costs	-	10,839,587
Statutory liabilities	7,943,020	9,057,960
Withholding taxes	1,133,582	803,675
Payroll	3,682,602	70,394
Others	4,902,990	2,492,882
Tournament fund	2,588,628	2,814,133
Sinking fund	278,849	273,129
Others	7,279,667	1,924,815
	119,125,266	125,517,955

Deferred liabilities are composed of advance payment of membership fees and assignee fees which are collected fees for those that have not yet passed the eligibility for membership and assignees due to certain requirements.

11 Leases

(a) Club as lessee

The Club has various lease agreements for golf course maintenance equipment and service vehicles. Right-of-use asset is presented as part of golf course maintenance and transportation equipment within property and equipment, net (Note 7) and lease liabilities are presented as separate line items in the statements of financial position. As at September 30, 2024 and December 31, 2023, the carrying amount of right-of-use assets related to the golf course maintenance and transportation equipment is shown below:

	2024	2023
Cost		
At January 1	41,391,970	23,412,623
Additions	7,405,098	20,904,347
Transfers	-	(2,925,000)
At September 30, 2024 and December 31, 2023	48,797,068	41,391,970
Accumulated amortization		
At January 1	9,586,917	4,776,654
Amortization	9,372,248	4,859,013
Transfers	-	(48,750)
At September 30, 2024 and December 31, 2023	18,959,165	9,586,917
Net book values	29,837,903	31,805,053

Movements in the lease liabilities for the years ended September 30, 2024 and December 31, 2023 are as follows:

	Notes	2024	2023
Lease liabilities			
January 1		25,113,754	14,300,926
Non-cash changes			
Principal additions	7	7,405,098	20,904,347
Interest expense	15	1,624,374	1,985,938
Cash changes:			
Principal and interest payments		(18,401,721)	(12,077,457)
September 30, 2024 and December 31, 2023		15,741,505	25,113,754
Lease liabilities			
Current portion		9,931,484	12,676,461
Non-current portion		5,810,121	12,437,293
		15,741.00	25,113,754

Principal and interest payments above represent the total cash outflow for leases. There were no short-term leases, low-value assets that are short-term leases and variable lease payments not included in lease liabilities for the each of the three years in the periods ended September 30, 2024, 2023 and 2022.

Principal and interest payments, and interest expense in 2022 amounted to P13.0 million and P1.36 million, respectively.

(b) Club as lessor

On July 28, 2015, the Club executed a concessionaire agreement with a third party which started its operations in April 2016. Similarly, the lessee agreed to become the exclusive concessionaire of the Club's food outlets and shall maintain consistent, continuous and uninterrupted food and beverage operations that meet the Club's standards. In consideration for the lessee's provision of service, all sales arising from food and beverage (F&B) operations shall be booked by lessee. For sales arising from non-club functions regarding F&B operations, the lessee will be charged 10% of its gross sales. No space rental shall be charged to lessee, provided that it shall shoulder all taxes, fees and all costs related to the food and beverage operations including but not limited to salaries and benefits of the employees, supplies and utilities.

Income from the agreement is reported as concessionaires' fee under revenue from club operations in the statements of total receipts and expenses.

12 Proprietary certificates

The Club has a permit from the SEC to offer its securities for sale to the public effective October 23, 1991 at issue/offer prices of P0.8 to P1.0 million per share for Class "A" shares and P1.0 million per share for Class "B" shares. Details of these securities as at September 30, 2024 and December 31, 2023 are as follows:

Type of common shares	Number of securities registered	Number of securities issued and outstanding*	Number of holders of securities	Amount
2024				
Class "A" with no par value**	1,800	1,729	1,457	1,508,650,362
Class "B" with no par value	1,200	1,153	646	1,005,100,242
	3,000	2,882	2103	2,513,750,604
2023				
Class "A" with no par value**	1,800	1,730	1,457	1,508,650,362
Class "B" with no par value	1,200	1,152	646	1,005,100,242
	3,000	2,882	2,103	2,513,750,604

*Number of securities registered minus number of shares of delinquent shareholders acquired through auctions

**Inclusive of 11 Founders' shares

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which 60% of the voting power is owned or controlled by citizens of the Philippines. Class "B" shares may be sold to any parties, irrespective of their nationality or citizenship.

13 Shares of delinquent shareholders acquired through auctions

Class A and Class B shares of delinquent shareholders were acquired by the Club through auctions pursuant to the Club's By-laws as settlement for their long outstanding accounts. A shareholder is considered delinquent when the receivables from the said shareholder have become 60 days overdue.

In 2023 and 2022, the Club acquired through auction the shares of delinquent shareholders amounting to P0.28 million and P0.31 million, respectively which are offset against the installment receivable balance. In 2021, the club paid P1.15 million for the shares of delinquent shareholders acquired through auctions. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as at the date of auction plus costs incurred during auction.

In 2023, the Club entered into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. The total net proceeds and the related acquisition cost amounted to P35.38 million and P0.99 million (2022 - P35.77 million and

P1.1 million; 2021 - P25.6 million and P1.7 million), respectively. The outstanding balance are recognized as installment receivables in Notes 3 and 9.

Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price. The installment receivables from such sales are disclosed in Notes 3 and 9.

14 Related party transactions and balances

Related party transactions and outstanding balances of the Club represent transactions and balances with key management personnel and its retirement plan which are considered related parties under PAS 24, Related Party Disclosures.

The summary of the Club's transactions and outstanding balances with related parties as at and for the periods ended September 30, 2024 and December 31, 2023 are as follows:

	2024		2023		Terms and conditions
	Transactions	Outstanding payable	Transactions	Outstanding payable	
Key management personnel					
Salaries and wages	15,487,168	-	22,211,143	-	Payable in cash every month based on contract.
Retirement benefits	1,800,685	8,820,782	1,980,394	10,165,404	Refer to Note 17.
Retirement plan Contributions	5,011,094	-	5,077,534	-	Refer to Note 17.

15 Cost and expenses

Cost and expenses for the periods ended September 30, 2024, 2023 and 2022 are as follows:

	Notes	2024	2023	2022
Salaries and wages		51,248,743	48,940,523	47,574,747
Repairs and maintenance		26,036,386	24,930,720	32,353,757
Security and janitorial		18,685,341	16,382,718	11,904,681
Materials and supplies		14,702,059	14,897,606	13,549,877
Light and water		19,425,861	15,917,008	14,159,961
Other employee benefits		15,057,520	13,173,666	10,711,637
Cost of sales of inventories		6,608,878	5,550,776	6,523,061
Input VAT expense		9,848,130	12,190,828	9,070,646
Fuel and oil		6,506,816	6,934,088	7,689,244
Real property taxes		4,756,066	4,756,066	7,089,234
Taxes and licenses		2,866,919	8,686,177	1,713,729
Retirement benefit expense	17	2,979,681	4,313,184	1,804,140
Professional fees		2,031,251	2,708,668	2,774,467
Communications		1,460,138	2,000,987	1,639,566
Meetings and conferences		1,680,971	1,821,643	1,669,267
Contracted services		1,931,866	1,498,332	472,959
Members' dues and other charges		900,000	900,000	905,060
Others		12,675,962	13,303,290	9,825,371
		199,302,259	199,906,279	181,431,402
Interest expense	11	1,624,374	1,357,434	1,041,896
		200,926,964	201,263,713	182,473,298

16 Interest income

The following are the sources of Club's interest income for the periods ended September 30, 2024, 2023, and 2022:

	Notes	2024	2023	2022
Receivables	3	939,360	1,434,771	1,747,744
Cash and cash equivalents	2	1,544,172	970,793	69,550
Investments	5	1,679,085	1,538,434	177,044
		4,162,617	3,943,998	1,994,338

17 Retirement benefits

The Club maintains a funded and non-contributory defined benefit retirement plan covering all of its regular and permanent employees. The plan provides for a payment of benefits in lump sum upon attainment of normal retirement age of 60 and completion of at least 5 years if continuous service with the Club in line with Republic Act No. 7641, known as The Retirement Law. In 2022, a change on the retirement plan of the Club was implemented, which provide those employees who opt to voluntarily retire after 30 years of service, or after reaching age of 60 regardless of length of service, shall get 22.5 days per year of service. Benefits provided in the plan are based on the years of credited service and compensation of employees. Annual contribution to the retirement plan consists of retirement costs covering the current service costs for the year plus payments toward funding the accrued retirement benefit costs.

The retirement benefit obligation is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement benefit is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The latest actuarial valuation report prepared by the independent actuary for the year ended December 31, 2023 using the projected unit credit method.

The retirement benefit obligation (asset) as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Present value of defined benefit obligation (PVDBO)	47,614,338	46,967,085
Fair value of plan assets (FVPA)	(38,793,556)	(36,801,681)
Retirement benefit obligation (asset)	8,820,782	10,165,404

Movements in the retirement benefit obligation (asset) for the periods ended September 30, 2024 and December 31, 2023 are as follows:

	2024	2023
At January 1	10,165,404	(396,798)
Retirement benefits expense	2,979,681	2,623,941
Remeasurement loss	-	164,856
Contribution	(5,011,094)	(3,000,000)
At September 30, 2024 and December 31, 2023	8,133,991	10,165,404

Movements in the PVDBO for the years ended December 31 are as follows:

	2023	2022
At January 1	34,503,057	33,744,317
Current service cost	2,555,174	2,431,139
Past service cost	3,132,175	212,285
Interest cost	2,429,015	1,656,846
Benefits paid	(4,915,616)	(2,025,385)
Actuarial loss (gain) arising from:		
changes in financial assumptions	4,161,992	(3,663,661)
deviations of experience from assumptions	5,101,288	2,147,466
At December 31	46,967,085	34,503,057

Movements in the FVPA for the years ended June 30, 2024 and December 31, 2023 are as follows:

	2024	2023
At January 1	36,801,681	35,111,058
Interest income	1,144,613	2,471,818
Contributions	5,011,094	5,077,534
Benefits paid	(4,163,833)	(4,915,616)
Actuarial loss	-	(943,113)
At June 30, 2024 and December 31, 2023	38,793,556	36,801,681

The plan is administered by a firm of investment fund managers who are authorized to invest the funds as it deems proper. The actual returns on plan assets amounted to a gain of P1,528,705 for the year ended December 31, 2023 (2022 - loss of P4,672; 2021 - gain of P44,536).

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

As at December 31, the carrying amount of the plan asset is the same with its fair value. The allocation of the plan assets as at December 31 are as follows:

	2023	2022
Cash in banks	2.25%	6.36%
Interest receivables	1.11%	0.50%
Investments in equity securities	96.64%	93.14%

Descriptions of each category are as follows:

- Cash in banks consist of current account, savings deposit and special savings deposit;
- Receivables consist of interest receivables; and
- Investments in equity securities consist of short-term equity investments and time certificates of deposit.

The plan's investments do not have any concentration risk.

The Club is expected to contribute P8,000,000 to the plan assets in 2024.

Retirement benefit expense for the years ended December 31 are as follows:

	2023	2022	2021
Current service cost	2,555,174	2,431,139	2,488,983
Past service cost	3,132,175	212,285	-
Net interest	(42,803)	(19,483)	29,695
	5,644,546	2,623,941	2,518,678

The past service cost pertains to changes on retirement benefit plan for the year ended December 31, 2023 and 2022.

Movements in the remeasurement loss on retirement benefits under other comprehensive income for the years ended December 31 are as follows:

	2023	2022	2021
At January 1	(1,009,524)	(844,668)	(1,601,349)
Actuarial gain (loss)	(10,206,393)	(164,856)	756,681
At December 31	(11,215,917)	(1,009,524)	(844,668)

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

	2023	2022
Discount rate	6.06%	7.04%
Salary increase rate	5.00%	5.00%

Assumptions regarding future mortality and disability experiences are based on the 1994 Group Annuity Table and the 1952 Disability Table, respectively.

The weighted average duration of the defined benefit obligation is 17 years in 2023 (2022 - 12 years).

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the PVDBO as at December 31, assuming all other assumptions are held constant:

	Change in basis points	Increase (Decrease) in PVDBO	
		2023	2022
Discount rate	+100	(4,241,148)	(2,830,356)
	-100	4,893,320	3,268,449
Salary increase rate	+100	4,898,070	3,310,412
	-100	(4,375,308)	(2,933,005)

The maturity profiles of the undiscounted benefit payments as at December 31 are as follows:

	2023	2022
Within five years	19,906,647	11,099,290
Between six to 10 years	31,621,197	29,696,074
Between 11 to 15 years	44,773,102	34,469,019
Between 16 to 20 years	41,484,016	29,450,505
More than 20 years	72,576,206	59,490,559

18 Income taxes

Income tax expense for the years ended December 31, 2023 pertain to minimum corporate income tax (MCIT) amounting to P402,120 (2022 - P159,060; 2021 - P135,197).

The Club's deferred income tax liabilities as at December 31, 2023 pertain to 25% income tax effects of its revaluation gain of land in 2021. The deferred income tax liability of the Club as of December 31, 2023 and 2022 amounted to P1.03 billion.

Deferred income tax assets, net on the following temporary differences as at December 31 have not been recognized since management believes that the Club may not have sufficient future taxable income for these deferred income tax assets to be able to utilize:

	2023	2022
Retirement benefit liability(asset)	10,165,404	(608,001)
Unamortized past service costs	8,441,001	6,680,407
Remeasurement loss on retirement benefit obligation	(11,215,917)	(679,813)
Provision for retirement benefits	7,390,488	5,392,593
Net operating loss carry-over (NOLCO)	18,477,953	13,487,146
Other provisions	8,468,902	7,086,075
Subtotal	34,337,343	25,965,814
Multiply: Income tax rate	25%	25%
Tax effect	8,584,336	6,491,453
Minimum corporate income tax (MCIT)	696,377	424,343
Unrecognized deferred income tax assets, net	9,280,713	6,915,796

On June 26, 2019, the Supreme Court declared through General Register 228539 that membership fees, assessment dues, and fees of similar nature collected by clubs which are organized and operated exclusively for the pleasure, recreation, and other non-profit purposes are not subject to income tax and VAT.

In compliance with the National Internal Revenue Code of 1997 and as implemented under Revenue Regulation No. 14-2001, the net operating losses incurred for taxable years prior to 2020 can be carried over as a deduction from gross income for the next three (3) consecutive taxable years following the year of such loss.

Pursuant to Section 4 of Republic Act (RA) No. 11494, otherwise known as the “Bayanihan to Recover as One Act” and as implemented under Revenue Regulation No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Club's NOLCO as at December 31 are as follows:

Year incurred	Year of expiry	2023	2022
2018	2021	-	-
2019	2022	-	106,903,015
2020	2025	5,912,230	5,912,230
2021	2026	3,002,549	3,002,549
2022	2025	4,572,367	4,572,367
2023	2026	4,990,807	-
		18,477,953	120,390,161
Expired		-	(106,903,015)
Net operating loss carry-over		18,477,953	13,487,146

On March 26, 2021, Republic Act (RA) No. 11534, Corporate Recovery and Tax Incentives for Enterprises Act otherwise known as CREATE, was signed into law which lowered the Club's RCIT rate from 30% to 25% starting July 1, 2020. Also, under CREATE and RR No. 5-2021, the Minimum Corporate Income Tax (MCIT), was lowered to 1% effective 1 July 2020 to 30 June 2023, after which it will revert to 2%.

The details of the Club's MCIT as at December 31 are as follows:

Year incurred	Year of expiry	2023	2022
2018	2021	-	-
2019	2022	-	349,682
2020	2023	130,086	130,086
2021	2024	135,197	135,197
2022	2025	159,060	159,060
2023	2026	402,120	-
		826,463	774,025
Expired		(130,086)	(349,682)
MCIT		696,377	424,343

Reconciliations between the income tax computed at statutory income tax rate and the effective income tax expense shown in the statements of total receipts and expenses for the years ended December 31 are as follows:

	2023	2022	2021
Income tax at statutory income tax rates	(1,778,929)	(4,896,462)	(4,215,955)
Adjust for income tax effects of:			
Non-deductible expenses	48,772,951	47,898,942	44,046,017
Changes in unrecognized deferred income tax assets	2,577,430	1,132,893	(4,276,359)
Interest income subjected to final tax	(722,833)	(217,288)	(44,647)
Non-taxable income	(48,446,499)	(43,759,025)	(41,582,882)
Impact of CREATE Act	-	-	6,209,023
Effective income tax expense	402,120	159,060	135,197

19 Financial risk and capital management

19.1 Financial risk factors

The main risks arising from the Club's financial instruments are credit and liquidity risks. The members and the BOD review and approve the policies of managing each of the risks which are summarized below.

(a) Credit risk

Credit risk arises when a customer or counterparty fails to discharge an obligation and cause the Club to incur a financial loss.

The Club's receivables are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. The Club ensures that applicant for membership shall undergo a series of verifications to determine the individual or company financial capability and credit history. In case of delinquency, the Club's by-laws provide clear cut measures and sanctions against members with unpaid accounts. In addition, the Club has first lien on every proprietary certificate to ensure debts of members arising from unpaid membership dues and other club charges are recovered. Sales of products and services to non-members, i.e., members' guests are on cash basis. In the case of membership dues, advance payments promotions are launched each year with incentives on early annual payments to reduce receivables from member. These minimize the credit risk exposure any margin loss from possible default in the payment of receivables.

The table below shows the maximum exposure from credit risk for the Club's financial assets at amortized cost without taking account of any collateral and other credit enhancements as at September 30, 2024 and December 31, 2023:

	Notes	2024	2023
Cash and cash equivalents*	2	179,822,604	100,254,930
Receivables**	3	28,844,801	30,893,862
Installment receivables, net of current portion	9	-	443,398
Investments	5	-	81,386,232
		208,667,405	212,978,422

*Excludes cash on hand

**Excludes advances to suppliers and advances to officers and employees

The Club uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below:

- **Grade A** - This applies to highly rated financial obligors and strong counterparties with whom the Club has excellent collection experience, i.e., collections are made even before maturity date.
- **Grade B** - This applies to financial assets that are performing as expected or where counterparty pays on due dates.
- **Grade C** - This applies to accounts that are past due but are not impaired since are subsequently collected within 90 days from reporting date.
- Accounts not within Grades A, B and C are considered long outstanding and subject to expected credit loss allowance.

(i) Cash and cash equivalents

The Club's policy on counterparty risk management is to work with a select group of relationship banks which are licensed commercial and universal banks as defined by the Philippine Banking System. Credit risk exposure is low since commercial and universal banks represent the largest single group, resource-wise, of financial institutions in the country. Cash and cash equivalents are also deposited among the top ten banks in the Philippines, hence, considered Grade A.

(ii) Receivables, including non-current installment receivables

Credit rating of receivables, including non-current installment receivables, as at September 30, 2024 and December 31, 2023 are as follows:

	2024	2023
Grade A	26,473,218	28,969,727
Grade B	2,371,584	2,367,533
	30,847,802	31,337,260

(iii) Investments

There is minimum exposure to credit risk of investments in time deposits, treasury bills and treasury bonds as these are placed in various institutions with high credit ratings, as such, expected credit loss on the balance has therefore been assessed to be insignificant.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Club may encounter collection problem that will lead to difficulties in raising funds to meet or settle its obligations and to finance its activities.

The Club monitors its liquidity risk to a shortage of funds through monitoring of collections and projected cash flows from operations. The Club maintains sufficient cash to finance operations. Any excess fund is invested in cash equivalents to augment income generation. The Club's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Club also maintains a financial strategy that the scheduled payment of payables is well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities at amortized cost subject to liquidity risk based on contractual undiscounted payments as at September 30, 2024 and December 31, 2023:

	Note	On demand	Less than 3 months	Between 3 to 6 months	Between 6 to 12 months	Over 1 year	Total
2024							
Accounts and other current liabilities*	10	64,009,895	12,801,979	400,062	2,800,433	-	80,012,369
Lease liabilities**		-	1,688,336	3,277,357	4,965,692	5,810,121	15,741,505
		53,657,802	14,252,159	5,934,768	9,462,045	1,827,310	85,134,084
2023							
Accounts and other current liabilities*	10	73,317,889	19,267,864	819,755	201,721	-	93,607,229
Lease liabilities**		-	3,187,574	3,197,073	6,052,646	12,676,461	25,113,754
		73,317,889	22,455,438	4,016,828	6,254,367	12,676,461	118,720,983

*Excludes deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund

**Based on minimum lease payments

19.2 Fair value of financial instruments

The carrying values of the Club's financial instruments as at reporting dates approximate their fair values due to their short-term nature. For non-current installment receivables and investment in treasury bills and treasury bonds, the carrying amounts approximate their fair values since the impact of discounting is immaterial. For non-current lease liabilities, the carrying amounts approximate their fair values due to discounting.

19.3 Capital management

The primary objective of the Club's capital management is to ensure the Club's ability to continue as a going concern so that it can continue provide service to its members and benefits for other stakeholders. The Club's capital pertains to proprietary certificates, shares of delinquent shareholders acquired through auctions, excess of proceeds over cost from re-issuance of shares to delinquent shareholders, and deficit. There were no changes in the Club's capital management policies for the years ended December 31, 2023 and 2022. There are no other externally imposed capital requirements on the Club.

As at September 30, 2024 and December 31, 2023, the details of the Club's capital are as follows:

	2024	2023
Proprietary shares	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	(31,393,695)	(31,441,819)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	128,144,622	124,907,275
Other comprehensive income	3,064,142,093	3,064,142,093
Cumulative excess of costs and expenses over receipts	(1,045,100,530)	(1,058,037,465)
	4,629,543,094	4,613,320,688

20 Critical accounting estimates, assumptions and judgments

The preparation of the Club's financial statements requires management to make judgment, estimates and assumptions that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment, estimates and assumptions used in arriving at the estimates to change. The effects of any change in judgment, estimates and assumptions are reflected in the financial statements as they become reasonably determinable.

20.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared.

(a) Expected credit losses (ECL) of financial assets at amortized cost

The Club applied the ECL model associated with its financial assets at amortized cost. The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Club uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For receivables, the Club uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of active members that have similar loss patterns. The provision matrix is initially based on the Club's historical observed default rates. The Club then calibrates the matrix to adjust the credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Club's historical credit loss experience and forecast of economic conditions may also not be representative of member's actual default in the future. Based on management's assessment, no impairment losses are required on financial assets at amortized cost as at December 31, 2023 and 2022 due to the low credit risk exposure as discussed in Note 19.1(a).

(b) Useful lives of property and equipment

The useful life of each of the Club's item of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses and brought about by changes in the factors mentioned.

A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease the carrying value of property and equipment.

There were no changes in estimated useful lives of property and equipment in 2024 and 2023. The carrying values of property and equipment as at September 30, 2024 and December 31, 2023 are disclosed in Note 7.

(c) Fair value of land

The Club measures its land at revalued amount with changes in fair value being recognized in the other comprehensive income. The Club has established a process by which measurement of fair value of the land is in place for financial reporting purposes. This primarily involves the expertise of an independent valuer. The valuer considers certain unobservable inputs and valuation adjustments to provide a reasonable indication of fair value. Any significant changes to these inputs and adjustments could significantly affect the amount of the fair values.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements as at December 31, 2023 and 2022:

Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
External factor (asking price discount)	-10%	The higher the negative input, the lower the fair value
Internal factors (location, size and development)	-10%	

There were no significant interrelationships between unobservable inputs that materially affects fair values. Further information about the assumptions made in measuring the fair values is disclosed in Note 8.

(d) Retirement benefits

The cost of retirement benefits as well as the PVDBO is determined using actuarial valuations. The actuarial valuation involves making various assumptions including the determination of the discount rates, rate of increase in compensation, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of Philippine government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates for the Philippines. Further information about the assumptions made in measuring the PVDBO and FVPA are disclosed in Note 17.

In determining the long-term rates of return, the Club considers the nature of the plans' investments, an expectation for the plans' investment strategies, historical rates of return and current economic forecasts. The Club evaluates the expected long-term rate of return annually and adjusts as necessary. The activities of the plan expose it to a variety of risks. The management of these risks and the overall investment policy and strategy of the retirement plan are based on the trustee bank's assessment in compliance with local regulations and practice. Responsibility for governance of the retirement plan, including investment decisions and contribution schedules, lies jointly with the Club and the trustee bank.

The Club's management ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt and equity securities, consisting of investments in government securities, mutual funds and unit investment trust fund, with maturities that match the benefit payments as they fall due. Assets are invested in different classes in order to maintain balance between risk and return. Investments are diversified to limit the financial effect of any individual investment.

20.2 Critical judgments in applying the Club's accounting policies

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as of reporting date.

(a) Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. Distribution of free green fee coupons, an incentive when a member pays one-year membership dues in advance, is a separately identifiable promise and is not combined with the obligation related to the membership dues since this is distinct within the context of the contract.

(b) Determining the timing of recognizing membership fees and assessments

The Club charges membership dues, membership fees and assignee fees. The Club has concluded that it incurs an obligation to provide services to the members for the fees received and such shall be recognized over time as the members receive substantially the benefits and privileges of being a member. Membership fees are recognized as earned over the average life stay of members which is determined to be four years based on the eight-year historical membership data of the Club.

(c) Income taxes

A certain degree of judgment is required in determining the provision for income taxes, as there are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets as at December 31, 2023 and 2022 are disclosed in Note 18.

(d) Contingencies

The Club determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management's assessment is developed in consultation with the Club's legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable.

The Club is a respondent in cases arising from the normal course of business, the outcome of which cannot be presently determined. In the opinion of the Club's management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Club's financial statements.

21 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

21.1 Basis of preparation

The financial statements of the Club have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine

Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) (formerly Financial Reporting Standards Council (FRSC)) and adopted by the SEC.

The financial statements of the Club have been prepared under a historical cost basis, except for land and fair value of plan assets which are measured at fair value.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 20.

Changes in accounting policies and disclosures

(a) New standards, amendment to existing standards and interpretations applied by the Club

The Club has applied the following standard for the first time for their annual reporting period commencing January 1, 2023:

- Disclosure of accounting policies - Amendments to PAS 1 and PFRS Practice Statement 2

PAS 1, "Presentation of Financial Statements" was amended to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effects of adoption of amendments to PAS 1 and PFRS Practice Statement 2 as at January 1, 2023 are considered in the summary of material accounting policies (Note 21).

- Definition of accounting estimates - Amendments to PAS 8

The amendment to PAS 8, "*Accounting Policies, Changes in Accounting Estimates and Errors*" clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The adoption did not have a significant impact on the Club's financial statements as at September 30, 2024 and December 31, 2023.

- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to PAS 12

The amendments to PAS 12, "*Income Taxes*" require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings, or another component of equity, as appropriate. PAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The adoption did not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted by the Club

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Club. These standards, amendments or interpretations are not expected to have a material impact on the Club in the current or future reporting periods and on foreseeable future transactions.

21.2 Cash equivalents; Investments in treasury bills and treasury bonds

Term deposits, treasury bill, and treasury bonds are presented as cash equivalents if they have a maturity of three months or less at the time of acquisition and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

Term deposits, treasury bill, and treasury bonds with maturity of more than three (3) months but not beyond twelve (12) months at the time of acquisition are classified as short-term investment.

Investment in treasury bills and time deposits are carried in the statements of financial position at amortized cost. Other relevant policies are discussed in Note 21.4.

21.3 Receivables

Receivables from members are generally on a 30-day term. When an account is 60 days past due, the BOD reviews and approves membership as delinquent shares which will then be subject for auction (Note 13).

Upon approval of delinquent shareholdings, the Club will enter into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance, which are recognized as installment receivable, of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price.

Other relevant policies are disclosed in Note 21.4, except for advances to suppliers and advances to officers and employees which are not considered financial assets.

Advances to suppliers represent initial payments for purchases while advances to officers and employees are cash advances which are subject to liquidation. These are reclassified to another asset account or expense when the service or goods is provided by or received from the supplier, or the advance is liquidated.

21.4 Financial instruments

Financial assets

(a) Classification

The Club only holds financial assets at amortized cost as at December 31, 2023 and 2022.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, if any, is

included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented in other income and expense. Impairment losses, if any, are presented in the statement of total comprehensive income as expenses.

The Club's financial assets measured at amortized cost comprise of cash and cash equivalents (Note 21.2), receivables (Note 21.3), investments in treasury bills and treasury bonds (Note 21.2) in the statement of financial position.

Financial assets measured at amortized cost are carried at amortized cost using the effective interest method.

(b) Impairment

The Club recognizes an expected credit loss for all debt instruments not held at FVPL. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For cash and cash equivalents, past due receivables, investments in treasury bills and treasury bonds, the Club applies a general approach in calculating expected credit losses. The Club recognizes a loss allowance based on either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk on these financial assets since initial recognition.

For current receivables, the Club applies a simplified approach in calculating expected credit losses. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Club 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.

The Club considers a financial asset in default when contractual payments are past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

The Club's financial liabilities are limited to financial liabilities at amortized cost.

Financial liabilities at amortized cost pertain to issued financial instruments that are not classified as fair value through profit or loss and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than twelve (12) months after the reporting period which are classified as non-current liabilities.

The Club's accounts payable and other current liabilities (excluding deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund) and lease liabilities are classified under financial liabilities at amortized cost.

21.5 Inventories

Inventories comprise mainly merchandise goods for sale in the Club's pro-shop, and material and supplies for the maintenance of the golf club. These are initially recorded at cost and are valued at the lower of cost and net realizable value (NRV). Costs are accounted for using first-in, first-out basis. The NRV of inventories is its current

replacement cost or at the estimated selling price in the ordinary course of business less applicable variable selling expenses

Inventories are periodically reviewed and evaluated for obsolescence. An allowance for inventory obsolescence is provided for slow moving, obsolete, defective or damaged inventories based on physical inspection and management evaluation. Obsolete inventories are scrapped or disposed of and related costs are charged to profit or loss.

Write-offs represent the release of previously recorded provision from the allowance account and credited to the inventory account following the disposal of the inventories.

Reversals of previously recorded provisions are credited in profit or loss based on the result of management's update assessment, considering available facts and circumstances, including but not limited to net realizable value at the time of disposal.

Inventories are derecognized when they are sold or consumed, or there are no future benefits to the Club. The carrying amount of those inventories is recognized, reported as part of cost and expenses in profit or loss in the period incurred (for material and supplies) or in which the related revenue is recognized (for inventories for sale).

21.6 Property and equipment, and land

Land is recognized at fair value based on periodic, but at least triennial, valuations by external independent appraiser. A revaluation surplus is credited to other comprehensive income. Increases in the carrying amounts arising from revaluation of land are recognized, net of tax, in other comprehensive income and accumulated in "Other comprehensive income" in members' equity. All other property, plant and equipment is recognized at historical cost less accumulated depreciation and impairment, if any.

Land is not depreciated. Depreciation of other property and equipment is computed using the straight-line method to allocate the costs of the assets over their estimated useful lives as follows:

Asset class	Estimated useful life in years
Golf course developments	15 - 40
Buildings and improvements	3 - 35
Golf course maintenance and transportation equipment	1 - 5
Furniture, fixtures and office equipment	1 - 5
Clubhouse equipment	3 - 5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 21.7).

When revalued assets are sold, it is Club's policy to transfer any amounts included in other comprehensive income in respect of those assets to cumulative excess of costs and expenses over receipts or cumulative excess receipts over costs and expenses.

21.7 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that an asset (e.g., land, property and equipment) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and 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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If

no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognized in the statements of total receipts and expenses in those expense.

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, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of total receipts and expenses.

After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

21.8 Accounts payable and other current liabilities

Accounts payable and other current liabilities are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim against the Club is established. This is recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method which is normally equal to its nominal amount. Other relevant policies are disclosed in Note 21.4, except for deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund.

Deferred liabilities represent payments received from membership applicants. These are recognized as income when the application is approved; otherwise, the payments received by the Club are refunded.

Statutory liabilities and accrued expenses for withholding tax are not considered financial liabilities and not subject to discounting but are derecognized similarly.

Sinking fund and tournament fund are payments received from members for a specific purpose. These are derecognized when expenditures for the specific purpose is incurred. Any excess fund at the end of the specific purpose will be charged directly to cumulative excess of costs and expenses over receipts.

21.9 Leases

(a) Club as lessee

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Club's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Club:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Interest expense from lease liabilities is reported under cash flows from operations in the statement of cash flows.

Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Club is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(b) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Club becomes obliged to exercise (or not exercise) it.

The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

(c) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of total comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

(b) Club as lessor

Leases in which the Club does not transfer substantially all the risk and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and derecognized over the lease term on the same bases as lease income.

Operating lease payments are recognized as an income or expense in the statements of total receipts and expenses on a straight-line basis over the lease term. Variable lease payments are recognized as income or expense when incurred.

21.10 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT), to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Club reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are derecognized when the relevant temporary differences are realized/settled or recoverability is no longer probable.

21.11 Equity

Proprietary certificates are shares of stock have no par value and recorded equal to the proceeds and/or fair value of considerations received. Incremental costs incurred directly attributable to the issuance of new shares are shown as a deduction from proceeds, net of tax.

Shares of delinquent shareholders acquired through auctions represents the Club's proprietary certificates which are reacquired by the Club and deducted from equity. No gain or loss is recognized in the statements of total receipts and expenses on the purchase, sale, issue or cancellation of the Club's own equity instruments. Excess of proceeds over cost from re-issuance of shares of delinquent shareholders is presented as another line item under equity.

Other comprehensive income represents the accumulated revaluation gain of land, net of tax, and remeasurement of retirement benefits.

Deficit represents the net losses accumulated over the years from the Club's operations. Deficit may also include effect of changes in accounting policy as may be required by the respective standard's transitional provisions.

21.12 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use. The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

As at December 31, 2023 and 2022, the Club has no assets and liabilities measured at fair value, except for land and FVPA at Level 3 and Level 1 fair value categories, respectively.

21.13 Membership fees and assessments, and revenues from club operations

(a) Membership fees and assessments

These represents fees received from members as part of Club privileges. These are recognized as follows:

- Membership dues are annual dues from existing members. These are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Membership fees are one-time joining fees for members which are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Transfer fees are charged on the transfer of golf shares from an existing member to another buyer. These are recognized when such transfer is completed.
- Annual playing rights are recognized upon transfer of playing rights to the assignee. These are recognized when such transfer is completed.
- Special assessments are recognized upon receipt of the fee collected for a specific purpose or project.

(b) Revenues from club operations

The Club recognizes revenue as control is passed, either (i) over time when the customer simultaneously receives and consumes all of the benefits provided by the Club as the Club performs; or (ii) at a point in time when control is passed at a certain point in time as described below.

- Green fees and tourist fees, tournament fees, and club events represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.
- Sales of golf merchandise are recognized at a point in time when the goods are delivered to the buyer.
- Locker, golf cart and equipment rental fees, and concessionaires' fees represent rental income
- Other income are recognized when earned.

(c) Interest income

Interest income, which is presented net of applicable tax withheld, is recognized on a time-proportion basis using the effective interest method.

21.14 Costs and expenses

Cost and expenses are recognized in the statements of total receipts and expenses in the period these are incurred.

Interest expense is recognized on a time-proportion basis using the effective interest method.

21.15 Employee benefits

(a) Short-term employee benefits

The Club recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves, and bonuses. Bonuses are based on a formula that takes into consideration the employee's salary, length of service and performance evaluation. The Club recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

(b) Retirement benefits

The Club has a funded and non-contributory defined benefit retirement plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the PUC method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds converted into zero coupon rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the present value of the defined benefit obligation and the fair value of plan assets. This cost is included in personnel costs in the statement of total comprehensive income.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which these occur, directly in other comprehensive income as shown in the statement of total comprehensive income. Other comprehensive income is presented within equity in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately within personnel costs in the statement of total comprehensive income as past service costs.

22 Supplementary information required by the BIR

The following information required by Revenue Regulations No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared for the period ended September 30, 2024 and the receipts upon which the same were based consist of:

	Gross Receipts	Output VAT
Taxable receipts	98,793,304	11,855,196
Exempt receipts	163,822,623	-
	262,615,927	11,855,196

Receipts subject to VAT are based on gross receipts, less actual discounts, if any, while receipts in the statement of total receipts and expenses are measured in accordance with the policies in Note 21.13.

(b) Input VAT

Details of input VAT as at and for the period ended September 30, 2024 are as follows:

	Amount
Balance at beginning of year	-
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	5,175,112
Capital goods subject to amortization	3,337,165
Capital goods not exceeding 1 million	2,237,337
Importation of goods other than capital goods	47,210
Services lodged under cost and expenses	5,105,007
Claims for tax credit/refund and other adjustments*	(15,597,522)
Balance of deferred input tax to be amortized	(304,309)
Balance at end of period	-

*Pertains to total input VAT claimed against output VAT, and expensed due to allocation to exempt receipts

(c) Importations

The Club made importations amounting to ₱562,873 and has paid the corresponding import and customs duties and tariff fees amounted to ₱82,928 as of September 30, 2024.

(d) Excise tax

The Club had no transactions subject to excise tax for the period ended September 30, 2024.

(e) Documentary stamp tax

Documentary stamp taxes paid for the period ended September 30, 2024 amounted to ₱231,329 pertaining to insurance and finance leases.

(f) Other taxes and licenses

All other taxes and licenses for the period ended September 30, 2024 are as follows:

	Amount
Local taxes	
Real property taxes	4,756,066
Business permit	2,325,188
Community tax certificate	10,500
Other national taxes	
Registration to other government agencies	179,830
Annual water charges	55,435
Others	6,500
	7,333,519

The amounts above and documentary stamp taxes paid in (e) are lodged in the taxes and licenses and real property taxes accounts under costs and expenses section in the Club's statement of total receipts and expenses for the period ended September 30, 2024.

(g) Withholding taxes

Withholding taxes paid and accrued by the Club as at and for the period ended September 30, 2024 are as follows:

	Paid	Accrued	Total
Withholding tax on compensation	2,387,026	265,227	2,652,253
Expanded withholding taxes	2,715,100	610,630	3,325,730
	5,102,126	875,857	5,977,983

(h) Tax assessments and cases

The Club has no pending tax assessments with the BIR and cases, litigation and/or prosecution in courts or bodies outside the BIR as at September 30, 2024.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at September 30, 2024
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income received and accrued
Financial assets at amortized cost				
Cash and cash equivalents	-	180,764,947	180,764,947	1,644,172
Receivables, net, including non-current portion of installment receivables	-	43,179,210	43,179,210	939,360
Investments	-	-	-	1,679,085
	-	222,944,157	222,944,157	4,262,617

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at September 30, 2024
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non-current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corporate Secretary	41,247	8,768	9,000	-	1,837	39,179	41,016
Robert John L. Sobrepena, Chairman	22,859	97,431	11,570	-	7,229	101,491	108,720
Daniel C. Samaniego, Director	15,528	25,182	24,528	-	7,323	8,859	16,182
Francisco C. Gonzalez, Director	23,684	46,205	50,747	-	19,141	-	19,141
Alfredo M. Mendoza, Director	36,730	7,054	9,000	-	3,906	30,878	34,784
Rafael Pereze de Tagle, Jr., Treasurer	(19,237)	33,128	9,000		4,892		4,892
Federico P. Campos III, Director	(4,295)	18,058	12,831		932		932
John R. Cope, Employee	75,536	84,707	118,500	-	26,663	15,079	41,742
	192,052	320,533	245,176	-	71,923	195,486	267,409

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the consolidation of financial statements
As at September 30, 2024
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non-current	Ending balance
			Amount collected	Amount written-off			
Not applicable							

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at September 30, 2024
(All amounts in Philippine Peso)

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
Obligation under finance lease*	15,741,505	9,931,384	5,810,121

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule E - Indebtedness to Related Parties
As at September 30, 2024
(All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at September 30, 2024
(All amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
Not applicable				

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at September 30, 2024
(All amounts in Philippine Peso)

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		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,729	-	-	12	1,717
Class "B" common shares	1,200	1,153	-	-	2	1,151
	3,000	2,882	-	-	14	2,868

CERTIFICATION OF INDEPENDENT DIRECTOR

I, DANIEL C. SAMANIEGO, Filipino, of legal age, and a resident of 18 Hidalgo St., San Lorenzo Village, Makati City, after having been duly sworn to in accordance with law to do hereby declare that:

1. I am a Nominee for Independent Director of Manila Southwoods Golf & Country Club and have been its Independent Director since 2005 to 2007, and March 2012 to present;
2. I am affiliated with the following companies, associations, an organizations:

COMPANY/ ASSOCIATION/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Daniel Samaniego Dental Clinic	Private practice in Dentistry	1982 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila Southwoods Golf & Country Club as provided for in Section 28 of the Securities and Regulation Code, its implementing Rules and Regulations and other SEC issuances.
4. I am related to the following to the following Director, Officer, and/or substantial Shareholder of _____ N/A _____ other than the relationship provided under Rule 38.2.3. of the Securities and Regulations Code.

NAME OF DIRECTOR, OFFICER, OR SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal and/or administrative investigation or proceeding (as the case may be):

OFFENSES CHARGED OR INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the Corporate Secretary of Manila Southwoods Golf & Country Club of any charges in the abovementioned information within five (5) days from its occurrence.

OCT 1 1 2024

Done, this ____ day of October 2024 in Makati City.


DANIEL C. SAMANIEGO
Affiant

OCT 1 1 2024

MAKATI CITY DESCRIBED and SWORN to before me this ____ day of ____, 2024, at ____, affiant, personally appeared before me and exhibited to me his Senior Citizen ID No. 118569 issued on August 15, 2018 at Makati City.

Doc. No. 025;
Page No. 02;
Book No. 14;
Series of 2024.


ATTY. MIKHAIL JOSE AMANDO R. FABIO III
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M-326, VALID UNTIL DEC. 31, 2025
PTR NO. MKT 10087420/01-12-2024 / MAKATI CITY
IBP NO. 426832, ROLL NO. 81066
MCLE COMPLIANCE NO. VH-0908160
VALID UNTIL APRIL 10, 2028
FABIO LAW OFFICE
UNIT 301-A, NO. 3532 HILARIO ST. BRGY. PALANAN MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ALFREDO M. MENDOZA, Filipino, of legal age, and a resident of 122 Champaca St., Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law to do hereby declare that:

1. I am a Nominee for Independent Director of Manila Southwoods Golf & Country Club and have been its Independent Director since 1999 to 2003, and 2006 to present;
2. I am affiliated with the following companies, associations, an organizations:

COMPANY/ ASSOCIATION/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Cargoaire Freight Forwarders, Inc.	President	1982 to present
Cargoaire Maritime Corporation	President	1982 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila Southwoods Golf & Country Club as provided for in Section 28 of the Securities and Regulation Code, its implementing Rules and Regulations and other SEC issuances.
4. I am related to the following to the following Director, Officer, and/or substantial Shareholder of _____ N/A _____ other than the relationship provided under Rule 38.2.3. of the Securities and Regulations Code.

NAME OF DIRECTOR, OFFICER, OR SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal and/or administrative investigation or proceeding (as the case may be):

OFFENSES CHARGED OR INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the Corporate Secretary of Manila Southwoods Golf & Country Club of any charges in the abovementioned information within five (5) days from its occurrence.

OCT 1 1 2024

Done, this _____ day of October 2024 in **Muntinlupa City**.


ALFREDO M. MENDOZA
 Affiant

OCT 1 1 2024

MAKATI CITY SUBSCRIBED and SWORN to before me this ____ day of _____, 2024, at _____, affiant, personally appeared before me and exhibited to me his Senior Citizen ID No. B-23372 issued on March 11, 2021 at Muntinlupa City.

Doc. No. 02;
 Page No. 03;
 Book No. 16;
 Series of 2024.


ATTY. MIKHAIL JUDE AMANDO R. FABIO III
 NOTARY PUBLIC FOR AND IN MAKATI CITY
 APPOINTMENT NO. M-326, VALID UNTIL DEC. 31, 2025
 PTR NO. MKT 10087420/01-12-2024 / MAKATI CITY
 IBP NO. 426832, ROLL NO. 81066
 MCLE COMPLIANCE NO. VIII-0008160
 VALID UNTIL APRIL 14, 2028
 FABIO LAW OFFICE
 UNIT 301-A, NO. 3532 HILARIO ST. BRGY. PALANAN MAKATI CITY

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. StreetCity/Town/Province)

Armando D. Sierra
(Contact Person)

(046) 419-8190
(Company Telephone Number)

1	2
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3	1
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Month *Day*
 (Fiscal Year)

17	-	A		
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(Form Type)



 Month Day
 (Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

2,052
Total No. of Stockholders

Total Amount of Borrowings	
—	—
Domestic	Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

LCU

Cashier

SEC Number 181069

File Number

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.**

(Company's Full Name)

**Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite**

(Company's Address)

(046) 419-8190

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A Annual Report

Form Type

Amendment Designation (If applicable)

December 31, 2023

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended December 31, 2023
2. SEC Identification Number 181069
3. BIR Tax Identification No. 000-645-256
4. Exact name of registrant as specified in its charter
The Manila Southwoods Golf & Country Club, Inc.
5. Cavite, Philippines
Province, Country or other jurisdiction of
Incorporation or organization
6. (SEC Use Only)
Industry Classification Code
7. Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite
Address of principal office
8. 4116
Postal Code
8. (046) 419-8190
Registrant's telephone number, including area code
9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec.4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt Outstanding
Class A	1,800 shares	₱1,508,650,362
Class B	<u>1,200</u> shares	<u>1,005,100,242</u>
Total	<u>3,000</u> shares	<u>₱2,513,750,604</u>

11. Are any or all of these securities listed on the Philippine Stock Exchange

Yes [] No [x]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Not Applicable

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 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 twelve (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 ninety (90) days.

Yes [x]

No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. If a determination as to whether a particular person or entity is as affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

<u>No. of shares</u>	<u>Average Market Price per Share</u>	<u>Market Value</u>
2,875	₱6,700,000	₱19,262,500,000

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.
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PART I BUSINESS AND GENERAL INFORMATION

ITEM 1. Business

The Manila Southwoods Golf & Country Club, Inc. (the Club) was incorporated on September 5, 1990 and started full operations on January 2, 1995. Its securities were registered with the Securities and Exchange Commission for sale to the public on October 23, 1991.

The Club was organized and operates exclusively for the promotion of the social, recreational and athletic activities on a non-profit basis among its shareholders, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The Club has not been subject to any bankruptcy, receivership or similar proceedings. Neither has the Club been subject to any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

As a nonprofit entity, the Club generates revenues in the form of membership and other fees in order to meet the expenses for its general operations, maintenance and improvements of the premises and facilities. The major source of revenue from club operations and receipts from members and their corresponding contribution to total receipts are as follows: membership dues, 40%; green fees and tourist fees, 20%; and membership and transfer fees, 17%. Total receipts and income of the Club for 2023 registered an increase of ₱38.1 million or 14% mainly attributable to higher number of turnover of members that resulted to ₱4.6 million revenue increase paired with higher number of playing rights in 2023 and higher number of share transfers by ₱5.5 million and Php3.8 million, respectively. Revenue from Club operations likewise increase by ₱18 million attributable to golf rate increases and full operations of the Club this year. There is notable increase in green fee rates from ₱5,000 to ₱6,000 for weekend rate and ₱3,000 to ₱4,000 from weekday rate effective March 1, 2023. These increases were paired with increased number of guests and members using the club premises. The percentage of contribution of other receipts and revenues during the year is almost the same of the preceding year. Other services offered by the Club to the members and their guests are golf tournament management, banqueting functions and golf cart rentals.

The Club has no sales or revenues and net income contributed by foreign sales.

All Club products and services are delivered within the premises of the Club to visiting members and their guests. There are no elaborate distribution methods of products and services.

There is no publicly-announced new product or service of the Club.

The golf industry caters to upper and middle class individuals and families who have available disposable income to be able to own a proprietary share of stock or rent a share for playing rights. Located to the south of Metro Manila or the CALABARZON area, the Club is in direct competition with other golf courses such as The Orchard Golf & Country Club, Riviera Golf & Country Club, Eagle Ridge Golf & Country Club, Tagaytay Highlands, Tagaytay Midlands and Sherwood Hills Golf Club, all located within the province of Cavite. Further down south are Sta. Elena Golf & Country Club, The Country Club, Canlubang Golf Club and Ayala Greenfields, all in Laguna province and Mt. Malarayat Golf & Country Club in Lipa City, Batangas.

Principal methods of competition in the golf industry consist of quality of facilities, amenities and services, pricing and accessibility. The Club enjoys higher patronage as compared to its competitors due to its accessibility from major thoroughfares. It is the first golf course a golfer would reach south of Metro Manila via South Luzon Expressway. It is only about 10-minute drive from Alabang, Muntinlupa and 40 minutes from the Makati financial district. This fact, coupled with the quality of its 36-hole golf course and leisure facilities, which are being maintained all year round at the highest level, in turn gives more value for money. Further, the Club maintains superior member-guest relations and services as compared to its competitors. With these factors, the Club has always been considered as one of the leaders in the industry to which others measure and gauge their own performance.

The Club is not dependent on any particular supplier or group of suppliers for various supplies needed in the operation and maintenance of its facilities. Major parts of its requirements are readily available in the local market from various manufacturers and traders. Specialized requirements such as imported spare parts for turf equipment, irrigation and pump systems and a number of fertilizers and herbicides grades are available through local authorized distributors or directly from the foreign manufacturers. The Club has no existing major supply contracts.

The Club is not dependent upon a single customer or a few customers. It currently has 2,300+ active members, all can use the facilities and services of the Club together with their guests subject to existing house rules, regulations and procedures. In the normal Club operations, it is also open to member-sponsored golf tournaments and to a limited extent, and tourists program at premium rates. There is no customer that accounts for at least twenty percent (20%) of the Club's revenues and there are no existing major sales contracts.

In the normal course of business, there were transactions involving expense allocations for key management personnel and outstanding balances for the retirement benefits and contributions which were specifically discussed in the related party transactions and balances of this report. The Club is not dependent on any related party.

The Club has no patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements to which its operations depend on or is expected to depend.

There is no need for any government approval of principal products or services being offered by the Club to its members and their guests.

The Club has successfully obtained its revised Environmental Compliance Certificate (ECC) from the Department of Environment and Natural Resources (DENR) and the LLDA Clearance from Laguna Lake Development Authority (LLDA) for golf operations during the year.

The Club has not spent on research and development activities during the three last years.

Since April 9, 1999, the Club has been fully certified by the Audubon Cooperative Sanctuary Program, a leading non-governmental, internationally-recognized environmental organization based in the United States. The objective of the program is to educate people to become environmental stewards and motivate them to take action and enhance their habitats and, conserve natural resources and improve the environment and the surrounding communities. The Club has the distinction of being the first golf club to receive this Audubon Certification in the Asia-Pacific region. The Club had since been recertified on a bi-annual basis and expects to be continuously recertified again in the succeeding years.

The Club obtained its Integrated Management System (IMS) certification in 2005 from TUV Philippines to become the first golf club in the Philippines that successfully established, implemented, and maintained the three governing IMS standards, namely, the ISO 9001, ISO 14001 and ISO 45001 for Golf Club Operations. The Club is the first of its kind to be certified individually on Quality Management System (ISO 9001), Environmental Management Systems (ISO 14001), and Occupational Health and Safety (ISO 45001). The certification is generally awarded to companies that continually improve the quality of their products and services while paying careful attention to the impact on the environment and the well-being of their members and employees. The IMS certification involves achieving all members' requirements, the health and safety of members and employees, as well as prevention of pollution in and around the club venue and golf course. The Club has successfully maintained its re-certification since 2005.

The Club was previously awarded as Philippine Best Golf Course (Masters Course) by World Golf Awards for six (6) times in seven (7) years. The Club was the venue of the prestigious Asian Tour, the Resorts World Manila Masters for five (5) consecutive years from 2013 to 2017 with prize money of US\$1 million, the highest prize money ever offered in the Philippines.

The Club has won several inter-club and national tournaments such as the Mens Regular Founders Division of PAL Interclub Tournament and Fil-AM Golf Tournaments. When the inter-club events had resumed last year after the COVID-19 pandemic, the Club was declared once again as Champion of the 72nd Fil-Am Golf Tournament (held from November 23 to December 11, 2022 in Baguio City) on the following categories: Champion-Fil Championship Division (Regular); Champion-Am Championship Division (Regular); and Champion-Fil Championship Division (Seniors).

As of December 31, 2023, the Club has 237 employees working full-time. This figure consisted of 198 employees involved in operations (i.e., golf operations, grounds maintenance, engineering, purchasing and materials management, security and housekeeping) and 39 employees involved in office/administrative functions (i.e., personnel, training, executive office and accounting). A total of 133 employees as of December 31, 2023 are covered by the existing CBA with an expiration date of December 31, 2025. The labor group and the Club management has established and maintained a good and harmonious working relationship ever since. The Club has never experienced any dispute, strike or disturbance from employees and the local union since its formation in 1998. Supplemental benefits given by the Club to its employees include salary adjustment, duty meal and allowances, partial cash conversion of unused sick leave benefit, provision of uniforms, loyalty awards, retirement benefits, bereavement financial assistance, birthday gift, emergency loans, life and medical insurance, among others.

The major risk involved in the operations of the Club is mainly the stoppage or hampering of operations which may be brought about by natural calamities, fire, and other causes such as COVID-19 pandemic. The Club is normally open 365 days a year especially on holidays where patronage or player traffic is high. In the industry itself, premium is given to all year-round playability and the clubs are always open. Several years back, the Club had suffered flooding incidents that resulted to series of repair works and temporary closure of the areas affected by floodwater and silts. The last flooding incident that had temporarily paralyzed portion of the facilities while undergoing clean-up and rehabilitation. The Club had been continuously doing the clean-up program of all river channels going through its property to minimize the risk of water overflowing during rainy months. In 2020 and 2021, the Club had to stop temporarily its operations in several occasions due to Taal Volcano eruption and the imposition of enhanced community quarantine (ECQ) by the national government to prevent the spread of corona virus disease (COVID-19) that hit world-wide on the early part of 2020. Club operations had returned to its normal operations since the first quarter of 2022 with high number of patronage.

ITEM 2. Properties

The Golf Course, a project of Fil-Estate Golf and Development, Inc. (Developer) is a result of a Development Agreement between the developer and other realty and development companies which originally owned the land where the Golf Course Project is located. The Developer was originally a joint venture company between Fil-Estate Properties, Inc. and Dyna Land Development Corporation. Upon completion of the Club, Dyna Land sold its shares to FEGDI in whole.

The Club's Golf Course and Clubhouse Development Works is located at Carmona, Cavite with an aggregate land area of 136 hectares more or less. As of December 31, 2023, land titles covering about 123 hectares, out of the total land area actually covered by the Golf Course Project of approximately 136 hectares, have already been transferred and registered in the name of the Club on the basis of a "tax-free exchange" ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue ("BIR"). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club has obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name of the Club. The Club's management and legal counsel believe that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares nor are there any adverse claims by third parties to the aforesaid 13 hectares of land. The Club has two clubhouses, a maintenance facility, four tee houses, a driving range, two starter houses, a halfway house and several storm huts. The golf course and other properties are in good condition and undergo regular preventive maintenance and major renovation whenever the need arise.

A series of Compromise Agreements (for Block 74, Lots 1 & 3 and Block 66, Lot 2) were executed on August 18, 2004 between The Manila Southwoods Golf & Country Club, Inc. (the "Club") and National Transmission Commission ("Transco"), a government owned and controlled corporation. The Club, in consideration of just compensation (received in December 2005), agreed for the latter to expropriate a portion of a parcel of land, covered by Transfer Certificate of Title (TCT) No. T-93297 of the Registry of Deeds (the "affected property"), intended for the site of a new steel tower of the Dasmariñas – Biñan 230 kV Transmission Line Project (the "Project"), for the broader interest of public welfare. The Order of Expropriation was annotated at the back of TCT No. T-593297.

Further, the agreement provided that in the event Transco, or its successors-in-interest, retires the transmission line or alters the use or specific purpose for which the affected property was expropriated and condemned, the Club reserves the right to acquire the affected property at a price equivalent to the current Bureau of Internal Revenue's zonal valuation.

In addition, Right of Way Agreements (Block 74, Lot 2 and Block 66, Lot 3) were also executed on the same date. Transco, in order to meet the target completion date of the Project which was considered vital to the distribution of electricity of the Luzon Grid System, offered to pay the Club an easement fee for a right of way over that portion of the parcel of land. That in the event Transco, or its successors-in-interest, retires the transmission line or alters the use or specific purpose for which the affected property was expropriated and condemned, the Agreements will be rendered null and void and all the rights of possession and ownership over the affected property will be assumed by the Club.

There are no mortgages, lien, or encumbrance over the properties of the Club nor are there any limitations on ownership or usage over the same. The Club does not lease any major property essential to its operation.

The Club had been in operation for over 30 years now and its facilities and equipment require refurbishment or replacement due to wear and tear. In line with the Club's commitment to provide its members with first class facilities and the best playing conditions, the Club through its different Committees is identifying on a yearly basis the portion of the golf facilities including operating equipment that require rehabilitation or replacement for budget allocation and immediate implementation based on identified level of priorities. For the year 2023, the club spent over ₱122 million for various rehabilitation projects and equipment purchases such as replacement of air conditioning system of the main clubhouse, conversion of mulligan fine dining to sports bar, and rehabilitation of the men's locker room, rehabilitation of ladies' locker room, refurbishment of ball room and function rooms, and purchase of various turf maintenance equipment, among others. The Club will continue its special projects for 2024 including the rehabilitation of administration offices, main club lobby and verandah. The Club has available funds from its operations and can re-issue its club acquired delinquent shares if additional funds are necessary.

ITEM 3. Legal Proceedings

Although the Club is a respondent in several legal cases arising from the normal course of business, there are no material pending legal proceedings that would have material impact on the financial conditions or results of operations of the Club.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

PART II OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. Market Price of Registrant's Common Equity and Related Stockholder Matters

Market Information

As of January 2, 1995 all the 3,000 authorized no-par shares have been issued to the developer and its land owner partners in exchange for the two (2) 18-hole golf courses, buildings and facilities and the land where the Club now stands. The Club itself does not engage in any trading activities of its own shares except as provided for in its By-Laws with regards to the auctioning of shares of delinquent members to settle their outstanding liabilities to the Club. As of December 31, 2023, the Club has a total of one hundred eighteen (118) delinquent shares acquired at the public auctions. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as of the date of auction plus costs incurred in the auction. There is no public trading market for the Club's shares. These are available only from the developer, its landowner partners and existing individual/corporate owners at a price agreed upon by both parties concerned, subject to the exercise of the Club of its right to first refusal over the shares.

Buyers of the Registrant's golf shares are expected to be from the upper and middle income class bracket, the Metropolitan Manila based golfers (and surrounding cities and municipalities) and present and future residents of the Manila Southwoods Residential Estates. The Registrant's golf shares are not traded in any Stock Exchange. The primary golf shares issued to the Developer and its landowner partners are sold to

individuals and corporations through the marketing arm of the Developer while secondary shares are usually traded through individual transactions and brokers of club shares. In 2023, there were 102 transfer fees earned by the Club for the transfer of share ownership.

SHARE PRICES (Millions)

		2023		2022		2021	
		High	Low	High	Low	High	Low
First Quarter	A	4.50	4.00	2.60	2.30	1.35	1.35
	B	5.00	4.50	3.20	2.50	1.50	1.50
Second Quarter	A	5.50	4.50	2.60	2.60	1.35	1.30
	B	5.60	5.00	3.30	2.90	1.70	1.60
Third Quarter	A	4.50	3.50	3.00	2.90	1.70	1.50
	B	5.00	4.00	3.50	3.40	1.80	1.70
Fourth Quarter	A	4.00	4.50	4.00	3.50	2.00	2.20
	B	5.00	5.00	4.20	3.70	2.20	1.80

Holders

Top 20 shareholders as of December 31, 2023 are as follows (for practical presentation, only those shareholders holding 3 shares and above were included in the list):

Class A:

Name	No. of Shares Held	% to Total
1. Southern Heights Land Development Corp.	55	3.18%
2. Grandview Properties and Ventures, Inc.	49	2.83%
3. La Paz Housing Dev. Corporation	42	2.43%
4. Fil-Estate Land, Inc.	31	1.79%
5. College Assurance Plan	21	1.21%
6. Carmona Realty & Development Corp.	16	0.92%
Greenfield Development Corp.	16	0.92%
Fareast Bank & Trust Co.	16	0.92%
7. Fil-Estate Management, Inc.	11	0.64%
8. Homerson Development Corporation	7	0.40%
9. Fil-Estate Golf Development, Inc.	6	0.35%
10. Chuateco Romeo Sy	4	0.23%
Buenafortuna, Inc.	4	0.23%
Ignacio Co	4	0.23%
Travellers Intl. Hotel Group, Inc.	4	0.23%
Carino, Noel	4	0.23%
Development Bank of the Phils.	4	0.23%
11. Mitsubishi Motors Phils. Corp.	3	0.17%
Advanced Medical System, Inc.	3	0.17%
Francisco Gonazalez	3	0.17%
Looyuko Alberto T.	3	0.17%

Petron Corp	3	0.17%
Summit Estate Realty and Dev. Corp.	3	0.17%
Castillo Erlinda Flor	3	0.17%
Integrated Microelectronics, Inc.	3	0.17%
Brent International School	3	0.17%
San Miguel Corporation	3	0.17%
Foscon Express Shipping Corp.	3	0.17%

Class B:

Name	No. of Shares Held	% to Total
1. Southern Heights Land Development Corporation	171	14.84%
2. Fil-Estate Golf & Development Inc.	149	12.93%
3. La Paz Housing & Development Corp.	85	7.38%
4. Grandview Properties and Ventures, Inc.	31	2.69%
5. Greenfield Development Corporation	21	1.82%
6. College Assurance Plan	20	1.74%
7. Southcoast Real Estate Development Corp.	18	1.56%
8. Carmona Realty & Development Corp.	11	0.95%
9. Po Chi Chang and Fu Shu Shi	4	0.35%
Wan-Chu Chen	4	0.35%
Mitsui & Co., Ltd.	4	0.35%
10. Tan Caysing/Czarnita	3	0.26%
Benito R. Araneta	3	0.26%
The Coca-Cola Export Corp.	3	0.26%
Mitsubishi Corporation	3	0.26%
Caltex Philippines, Inc.	3	0.26%

Founders' and Class "A" and Class "B" shares outstanding as of December 31, 2023 were 1,730 and 1,152 shares, respectively, based on the Club's stock and transfer books. Out of the 118 delinquent shares acquired by the Club, 44 shares were actually transferred in the name of the Club while the transfer of the remaining 71 shares are still being processed.

Dividends

Being a non-profit organization, there are no cash dividends declared or will be declared at any time in the future as provided in the Articles of Incorporation. Stockholders are entitled only to a pro rata share of the assets of the Corporation at the time of dissolution or liquidation.

Recent Sales of Unregistered Securities or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

Within the past three (3) years there are no sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction under the Code including sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities resulting from the modification of outstanding securities.

ITEM 6. (A) Management's Discussion and Analysis or Plan of Operation

Fiscal Year 2023 and 2022

Balance Sheet

Total assets of the club as of December 31, 2023 and 2022 is ₱5.90 billion and ₱5.81 billion, respectively, or increased by ₱93.4 million or 1.61%. Balance sheet accounts with significant movement from the previous year are as follows:

Cash and cash equivalent. Cash account decreased by ₱35.4 million or 25.8%, from ₱137.0 million to ₱101.6 million, attributable to the net effect of purchase of new short-term investments in the form of time deposits amounting to ₱66.42 million.

Receivables. Receivable decreased by ₱1.6 million or 3.2%, from ₱47.4 million to ₱45.8 million, due to the liquidation of various down payments to the suppliers and contractors in relation to the completed facility renovation projects.

Inventories. Increased by ₱1.4 million or 5.5%, from ₱25.9 million to ₱27.3 million, attributable to the additional golf merchandise for sale at the pro shop.

Investments. Increased by ₱66.4 million or 442.6%, from ₱15.0 million to ₱81.4 million, attributable to purchase of new short-term investments in the form of time deposits, reclassification of long-term investments to current assets, and termination of treasury bills from Union Bank during the year.

Prepayments and other current assets. Increased by ₱1.3 million or 11.8%, from ₱11.4 million to ₱12.7 million, attributed to the additional insurance premiums due to increased value of property, and increase in prepaid taxes.

Property and equipment. Increased by ₱83.8 million or 37.0%, from ₱226.6 million to ₱310.4 million, attributable to the renovation projects such as conversion of mulligan fine dining to sports bar, renovation of men's and ladies' lockers, renovation of ball room and function rooms, purchase of new air conditioning system, and acquisition of various turf maintenance equipment.

Investment, noncurrent. Decreased by ₱15.0 million or 100% due to reclassification of investment with BDO to current account.

Retirement benefit assets. Decreased by ₱0.6 million or 100%, from ₱0.60 million to nil, due to increase in retirement benefit obligation as a result of lower discount rate.

Other noncurrent assets. Decreased by ₱7.0 million or 28.6%, from ₱24.6 million to ₱17.6 million, due to the collection of installment receivables from members and amortization of prepaid dues and VAT during the year.

Accounts payable and other current assets. Increased by ₱40.6 million or 47.7%, from ₱84.9 million to ₱125.5 million, due to accrual of trade payables to third party representing partially completed facility renovation projects and capital expenditures and advance payment by the members.

Unearned receipts. Increased by ₱14.2 million or 16.0%, from ₱88.6 million to ₱102.7 million, representing advance payment of monthly dues and additional membership fees collected by the Club which are being amortized over an average length of membership of four (4) years, in compliance to PFRS#15.

Lease liabilities. Increased by ₱10.8 million or 75.6%, from ₱14.3 million to ₱25.1 million, due to the acquisition of new fleet of turf maintenance equipment and new generator set for the main clubhouse.

Retirement benefit obligation. Booked a total amount of ₱10.2 million in 2023 as compared to nil in 2022 attributable to the increase in retirement benefit obligation as a result of lower discount.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱34.4 million or 38.0%, from ₱90.5 million to ₱124.9 million, due to the re-issuance of four (4) class "A" and four (4) class "B" shares during the year at higher selling prices.

Result of Operations

The Club registered an excess of receipts over costs and expenses (before depreciation and income tax) this year amounting to ₱38.5 million as compared to ₱21.4 million last year or increased by ₱17.1 million or 80.4% attributable to higher receipts and income during the year.

Revenues from club operations and receipts from members. Total revenues and receipts for the year is ₱309.5 million as compared to ₱271.4 million of the previous year, or increased by ₱38.1 million or 14.0%. Receipts and revenue items with increase or decrease by 5% and above are as follows:

Membership fees – increased by ₱4.6 million or 19.1%, from ₱23.8 million to ₱28.4 million, due to high turnover of members and the membership fee rate increase from ₱200 thousand to ₱250 thousand starting March 1, 2022.

Transfer fees – increased by ₱3.8 million or 17.5%, from ₱21.7 million to ₱25.5 million, due to the increase in turnover of shareholders and transfer fee rate increase from ₱200 thousand to ₱250 thousand starting March 1, 2022.

Annual playing rights fees – increased by ₱5.5 million or 47.8%, from ₱11.5 million to ₱17.0 million, due to the increase in number of playing rights holders and the two-time increase of annual assignment fee rate from ₱100 thousand to ₱150 thousand effective March 1, 2022, and from ₱150 thousand to ₱200 thousand effective December 1, 2023.

Green fees and tourist fees - increased by ₱15.5 million or 32.9%, from ₱47.2 million to ₱62.7 million, due to the increase in green fee rate from ₱5,000 to ₱6,000 for weekend and ₱3,000 to ₱4,000 for weekdays effective March 1, 2023. Another increase of ₱500 of the green fee rate was imposed effective November 1, 2023.

Locker, golf cart and equipment rental fees – increased by ₱1.4 million or 5.2%, from ₱26.8 million to ₱28.2 million, attributed to the golf cart rental for the tournaments at premium rental fee.

Sale of golf merchandise – decreased by ₱0.7 million or 5.1%, from ₱13.8 million to ₱13.1 million, attributable to the change of giveaways for 2023 Southwoods Invitational Tournament from pro shop gift certificate to golf bag, hence, pro shop sales were reduced.

Tournament fees – increased by ₱1.6 million or 51.3% as greater number of members sponsored tournaments were held in 2023 compared to 2022.

Others – increased by ₱184 thousand or 9.3 % attributed to the disposal of old rental golf carts during the year.

Interest income - increased by ₱1.4 million or 42.0 % attributed to higher interest rates by the Club on investments in the form of short-term placements and treasury bond.

Costs and Expenses. Operating costs and expenses of the Club increased by ₱21.0 million or 8.4%, from ₱250.0 million to ₱271.0 million. Expense items with significant movements are the following:

Salaries and wages - increased by ₱2.1 million or 3.4%, from ₱63.4 million to ₱65.6 million, attributable to the new minimum wage order and salary adjustment during the year as provided for in the CBA.

Repairs and maintenance – decreased by ₱6.7 million or 16%, from ₱42.1 million last year to ₱35.4 million this year, attributed to extra expenditures in 2022 for the golf cart battery replacement using lithium instead of ordinary lead batteries with a longer life usage. Renovations works at the main clubhouse also contributed to the decrease in the repairs and maintenance cost during the year.

Security and janitorial – increased by ₱6.0 million or 37.3%, from ₱16.1 million to ₱22.1 million, due to the reinstated janitorial services and the effect of new minimum wage order imposed by the government.

Light and water – increased by ₱2.3 million or 12.7%, from ₱18.4 million to ₱20.8 million, attributed to inflation rate and full operations of the Club.

Other employee benefits – increased by ₱2.4 million or 15.7%, from ₱15.3 million to ₱17.7 million, due to the payroll increase brought by the new minimum wage order and salary adjustments, and increase on the employees welfare.

Input VAT expense – increased by ₱3.7 million or 30.0% brought by various renovations works and capital expenditures during the year.

Taxes and licenses - increased by ₱7.3 million or 324% attributed to the one-time payment of LLDA regulatory fee in relation to the issuance of LLDA Clearance and Discharge Permit for club operations.

Fuel and oil – decreased by ₱1.0 million or 10.5% attributable to higher fuel consumption in 2022 due to the extended use of generator set while the main power line at the main clubhouse was down and under repair for more than one month.

Cost of sales of inventories – decreased by ₱1.0 million or 10.8% brought by lower sales of golf merchandise at the pro shop during the year.

Real property taxes – decreased by ₱2.7 million or 29.7% attributed to foregone real property discount in 2022 while the Club was negotiating with the provincial government for a lower and reasonable land valuation. Land valuation was successfully reduced from Php6,000 to Php1,800 per square meter.

Retirement benefit expense – increased by ₱3.0 million or 115%, from ₱2.6 million to ₱5.6 million, based on latest actuarial valuation conducted by an independent contractor, and the impact of benefit increment given to the former G of the Club.

Contract services – increased by ₱0.7 million or 57.0%, from ₱1.3 million to ₱2.0 million, attributed to the laundry services and courier services as the Club is back to its full normal operations.

Communication – increased by ₱0.5 million or 22.7% due to additional internet subscription from Globe as a back-up internet service provider of the Club.

Others – increased by ₱3.7 million or 24.8%, from ₱15.9 million to ₱20.0 million, due to the resumption of various club events and rental expense for standby generator set while the new generator set is being procured and installed.

Fiscal Year 2022 and 2021

Balance Sheet

Total assets of the club as of December 31, 2022 and 2021 is ₱5.81 billion and ₱5.75 billion, respectively, or increased by ₱60.8 million or 1.06%. Balance sheet accounts with significant movements from the previous year are as follows:

Cash and cash equivalent. Cash account increased by ₱10.2 million or 8.0%, from ₱126.8 million to ₱137.0 million, due to investments in treasury bills and bonds, collection of unearned receipts, and proceeds from the re-issuance of club acquired delinquent shares during the year.

Receivables. Receivable increased by ₱17.6 million or 59.2%, from ₱29.8 million to ₱47.4 million, due to increase in fees during the year, and advance payment to suppliers and contractors in relation to rehabilitation projects in the Club and capital expenditures.

Inventories. Increased by ₱9.5 million or 57.9%, from ₱16.4 million to ₱25.9 million, which is attributed to the increased par stocking of consumable supplies for facility maintenance and increase of golf merchandise for sale at the Pro Shop.

Investments. A new account with an aggregate amount of ₱30.0 million investments on treasury bills and bonds during the year.

Prepayments and other current assets. Increased by ₱7.6 million or 198.4%, from ₱3.8 million to ₱11.4 million, attributed to advance payment of real property taxes for the covering year 2023 based on the adjusted land valuation imposed by the local government of Cavite.

Property and equipment. Decreased by ₱8.8 million or 3.7%, from ₱235.4 million to ₱226.6 million, mainly due to the depreciation expense for the year.

Retirement benefit assets. Increased by ₱0.2 million or 53.2%, from ₱396 thousand to ₱608 thousand, due to additional payment of retirement contribution during the year.

Other noncurrent assets. Decreased by ₱6.4 million or 20.7%, from ₱31.0 million to ₱24.6 million, due to collection of installment receivables and amortization of prepaid dues during the year.

Accounts payable and other current assets. Increased by ₱18.7 million or 28.3%, from ₱66.2 million to ₱84.9 million, due to purchases from suppliers, advance payment of dues by the members, and accruals of partially completed renovation projects.

Unearned receipts. Increased by ₱20.2 million or 29.5%, from ₱68.4 million to ₱88.6 million, representing the advance payment of monthly dues, and additional membership fees collected by the Club which are being amortized over an average length of membership of four (4) years, in compliance to PFRS#15.

Lease liabilities. Increased by ₱5.0 million or 54.6%, from ₱9.3 million to ₱14.3 million, due to the new acquisitions of operating equipment through finance lease during the year.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱34.7 million or 62.0%, from ₱55.8 million to ₱90.5 million, due to the re-issuance of various class “A” and class “B” shares during the year.

Result of Operations

The Club registered an excess of receipts over costs and expenses (before depreciation and income tax) this year amounting to ₱21.4 million as compared to ₱24.2 million last year or decreased by ₱2.8 million or 11.7% as there were more renovation projects carried out during the year.

Revenues from club operations and receipts from members. Total revenues and receipts for the year is ₱271.4 million as compared to ₱221.4 million of the previous year, or increased by ₱50.0 million or 22.5%. Revenue items with increase or decrease by 5% and above are as follows:

Membership fees – increased by ₱2.6 million or 14.4%, from of ₱21.2 million to ₱23.8 million, due to the increase of club fees during the year.

Transfer fees – increased by ₱4.7 million or 27.6%, from of ₱17.0 million to ₱21.7 million, due to the increase of club fees and more members have sold their shares during the year.

Annual playing rights fees – increased by ₱2.3 million or 25.6%, from of ₱9.2 million to ₱11.5 million, due to the increase of club fees during the year.

Green fees and tourist fees - increased by ₱17.4 million or 58.4%, from of ₱29.8 million to ₱47.2 million, due to the increase of club fees and higher number of guests that patronized the club’s facilities during the year.

Locker, golf cart and equipment rental fees – increased by ₱11.0 million or 70.2%, from of ₱15.8 million to ₱26.8 million, because of higher patronage/number of players during the year.

Sale of golf merchandise – increased by ₱8.7 million or 170.0%, from of ₱5.1 million to ₱13.8 million, as more players have patronized the facilities during the year and the utilization of various golf merchandise as raffle prizes for club events/tournaments.

Tournament fees – registered a total revenue of ₱3.2 million as compared to nil in 2021 brought by the resumption of tournaments after the COVID-19 pandemic.

Others – increased by ₱0.7 million or 50%, from of ₱1.3 million to ₱1.9 million, attributed to the disposal of scrap materials and the sale of drinking water.

Costs and Expenses. Operating costs and expenses of the Club likewise increased by ₱52.7 million or 26.7%, from ₱197.3 million to ₱250.0 million. Expense items with significant movements are the following:

Salaries and wages - increased by ₱11.2 million or 21.5%, from ₱52.2 million to ₱63.4 million, due to full deployment of the club's manpower, implementation of the new minimum wage order, salary adjustment as provided for by the CBA, and the salary adjustments for the department managers and supervisors.

Repairs and maintenance – increased by ₱3.4 million or 8.7%, from ₱38.8 million last year to ₱42.2 million this year, as there were more repairs and renovation projects completed during the year.

Materials and supplies – increased by ₱3.1 million or 17.2%, from ₱18.2 million to ₱21.3 million, brought by higher consumption of operating supplies due to improved club operations and the impact of inflation rate.

Light and water – increased by ₱3.8 million or 26.3%, from ₱14.6 million to ₱18.4 million, as the club has returned its normal operations after the COVID-19 pandemic.

Security and janitorial – increased by ₱1.3 million or 8.5%, from ₱14.8 million to ₱16.1 million, due to the effect of new minimum wage order imposed by the government.

Other employee benefits – increased by ₱1.3 million or 9.4%, from ₱14.0 million to ₱15.3 million, due to payroll increase brought by the new minimum wage increase and salary adjustments.

Input VAT expense – increased by ₱5.4 million or 78.9% brought by the increase in operating expenses during the year.

Fuel and oil – increased by ₱3.6 million or 53.7% due to higher consumption of fuel brought by the normal club operations and the impact of inflation rate.

Cost of sales of inventories – increased by ₱6.4 million or 224.9% brought by higher sales of golf merchandise during the year.

Real property taxes – increased by ₱3.6 million or 67.3% due to higher land valuation imposed by the government and the penalty charges for the delayed payment of taxes.

Taxes and licenses - increased by ₱0.3 million or 18.0% due to higher business tax assessment brought by higher club revenues.

Meetings and conferences – increased by ₱0.7 million or 47.3%, from ₱1.5 million to ₱2.2 million, due to the increased frequency of membership interviews and number of new members' cocktails during the year.

Professional fees – increased by ₱0.6 million or 22.7%, from ₱2.8 million to ₱3.4 million, which is mainly attributed to the timing of submission of billing statements by the Club's legal counsel.

Contract services – increased by ₱0.3 million or 32.7%, from ₱1.0 million to ₱1.3 million, due to the impact of new minimum wage order by the government.

Others – increased by ₦7.2 million or 82.0%, from ₦8.7 million to ₦15.9 million, due to resumption of various club events such as Southwoods Pro-Am, SW Founders Circle tournament, and allocations for SW Invitational and Chairman's Charity Cup.

Liquidity

The Club has a current ratio of 1.35:1.00 as of December 31, 2023 as compared to 1.66:1.00 as of December 31, 2022. With the Club's positive working capital, the management is confident that it has sufficient resources to sustain its day-to-day operation and pay-off financial obligations as they mature. The Club has available shares acquired from the delinquent shareholders over the years which can be re-issued anytime when there is a need to raise additional funds for its operation. During the year, the Club sold four (4) Class "A" shares at an average price of ₦4.38 million per share and four (4) Class "B" shares at an average price of ₦5.75 million, for a combined total amount of ₦40.5 million. As of December 31, 2023, the Club has a total of 118 delinquent shares acquired through auctions. Further, the Club may also to impose special assessment to its general membership or increase the monthly dues when the need arises.

The Club is a respondent in other cases arising from the normal course of business. Any potential liability is likely to have a repayment period of more than a year and would probably be classified to noncurrent liabilities thereby the Club's current ratio will not be materially affected.

Except for the contingent liability discussed above, there are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

Top Five (5) Key Performance Indicators

The Club identifies its top five (5) key performance indicators as follows:

1. Net working capital (current assets less current liabilities)
2. Current ratio (current assets over current liabilities)
3. Base equity (members' equity over total liabilities)
4. Collection from membership dues and consumables
5. Earnings before depreciation (EBD)

Net working capital and current ratio measures the liquidity or short-term debt paying ability of the Club. Having a positive net working capital and current ratio of at least 1:1 is a fair indication of liquidity. The positive net working capital and 1.35:1.00 current ratio as of December 31, 2023 was discussed under the liquidity section above.

Base equity measures the dependence of the Club on its shareholders or creditors in meeting its financial obligations. A base equity of at least 25% is a good indication of a healthy capitalization. As of December 31, 2023, the Club has a base equity of 358% as compared to 379% in 2022. The decrease was due to the increase in current liabilities brought by the on-going rehabilitation and special projects in the Club.

The benchmark average monthly collection from membership dues and consumables of about ₦9.8 million for 2023 and 2022 is based on the monthly dues of ₦4,000 for about 2,300+ members and unused consumables of ₦500 about 1,000+ members. An additional average monthly collection of about ₦5.9 million was also realized in 2023 from the membership fees of the new members, transfer fees and annual assignment fees. The average monthly collection of membership dues, unused consumables, and

other related joining fees is a good indication of the Club's ability to sustain its fixed revenue and collection target.

Having a positive EBD determines that the Club can sustain viable and normal operation being a non-profit organization. Club operations registered positive EBD of ₦38.5 million and ₦21.4 million for 2023 and 2022, respectively.

Others

Except for the items discussed under liquidity caption above, there are no other events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities or other persons created during the reporting period.

The Club is continually doing the renovation projects and improvement programs for its facilities to maintain its premier service to its members. Various projects that were completed in 2023 are the conversion of mulligan fine dining to mulligan sports bar, renovation of men's and ladies' locker rooms, replacement of air conditioning system at the main clubhouse, renovation of ballroom and function rooms. The club had also purchased additional rental golf carts for its operation as well as turf maintenance equipment. The next projects of the Club include renovation of the administration offices, rehabilitation of the verandah, and extension of the mulligan sports bar.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

The club does not have any significant elements of income or loss that did not arise from continuing operations during the year.

There are no seasonal aspects that had a material effect on the financial condition and results of operation of the club.

Causes for material (5%) changes from period to period aside from those already discussed in the comparative analysis of full fiscal years above are as follow:

Balance Sheets

Receivables:

- **Receivable from members** – increased by ₦6.2 million or 36.1% attributed to the increase in golf rates and higher patronage by the increased number of active members.
- **Advances to suppliers and contractors** - decreased by ₦4.4 million or 28.7% brought by the liquidation of various down payments pertaining to the completed renovation projects.
- **Current portion of installment receivables** - decreased by ₦4.3 million or 45.8% attributed to paid amortizations during the year. The club did not sell golf shares on installment during the year.
- **Advances to officers and employees** - increased by ₦0.3 million or 8.7% due to avilment of company loans by the employees as provided for in the CBA.
- **Other receivables** – increased by ₦0.5 million or 27.5% attributed to advances to various suppliers and contractors subject to the offsetting arrangement.

Materials and supplies:

- **Fertilizers, herbicides and chemicals** - decreased by ₱1.3 million or 22.8% mainly attributed to the timing of consumption and stock replenishment.
- **Spare parts** - increased by ₱2.3 million or 38.8% due to the par stocking of various parts for the rental golf carts turf maintenance equipment.
- **Supplies** – decreased by ₱1.3 million or 22.8% attributed to the utilization of irrigation supplies and other operating supplies.
- **Fuel and oil** – increased by ₱136 thousand or 19.0% mainly due to the timing of stock replenishment.
- **Inventories for sale** – increased by ₱1.6 million or 31.8% attributed to the additional items for sale in the store to cater the tournament gift certificates.

Investments – increased by ₱51.4 million or 171.6% due to additional short-term investments in the form of time deposits and reclassification of treasury bonds from noncurrent account.

Prepayments and other current assets:

- **Prepayments** - increased by ₱0.5 million or 6.5% attributed to increase in insurance premium due to increased value of club properties.
- **Prepaid income tax** – increased by ₱0.5 million or 23.6% arising from the non-taxability of various club receipts in relation to the SC ruling on RMC 35-2012.

Other non-current assets:

- **Prepaid dues** - decreased by ₱1.2 million or 6.7% representing the amortization of ₱100 thousand per month for the perpetual use of the sports club facilities by the club members.
- **Installment receivable, net of current portion** – decreased by ₱5.1 million or 92.0% due to the installment payments received by the Club during the year and reclassification of portion of receivables to current account.
- **Prepaid VAT** – decreased by ₱0.8 million or 100.0% attributed to the amortization of input VAT on various capital expenditures from previous years.

Payables:

- **Trade payables to third parties** – increased by ₱23.0 million or 53.7% due to accruals of repair works and other late or unbilled charges by the suppliers and contractors.
- **Deferred liabilities** – increased by ₱5.6 million or 42.2% representing advance payment of membership fees and annual assignment fees pending completion of membership processes.
- **Deposit from members** - increased by ₱1.8 million or 16.7% attributed to the collection of golfers' insurance fund, additional assignment fee deposits from playing rights holders, and tournament deposit.
- **Renovation costs** – accrual of partially completed renovation cost amounting to ₱10.8 million as of end of the year.
- **Statutory liabilities** - decreased by ₱0.7 million or 8.9% attributed to the collection of newly created golf fund account.
- **Withholding taxes** - decreased by ₱89 thousand or 10% mainly attributed the application of tax refund from the employees' payroll.
- **Other accrued expense** - decreased by ₱2.4 million or 49% attributed to the settlement of various billing statement from the suppliers and contractors.
- **Tournament fund** - increased by ₱0.5 million or 24.4% attributed to the additional collection of sinking funds during the year.
- **Other payables** – increased by ₱0.3 million or 19.4% due to net proceeds from club events during the year.

Interim Financial Statements

Current assets of the Club increased by ₱4.7 million or 1.7% in the first quarter of 2024, from ₱268.6 million as of December 31, 2023 to ₱273.3 million as of March 31, 2024. The positive variance is attributable to the positive results of club operations and collection of unearned receipts during the quarter.

Non-current assets likewise increased by ₱6.8 million or 0.12% on top of the depreciation expense due to recognition of completed renovation projects during the period such as main ballroom and function rooms, mulligan sports bar, purchase of new furniture and fixtures, and purchase of various turf maintenance equipment.

Total Assets of the Club as of March 31, 2024 and December 31, 2023 is ₱5.91 billion and ₱5.90 billion, respectively.

Current liabilities of the Club decreased by ₱4.1 million or 12.1%, from ₱197.2 million to ₱193.0 million, attributable to the payment of trade payables in relation to the renovation projects and the amortization of finance leases during the period.

Non-current liabilities as at March 31, 2024 and December 31, 2023 is ₱1.0 billion consisting of deferred tax liabilities on appraisal increment of land, unearned receipts and finance lease obligations of the Club.

The Club registered an excess of receipts over costs and expenses after depreciation expense amounted to ₱13.3 million for the first quarter of 2024 or ₱3.0 million or 30.3% higher than 2023. Receipts and expenses with significant movements are discussed in the succeeding paragraphs.

Club revenues and receipts for the first quarter of 2024 is ₱93.4.3 million as compared to ₱83.4 million of the previous year or increased by ₱10 million or 12.0% with the following highlights:

Green fees and tourist fees – higher by ₱3.5 million or 19.5% from last year attributable to the two-time increase in green fee rates that took effect on March 1, 2023 and November 1, 2023. The aggregate green fee rate increase is ₱1,500 per round of golf, from ₱3,000 to ₱4,500 on weekdays and from ₱5,000 to ₱6,500 on weekends and holidays.

Membership fees – increased by ₱0.8 million or 7.5% as there were four (4) additional new and returnee members who joined the Club during the period.

Transfer fees – increased by ₱1.2 million or 17.2% equivalent to additional 5 new shareholders who bought golf shares during the quarter.

Annual playing rights fee - increased by ₱0.9 million or 27.3% attributable to the increase in annual assignment fee from Php150,000 to P200,000 effective December 1, 2023.

Locker, golf cart and equipment rental - increased by ₱0.6 million or 7.9% attributed to more rental carts for tournaments at premium rate and reinstatement of locker rental use for the members after the renovation of the locker room.

Sale of golf merchandise – increased by ₱2.7 million or 85.6% attributed to the use of Pro shop gift certificates as giveaways for this year's Southwoods Invitational. Large number of Chairman's Charity Cup gift certificates issued to participants last December 2023 were also used during the quarter, hence, improving further the pro shop sales.

Tournament fee – increased by ₱0.3 million or 18.3% attributed to higher number of tournaments this year than previous year and the impact of higher tournament rate.

Others – decreased by ₱0.2 million or 26.2% attributed to the timing of disposal of scrap materials to the interested buyers.

Costs and expenses of the club for the first quarter of 2024 increased by ₱4.2 million or 6.7%, from ₱63.1 million to ₱67.4 million this year with the following highlights:

Salaries and wages – increased by ₱1.3 million or 7.9%, from ₱15.8 million last year to ₱17.1 million, due to the impact of new minimum wage order, adjustments as provided for in the CBA, and salary adjustment for supervisors and department heads including the appointment of new club officer.

Repairs and maintenance – decreased by ₱1.1 million or 12.1%, from ₱8.8 million last year to ₱7.7 million, attributed to lower consumption of irrigation supplies and rental golf cart spare parts during the period.

Security and janitorial – increased by ₱1.0 million or 20.0%, from ₱5.3 million last year to ₱6.4 million this year, due to full deployment janitorial services and the effect of new minimum wage order.

Light and Water – increased by ₱1.0 million or 17.0% due to full operations of the club and the impact of power rate adjustment.

Other employee benefits – increased by ₱0.4 million or 9.9%, from ₱3.8 million last year to ₱4.4 million this year, attributed to the adjusted employee welfare contribution as mandated by the government, impact of the new minimum wage order and CBA adjustments, and increased health insurance premium for the employees.

Input VAT expense - decreased by ₱0.9 million or 23.0% which is mainly attributed to the timing of expense recognition for various capital expenditures and special projects.

Cost of sales of inventories – increased by ₱2.4 million or 134% mainly attributed to the increased pro shop sales for the first quarter of 2024.

Professional fees - increased by ₱0.40 million or 37.2% attributed to the timing of payment of legal services to the club including other being sought for club operations.

Retirement benefit expense - increased by ₱0.3 million or 25.4% as a result of the last actuarial valuation services rendered by an independent contractor.

Communications - increased by ₱64 thousand or 10% due to the additional subscription with Globe as a back internet service to the Club.

Taxes and licenses - increased by ₱0.2 million or 25.7% due to higher business tax assessment based on the sales of the Club.

Meetings and conferences - decreased by ₱0.2 million or 32.4% as a result of cost-cutting on food expenses introduced by the Membership Committee in the conduct of membership interviews.

Interest expense - increased by ₱278 thousand or 85.2% attributed to the new finance leases availed by the Club in relation to the purchase of various operating and maintenance equipment.

Other expenses – increased by ₱0.7 million or 17% due to timing of expense recognition of inter-club tournaments being participated by the Club annually.

The Club identifies five (5) key performance indicators as follows: 1.) net working capital; 2.) current ratio; 3.) base equity; 4.) collection from membership dues and consumables; and 5.) earnings before depreciation (EBD).

Net working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or short-term debt paying ability of the Club. Having a positive working capital and a current ratio of at least 1:1 is a fair indication of liquidity. While base equity (member's equity over total liabilities) of at least 25% measures the level of dependence of the Club from its stockholders or creditors in meeting its financial obligation. A positive EBD determines that the Club can sustain its normal operation being a non-profit organization.

The Club has a net working capital of ₱80.2 million as of March 31, 2024 as compared to a net working capital of ₱71.4 million as of December 31, 2023. The increase of the Club's net working capital in a period of three (3) months is a significant indication that the Club has the ability to raise sufficient funds for its day-to-day operations and pay-off financial obligations as they mature. The potential liability is also likely to have a repayment period of more than a year and would probably be reclassified to noncurrent liabilities thereby improving further the Club's current ratio. The Club has also available shares acquired from its delinquent shareholders that can be sold anytime at the prevailing market prices when the need arises. The current ratio of the Club increased to ₱1.42 current asset for each peso of current liabilities as of March 31, 2024 as compared to ₱ 1.36 as of December 31, 2023. The Club has a base equity of 360% and 358% as of March 31, 2024 and December 31, 2023, respectively. The benchmark average monthly collection from membership dues and consumables of about ₱9 million monthly is based on the monthly dues of ₱4,000 and ₱500 monthly consumables. The average monthly collection is a good indication of the Club's ability to sustain its fixed revenue and collection targets. EBDA registered at ₱26.1 million and ₱20.3 million for the quarters ending March 31, 2024 and 2023.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Club's liquidity that could affect the business establishments nationwide.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

There are no known trends, events or uncertainties expected to have a material impact on sales, revenues and income from continuing operations.

There were no significant elements of income or loss that did not arise from the Club's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

(B) Information on Independent Accountant

External Audit Fees and Services

(a) Audit and Audit-Related Fees

The aggregate fees for each of the last two fiscal years' financial audit rendered by the external auditors, Isla Lipana & Co. amounted to ₱344,300 for 2023 and ₱330,200 for 2022, including out-of-pocket expenses and the VAT. The signing auditor of the Club's Audited Financial Statements (AFS) for the year ended December 31, 2023 is Mr. Pocholo C. Domondon, Partner in Charge of Isla Lipana & Co.

(b) Tax Fees

There was no tax compliance review conducted for the covering years 2023 and 2022.

(c) All Other Fees

The external auditors normally assist the Club in the canvassing of ballots in the annual election of its Board of Directors in an annual stockholders meeting. But since there were no annual stockholders' meetings carried out for the past several years due to lack of quorum, there were no other fees incurred by the Club with its external auditors.

(d) The audit committee's approval on policies and procedures for the above services

The above engagements of Isla Lipana & Co. as recommended by the management were deliberated upon and approved by the Audit Committee and the Board.

ITEM 7. Financial Statements

The financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 36) are filed as part of this Form 17-A (pages 37-48).

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

There are no changes in and disagreements with Accountants on accounting and Financial Disclosure.

PART III CONTROL AND COMPENSATION INFORMATION

ITEM 9. Directors and Executive Officers of the Issuer

Directors and Executive Officers

Name	Position	Age	Citizenship
Robert John L. Sobrepeña	Chairman of the Board	69	Filipino
Ferdinand T. Santos	President	73	Filipino
Rafael Perez de Tagle, Jr.	Treasurer	69	Filipino
Edward E. Dy	Director	75	Filipino
Alfredo Mendoza	Director	74	Filipino
Alberto Q. Avanceña	Director	71	Filipino
Rhais M. Gamboa	Director	73	Filipino
Renato Lirio	Director	85	Filipino

Daniel C. Samaniego	Director	65	Filipino
Francisco C. Gonzalez	Director	80	Filipino
Federico P. Campos III	Director	69	Filipino
Jayson Q. Yu	Officer-in-Charge GM	54	Filipino
Jerome U. Delariarte	Asst. General Manager	45	Filipino
Armando D. Sierra	Comptroller	60	Filipino
John R. Cope	Director of Grounds	59	American
Atty. Delfin P. Angcao	Corporate Secretary	66	Filipino
Atty. Alvin O. Geli	Asst. Corporate Secretary	53	Filipino

The following are the independent directors of the Club:

1. Alfredo Mendoza
2. Daniel C. Samaniego

Robert John L. Sobrepeña

Mr. Robert John L. Sobrepeña conceptualized the Manila Southwoods project and has been the Chairman of the Board since 1992. He is also a founding Member of the Club. His current term of office as a Director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is also the Chairman of the Grounds Committee of the Club. He has been in the real estate business and a founder of the Fil-Estate Group of Companies. He is also the Chairman of the Metro Rail Transit Group, Camp John Hay Development Corporation, Camp John Hay Golf Club, Fil-Estate Ecocentrum Corporation, and Co-Chairman of Global-Estate Resort, Inc.

Ferdinand T. Santos

Atty. Ferdinand T. Santos, the President, has been a Director since his appointment in October 2015. He is also a founding member and was formerly the President of the Club until his re-appointment as President on November 22, 2023. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is also the Chairman of the Club's Legal Committee. He is currently the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., Fairways & Bluewater Resort Golf & Country Club, Inc., Forest Hills Golf & Country Club, Inc., Fil-Estate Urban & Development, Inc., MRT Development Corporation, St. Benedict Realty & Development, Inc., Royal Jade Memorial, Inc. and Mt. Zion Memorial, Inc. He obtained his Bachelor of Arts degree, Cum Laude from Arellano University in 1970. He took his Bachelor of Laws in San Beda College graduating Magna Cum Laude and the class Valedictorian. He was admitted to the Philippine Bar in 1974 and coming in 2nd in rank.

Rafael Perez de Tagle, Jr.

Mr. Rafael Perez de Tagle, the Treasurer and Finance Committee Chairman, has been a Director since 1999. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is Vice Chairman of Metro Solar Power Solutions, Inc. and also a Director of Camp John Hay Development Corp., Metro Rail Transit Corp. and MRT Development Corp. He is also a Director and Finance Committee Chairman of Camp John Hay Golf Club. He has been in the real estate business for over 30 years. He is a graduate of De La Salle University with a degree of Bachelor of Arts major in Economics.

Edward E. Dy

Mr. Edward E. Dy has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is also the President of Grandview Properties & Ventures, Inc. and a director and Treasurer of DBH Development Corporation. He has been in the real estate business for over 30 years.

Alfredo Mendoza

Mr. Alfredo Mendoza, the Chairman of House Committee, has been a Director of the Club from 1999 until 2003. He was also then the Chairman of the Sports and Games Committee. He was elected again as Director in July 2006. His current term of office as a director is for one (1) year or until his successor is elected during the annual stockholders' meeting. He is the Managing Director of Cargo Airfreight Forwarders, Inc. and the President of Syclo Air Systems Technology. He is also currently the Chairman of House Committee of the Club.

Alberto Q. Avancena

Mr. Alberto Q. Avancena is the President and Chief Operating Officer (COO) of Club Leisure Management Corporation, an organization with expertise in the planning, development, and operations of leisure-related establishments, i.e., hotels, condotels, resorts, golf clubs, sports clubs, and other leisure facilities. He previously served as General Manager of Manila Southwoods Golf & Country Club for a total of thirteen years from 1994 to 2006 and 2009. When not involved in actual club operations, he has always served as consultant as he still does presently. He was also consultant for the Forest Hills and Sherwood Hills Golf Clubs in their respective developmental, pre-opening, and opening phases. He worked with the Hyatt International chain of hotels for more than ten (10) years, assigned to Hyatt Terraces Baguio and Hyatt Regency Manila and assigned to do specific duties in other Hyatt hotels in the Asia Pacific Region. He was the opening manager of the Montemar Beach Club in Bagac, Bataan during its developmental, pre-opening, and opening phases. He studied Hotel and Restaurant Management in Tegernsee, Germany at the Hotelberuffachschule D. Speiser and in San Diego, California at the United States International University (USIU).

Rhais M. Gamboa

Mr. Rhais M. Gamboa, has been a Director since his appointment in October 2015. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is also the Chairman of Health Committee of the Club. He is currently the President and a member of the Board of Directors of Medical Center Manila. He also sits in the Board of four (4) other private tertiary hospitals. He was formerly an Undersecretary in the Department of Health and Vice-Chairman of the Philippine Medical Care Commission (now Philippine Health Insurance Corporation). He obtained his B.S. Management Engineering degree from Ateneo de Manila University.

Renato E. Lirio

Mr. Renato E. Lirio has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He was formerly the Senior Vice-president and General Manager of Greenfield Development Corporation. He has been in the real estate business for more than 30 years.

Daniel C. Samaniego

Dr. Daniel C. Samaniego has been a Director since his appointment in March 2012. He is an Independent Director of the Club and his current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. Dr. Samaniego has been a Director of the Club from 2005 until 2006 and was also appointed as the Chairman of the Sports and Games Committee of the Club. He was reelected as Director in 2007 and also appointed as Chairman of Compensation and Remuneration Committee of the Club. He graduated from the University of the Philippines with a degree of Doctor of Dental Medicine in 1982 and got his postgraduate training (1994-1996) in Implant Dentistry in New York University. Since 1996, he has been practicing his profession in Surgical and Prosthetic Implant Dentistry.

Francisco C. Gonzalez

Engr. Francisco C. Gonzalez has been a Director since January 1998. He is currently the Membership Committee Chairman of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is the President of Romago Incorporated, Asia Pacific Golf Corporation, Fabriduct & Metal Systems Inc., Electro Mechanical Products International and G&P of Manila, Inc. He has been in the construction and engineering business for over 30 years. He is also a director and Membership Committee Chairman of Camp John Hay Golf Club and Forest Hills Golf Club.

Federico P. Campos III

Mr. Federico P. Campos III was appointed by the Board of Directors on October 26, 2016 as replacement of resigned Director Federico O. Campos. He is the President of Macaria Development Corp. and Macaria Properties, Inc., companies that he founded. Apart from these companies, he also founded Plaza Pacita, Inc., a company primarily engaged in commercial leases, and Sunkist'd Resort and Leisure Group, Inc., the owning company of Virgin Beach Resort in Laiya, San Juan, Batangas. He previously served as director of the Club from 2003 to 2008, and Chairman of the Sports and Games Committee, and member of the House Committee. He is a graduate of Lindenwood Colleges, St. Charles, Missouri with a degree of Bachelor of Business Administration.

Jayson Q. Yu

Mr. Jayson Q. Yu was appointed as Officer-in-Charge of the Club on July 1, 2023 after the retirement of the previous General Manager, Mr. Mark O. Watson, effective June 30, 2023. He was also a former Officer-in-Charge of the Club from May 2011 to 2014 as replacement of Mr. Tim Allen. Prior thereto, Mr. Yu has also served as Officer-in-Charge of Sherwood Hills Golf Club in Trece Martires City, Cavite. Mr. Yu is a Certified Public Accountant by profession and he is 54 years old.

Jerome U. Delariarte

Mr. Jerome U. Delariarte has been in the golf industry for over 14 years and has worked with Camp John Hay Golf Club in Baguio City as Golf Director from August 8, 2012 to June 30, 2014 after which he transferred to the Manila Southwoods Golf and Country Club and was appointed as the Club's Golf Director effective July 2, 2014. He was promoted to the position of Assistant General Manager on July 1, 2023 together with the appointment of Mr. Jayson Yu as Officer-in-Charge of the Club. He has been an amateur player in various teams starting 2000 to 2003. He has also joined various professional tournaments like Asian Tour from 2005 to 2010, Philippine Golf Tour from 2008-2012 and The Razon Invitational Champion in 2005. Mr. Delariarte attended the University of Tennessee at Chattanooga, USA for one and a half years

starting August 2008 before deciding to focus on amateur and professional golf as a career and returned to the Philippines.

Armando D. Sierra

Mr. Armando D. Sierra became the Comptroller in March 2006. He is a Certified Public Accountant by profession. He has worked with the Club as Assistant Comptroller from 1995 to 2004 before he accepted the position of Chief Accountant in Ken Aqua Hotel & Resort in Saipan, USA. Among other companies that he has worked in the past are Zachry Saudi Arabian Contracting Co. Ltd. in Jeddah, KSA, as Chief Accountant, Philippine Health-Care Providers, Inc. (Maxicare) as Asst. Chief Accountant, and Ocean Terminal Services, Inc. as Internal Audit Head. He obtained his degree in Bachelor of Science in Commerce Major in Accounting at the Polytechnic University of the Philippines.

John R. Cope

Mr. John Cope has over 30 years of experience in the golf course industry. He was appointed as the Club's Director of Grounds effective January 1, 2014. Prior to this, he has worked with Jack Nicklaus Design for over 21 years as a Senior Designer. During that period he has been assigned in various parts of the world and has designed 37 golf courses. Mr. Cope finished his B. S. in Landscape Horticulture in Colorado State University in 1986. He has been a member of the American Society of Golf Course Architects since 2007 and Golf Course Superintendents of America since 1980. He is currently running his own company, the Cope Design Limited, with offices in Manila and Hongkong.

Atty. Delfin P. Angcao

Atty. Delfin P. Angcao, is a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices, and has been the Asst. Corporate Secretary of the Club from October 15, 2003 until he was appointed as the Corporate Secretary of the Club in 2014 upon the resignation of Atty. Paulino Petralba.

Atty. Alvin O. Geli

Atty. Alvin O. Geli is also a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. He earned his law degree in the University of the Philippines, College of Law and later on admitted to the Philippine Bar in 1995. He has been the Assistant Corporate Secretary of the Club since September 24, 2014.

There are no family relationships among the officers.

There is no person, other than the executive officers and directors, who is expected to make a significant contribution to the business.

There are no other events or legal proceedings occurring in the last past five years that are material to an evaluation of the ability or integrity of any director to become a director or executive officer of the Club. None of the Club's directors and executive officers, has in the past five years, been subject of:

- a. Any bankruptcy petition filed by or against any business of which such person was a general partner of executive officer either at the time of the bankruptcy or within two years prior to that time;

- b. Any conviction by final judgement, 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

<u>Name and Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Other Accumulated Compensation</u>
Ferdinand T. Santos – President (a)	2024	None	None	₱88,000
	2023	None	None	7,333
Edward E. Dy – President (a)	2023	None	None	80,667
	2022	None	None	88,000
Jayson Q. Yu – Officer-in-Charge (b)	2024	₱1,300,000	None	600,000
	2023	650,000	None	300,000
Mark O. Watson – General Mgr. & COO (b)	2023	1,425,823	None	None
	2022	3,019,549	None	None
Jerome U. Delariarte – Asst. General Manager©	2024	2,509,351	None	300,000
	2023	1,859,351	None	300,000
	2022	1,108,861	None	300,000
Armando D. Sierra – Comptroller	2024	2,467,351	None	None
	2023	2,326,634	None	None
	2022	2,153,338	None	None
John R. Cope – Director of Grounds	2024	4,748,991	None	None
	2023	4,536,576	None	None
	2022	4,322,897	None	None
All Officers and Directors as Group Unnamed	2024	₱11,025,693	None	₱988,000
	2023	₱10,798,384	None	₱688,000
	2022	₱10,604,645	None	₱388,000

Notes:

- a). Atty. Ferdinand T. Santos was appointed as the new President of the Club on November 22, 2023 as replacement of Mr. Edward E. Dy.
- b). Mr. Jayson Q. Yu was appointed as the Officer-in-Charge of the Club effective July 1, 2023 following the retirement of Mr. Mark O. Watson on June 30, 2023.
- c). Mr. Jerome U. Delariarte was promoted from Golf Director to Asst. General Manager effective July 1, 2023.

All Club directors are not receiving any salary for their services to the Club. Their compensation is in the form of exemption from payment of monthly dues of ₱4,000.0 and locker rental, a monthly consumable of ₱3,333.00 for charges within the Club if they attend the monthly Board of Directors' meeting, 40 rounds of free green fee per year, and reserved parking.

There are no standard arrangements pursuant to which directors are compensated or are to be compensated, or is to be compensated for any services provided as director including committee participation or special assignments for the last completed year and the ensuing year.

There are neither other arrangements nor consulting contracts pursuant to which any director of the Club is compensated or is to be compensated directly or indirectly during the Club's completed fiscal year and the ensuing year for any service provided as a director.

There are no employment contracts between the Club and a named executive officer except for the standard arrangement for an employer-employee relationship. There are no compensatory plans or arrangements, including payments to be received from the Club, with respect to a named executive officer which resulted or will result from the resignation, retirement, or any other termination of such executive officer's employment with the Club or from a change-in-control of the Club or a change in the named officer's responsibilities.

There are no outstanding warrants or options held by any of the Club's executive officers. Consequently, there were neither adjustments nor amendments to any exercise price of stock warrants or options previously awarded to any officers or directors of the Club.

ITEM 11. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Beneficial Owners

As of December 31, 2023, the Club knows of no one who beneficially owns in excess of 5% of each class of The Manila Southwoods Golf & Country Club, Inc.'s outstanding shares of stock except as set forth below:

Title of class	Name and address of owner	Number and nature of ownership	Percent of class
Class A & B	Southern Heights Land Development Corp. 750 Shaw Boulevard Mandaluyong City	226	7.84%
	Fil-Estate Golf & Development, Inc Renaissance Towers Meralco Avenue, Ortigas Center Pasig City	155	5.38%

Note: Fil-Estate Golf and Development, Inc. (FEGDI) is a wholly-owned subsidiary of Global-Estate Resorts, Inc. (GERI, formerly Fil-Estate Land, Inc.). The shares of stock of GERI are registered under the Revised Securities Act and listed with the Philippine Stock Exchange. Its top stockholders are Alliance Global Group, Inc. and Fil-Estate Management, Inc. (FEMI). For the scheduled annual stockholders' meeting on November 22, 2023, there was no authorized person assigned to vote for the shares of FEGDI. As to Southern Heights Land Development Corporation, the person who had the right to vote its shares was Mr. Renato Lirio and/or Mr. Rhais Gamboa.

(b) Security Ownership of Management

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership	Percent of Class
Class A	Robert John L. Sobrepeña	1 nominal	0.06%

Class A	Renato E. Lirio	2 nominal	0.12%
Class A	Rafael Perez de Tagle, Jr.	1 nominal	0.06%
Class A	Edward E. Dy	1 nominal	0.06%
Class A	Rhais M. Gamboa	1 nominal	0.06%
Class B	Federico P. Campos III	1 nominal	0.09%
Class A	Ferdinand T. Santos	1 nominal	0.06%
Class A & B	Francisco C. Gonzalez	3 & 1 nominal	0.17% & 0.09%
Class A	Alfredo M. Mendoza	1 nominal	0.06%
Class A	Daniel C. Samaniego	1 nominal	0.06%

ITEM 12. Certain Relationships and Related Transactions

In the normal course of business, the Club transacts with companies which are considered related parties. The transactions and outstanding balances with related parties as at years ended December 31 are as follows:

Related party	2023		2022		Terms and conditions
	Transactions	Outstanding Payable	Transactions	Outstanding Payable	
Key management personnel Salaries and wages	22,211,143	-	20,388,916		Payable in cash every month based on contract.
Retirement benefits	1,980,394	24,198,139	1,241,989	18,739,797	Refer to Note 17.
Retirement plan Contributions	5,077,534	-	3,000,000	-	Refer to Note 17

PART IV - CORPORATE GOVERNANCE

ITEM 13. Corporate Governance

- At present, the Club utilizes the Self Rating System on Corporate Governance being implemented by the SEC through its SEC Memorandum Circular No. 5, Series of 2003 to assess compliance with leading practices on good corporate governance. The Compliance Officer meets with the directors and top-level management from time to time evaluates compliance with the Manual on Corporate Governance.
- The Club is in full compliance with its Manual on Corporate Governance. The Compliance Officer is present at all the regular meetings of the Board of Directors and closely coordinates with the Chairman of the Board to ensure full compliance with the adopted leading practices on good corporate governance. In addition, the Club encourages its directors and the top-level management to attend seminars on good corporate governance.
- There are no deviations to date from the Club's Manual of Corporate Governance.
- The Board has no immediate plans to adopt new policies to improve corporate governance.

PART V – EXHIBITS AND SCHEDULES

ITEM 14. Exhibits and schedules

(a) Exhibits

The exhibits required in this report are either not applicable to the Club or require no answer.

b) Reports on SEC Form 17-C

Date of Report

Nature of Report

Sept. 1, 2023

The SEC was advised that during the meeting of the Board of Directors of The Manila Southwoods Golf & Country Club, Inc. (the “Club”) held on August 30, 2023, the Board approved the holding of the Club’s annual stockholders’ meeting on November 22, 2023 to be conducted via remote communication and *in absentia* for purposes of the 2022 ASM. The record date is set on September 30, 2023. The appropriate notices to the Club’s stockholders/members will be sent in accordance with the Club by-laws and existing rules.

The following were appointed as members of the Nomination and Election Committee pursuant to the Club’s by-laws:

1. Renato Tobias (Chairman)
2. Gene D. Lim
3. Ranie Carlos
4. Marcelo C. De Guzman
5. Efren P. Sarmiento

Nov. 24, 2023

The SEC was advised that the 2023 annual stockholders’ meeting of The Manila Southwoods Golf & Country Club, Inc. (the “Club”) that was scheduled to be held on November 22, 2023 failed to proceed for the transaction of business, including that for the election of directors due to the lack of quorum. The present directors, as well as the other officers and corporate governance committee members of the Club, remain the same.

At the organizational meeting of the Board of Directors held immediately after the annual stockholders’ meeting, the following officers and committee members were elected:

Robert John L. Sobrepena	Chairman
Renato E. Lirio	Vice Chairman
Ferdinand T. Santos	President
Rafael Perez de Tagle, Jr.	Treasurer
Delfin P. Angcao	Corporate Secretary
Alvin O. Geli	Asst. Corporate Secretary

Executive Committee:

Robert John L. Sobrepena	Chairman
Federico P. Campos III	Member
Francisco C. Gonzalez	Member
Rafael Perez de Tagle, Jr.	Member
Ferdinand T. Santos	Member
Alfredo M. Mendoza	Member
Renato Lirio	Member

Audit Committee:

Alfredo M. Mendoza	Chairman (Independent Director)
Renato E. Lirio	Member
Federico P. Campos III	Member
Jose R. Cedo	Member
Alberto Q. Avancena	Member
Daniel Samaniego	Member (Independent Director)
Jayson Yu	Member

Compensation & Remuneration Committee:

Daniel Samaniego	Chairman
Francisco C. Gonzalez	Member
Renato E. Lirio	Member
Alberto Q. Avancena	Member
Rafael Perez de Tagle, Jr.	Member
Alfredo M. Mendoza	Member

Nomination & Election Committee:

Renato Tobias	Chairman
Gene Lim	Vice Chairman
Ranie Carlos	Secretary
Marcelo de Guzman	Member
Efren Sarmiento	Member

The Club will inform the SEC of the next annual stockholders' meeting after the same is set by the board of directors of the Club.

July 12, 2023

The SEC was advised that during the Board meeting on July 7, 2023, the members of the Board noted and approved the following matters:

- (1) The retirement of Mr. Mark O. Watson as the Club's General Manager effective immediately;
- (2) The appointment of Mr. Jayson Q. Yu as the Officer-in-Charge ("OIC") effective immediately and until such time that the General Manager is duly appointed; and
- (3) The appointment of Mr. Jerome U. Delariarte as the Assistant General Manager effective immediately.

The respective personal profiles of Mr. Yu and Mr. Delariarte were provided to the SEC for perusal.

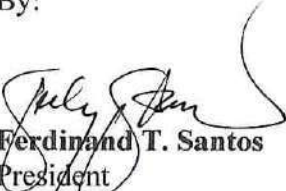
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of G.M.A. CAVITE on 11 APR 2024, 2024.

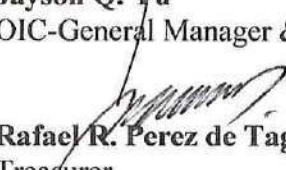
THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.

Issuer

By:


Ferdinand T. Santos
President


Jayson Q. Yu
OIC-General Manager & COO


Rafael R. Perez de Tagle Jr.
Treasurer


Armando D. Sierra
Comptroller


John Michael M. Gordon
Principal Accounting Officer


Atty. Delfin P. Angcao
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 11 APR 2024 day of _____, 2024, affiants exhibiting to me their Passport No./PRC No./Driver's License No., as follows:

Name	Passport/PRC ID/Senior Citizen ID	Date of Issue/Expiry Date and Place Issued
Ferdinand T. Santos	DL N17-74-009255	Sept. 15, 2033
Jayson Q. Yu	DL J06-89-002715	Aug. 23, 2028
Rafael R. Perez de Tagle, Jr	Passport # P4819318B	Feb. 13, 2030 – Manila
Armando D. Sierra	DL D04-98-120945	Aug. 03, 2033
John Michael M. Gordon	PRC # 0128400	Jan. 04, 2024 – Manila
Atty. Delfin Angcao	Sr.Citizen Card#44196	Feb. 15, 2018 – San Pedro, Laguna

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BOOK NO. 100
SERIES OF. 100

ATTY. CEACAR ANTHONY S. SOLIS
NOTARY PUBLIC UNTIL DECEMBER 31, 2024
PTP#825817 CIVIL 1/02/24
LAP LIFE MEMBER PCL #011212
HOLE COMP #00120081 PASIG CITY
VALID UNTIL APRIL 14, 2025
BRGY. PCP. 2, GEN. MARIANO A. VAREZ, CAVITE
ROLL 155382

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.**

SUPPLEMENTARY SCHEDULES
TO THE FINANCIAL STATEMENTS
REQUIRED BY THE SECURITIES AND EXCHANGE COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2023
AND AUDITORS' REPORT

Philippine Pesos

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.
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SEC FORM 17-A

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THE MANILA SOUTHWOODS
GOLF AND COUNTRY CLUB

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **THE MANILA SOUTHWOODS GOLF & COUNTRY 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 in 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.

Isla Lipana & Co., the independent auditor, appointed by the Stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


ROBERT JOHN L. SOBREPENÁ
Chairman of the Board of Directors


FERDINAND T. SANTOS
President


RAFAEL PEREZ DE TAGLE, JR.
Treasurer

February 28, 2024

GMA.CAVITE


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SERIES OF 2024

Southwoods Blvd., Carmona, Cavite, Philippines 4116
Trunkline No. (046) 419-8190 / (02) 779-5590


ATTY. CESAR ANTHONY S. SOLIS
NOTARY PUBLIC
PTR NO. 000017 CAVITE 01/02/24
BPLIFE MEMBER NO. 011212
MCLE COMPL. NO. 0012 PROSPASIO CITY
6RGY. POB. 2 GEN. MARIANO ALVAREZ, CAVITE
ROLL NO. 55902



**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. (the "Club") as at and for the year ended December 31, 2023 on which we have rendered the attached report dated February 28, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary, the Club has three (3) shareholders owning one hundred (100) or more shares each as at December 31, 2023.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Pochoy C. Domondon".

Pochoy C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 12, 2024 at Makati City

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 28, 2024

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 28, 2024. The supplementary information shown in Schedules A, B, C, D, E, F, and G, as additional components required by SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information have been prepared in accordance with SRC Rule 68.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Pocholo C. Domondon".

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 12, 2024 at Makati City

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 28, 2024

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

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The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at December 31, 2023
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date***	Income received and accrued****
Financial assets at amortized cost				
Cash and cash equivalents	-	101,597,273	101,597,273	1,721,927
Receivables, net, including non-current portion of installment receivables	-	31,337,260	31,337,260	1,727,665
Investments	-	81,386,232	81,386,232	1,169,403
	-	214,320,765	214,320,765	4,618,995

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at December 31, 2023
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non- current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corporate Secretary	29,876	45,380	36,000	-	3,508	35,748	39,256
Robert John L. Sobrepena, Chairman	50,056	125,709	133,861	-	41,904	-	41,904
Daniel C. Samaniego, Director	776	125,026	106,699	-	19,103	-	19,103
Rafael Perez de Tagle Jr., Treasurer	14,204	114,434	122,449	-	6,189	-	6,189
Enrique A. Sobrepena, Director*	4,460	-	-	4,460	-	-	-
John R. Cope, Employee	59,718	452,061	405,000	-	42,992	63,787	107,779
	159,090	862,610	804,009	4,460	113,696	99,535	213,231

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the consolidation of financial statements
As at December 31, 2023
(All amounts in Philippine Peso)

			<u>Deductions</u>				
Name and designation of debtor	Beginning balance	Additions	Amount collected	Amount written-off	Current	Non-current	Ending balance
Not applicable							

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at December 31, 2023
(All amounts in Philippine Peso)

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”
Obligation under finance lease	25,113,754	12,676,461	12,437,293

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule E - Indebtedness to Related Parties
As at December 31, 2023
(All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2023
(All amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
Not applicable				

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at December 31, 2023
(All amounts in Philippine Peso)

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		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,730	-	-	12	1,718
Class "B" common shares	1,200	1,152	-	-	2	1,150
	3,000	2,882	-		14	2,868

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Schedule of Financial Soundness Indicators
As at December 31, 2023 and 2022
(With comparative figures as at December 31, 2021)

Ratio	Formula	2023	2022	2021
A. Current and liquidity ratios				
Current ratio	Total current assets Divided by: Total current liabilities Current ratio	1.36:1.00	1.66:1.00	1.52:1.00
Acid test ratio	Total current assets Less: Other current assets Quick assets Divided by: Total current liabilities Acid test ratio	1.29:1.00	1.58:1.00	1.48:1.00
B. Solvency ratio				
	Total net income after tax Add: Depreciation and amortization Divided by: Total liabilities Solvency ratio	0.03:1.00	0.02:1.00	0.02:1.00
C. Debt-to-equity ratio				
	Total liabilities Divided by: Total equity Debt-to-equity ratio	0.28:1.00	0.26:1.00	0.26:1.00
D. Asset-to-equity ratio				
	Total assets Divided by: Total equity Asset-to-equity ratio	1.28:1.00	1.26:1.00	1.25:1.00
E. Debt ratio				
	Total liabilities Divided by: Total assets Debt ratio	0.22:1.00	0.21:1.00	0.20:1.00
F. Profitability ratios				
Return on assets (%)	Net income Divided by: Total assets Return on assets (%)	-0.13%	-0.34%	-0.30%
Return on equity (%)	Net income Divided by: Total equity Return on equity (%)	-0.16%	-0.43%	-0.37%
Net profit margin (%)	Net income Divided by: Total revenues Net profit margin (%)	-2.43%	-7.28%	-7.68%

COVER SHEET

						1	8	1	0	6	9
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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. StreetCity/Town/Province)

Armando D. Sierra

Armando D. Sierra

(Contact Person)

(046) 419-8190

(046) 419-8190

(Company Telephone
Number)

1	2
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3	1
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Month Day
(Fiscal Year)

17	-	Q		
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(Form Type)

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Month Day
(Annual Meeting)

Not Applicable

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

10

Domestic

	-
--	---

Foreign

[illegible]

File Number

LCU

LCU

[illegible]

Document ID

Cashier

SEC Number 181069
File Number

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.**

(Company's Full Name)

**Southwoods Boulevard, Bo. Cabilang Baybay Carmona,
Cavite**

(Company's Address)

(046) 419-8190

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-Q

Form Type

Amendment Designation (If applicable)

June 30, 2024

Period Ended Date

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION
CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended June 30, 2024

2. SEC identification number 181069

3. BIR Tax Identification No. 000-645-256

4. Exact name of issuer as specified in its charter

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.

5. Province, country or other jurisdiction of incorporation or organization

Cavite, Philippines

6. Industry Classification Code:

7. Address of principal office

Postal Code

Southwoods Blvd., Cabilang Baybay, Carmona, Cavite, Philippines 4116

8. Issuer's telephone number, including area code

(046) 419-8190

9. Former name, former address and former fiscal year, if changed since last report

Not applicable

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

	<u>No. of shares</u>	<u>Amount</u>
CLASS A	1,800	₱1,508,650,362
CLASS B	<u>1,200</u>	<u>1,005,100,242</u>
Total	<u>3,000</u>	<u>₱2,513,750,604</u>

11. Are any or all of your securities listed on a Stock Exchange?

Yes [] No [/]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Not applicable

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports)

Yes [/] No []

- (b) has been subject to such filing requirements for the past 90 days.

Yes [/] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are attached as Exhibits:

1. Unaudited statements of financial position as at June 30, 2024 and audited statements of financial position as at December 31, 2023;
2. Unaudited statements of total comprehensive income for the 6-month period ended June 30, 2024, 2023 and 2022;
3. Unaudited statements of changes in members' equity for the 6-month period ended June 30, 2024, 2023 and 2022;
4. Unaudited statements of cash flows for the 6-month period ended June 30, 2024, 2023 and 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

Current assets of the Club decreased by ₱9.2 million or 3.4% in the first half of 2024, from ₱268.8 million as at December 31, 2023 to ₱259.6 million as at June 30, 2024. The negative variance is attributable to the decrease in receivables brought by the payment by the members and the collection from installment receivables during the period.

Non-current assets on the other hand increased by ₱3.4 million or 0.06% on top of the depreciation expense attributable to the recognition of completed renovation projects during the period such as the main club ballroom and function rooms, purchase of new furniture and fixtures, and purchase of various operating and maintenance equipment.

Total Assets of the Club as at June 30, 2024 and December 31, 2023 is ₱5.90 billion.

Current liabilities of the Club decreased by ₱20.9 million or 10.5%, from ₱197.4 million to ₱176.5 million, attributable to the payment of trade payables in relation to the renovation projects and amortization of finance leases during the period.

Non-current liabilities on the other hand, increased by ₱1.8 million or 0.17%, attributable to the collection of unearned receipts from the members. Total non-current liabilities as at June 30, 2024 and December 31, 2023 is ₱1.3 billion consisting of deferred tax liabilities on appraisal increment of land, unearned receipts and finance lease obligations of the Club.

The Club registered an excess of receipts over costs and expenses after depreciation expense amounted to ₱6.3 million for the first half of 2024 which is ₱3.0 million or 32.2% lower than that of 2023. Receipts and expenses with significant movements are discussed in the succeeding paragraphs.

Club revenues and receipts for the first half of 2024 is ₱168.7 million as compared to ₱159.2 million of the previous year or increased by ₱9.5 million or 6.0% with the following highlights:

Green fees and tourist fees – higher by ₱2.2 million or 7.0% compared to last year attributable to the two-time increase in green fee rates that took effect on March 1, 2023 and November 1, 2023. The aggregate green fee rate increase is ₱1,500 per round of golf, from ₱3,000 to ₱4,500 on weekdays and from ₱5,000 to ₱6,500 on weekends and holidays.

Tournament fee – increased by ₱2.8 million of 110% attributed to higher number of tournaments this year than the previous year and the impact of the increased tournament rate.

Sale of golf merchandise – increased by ₱1.9 million or 31.4% attributed to the use of Pro shop gift certificates as giveaways for this year's Southwoods Invitational. Large number of Chairman's Charity Cup gift certificates issued to participants last December 2023 were also used during the period, hence, improving further the pro shop sales.

Locker, golf cart and equipment rental - increased by ₱1.4 million or 9.8% attributable to the rental carts used for the tournaments at premium rate and the reinstatement of the locker rental for members after the completion of the locker room renovation.

Annual playing rights fee - increased by ₱0.8 million or 9.7% attributable to the increase in annual assignment fee from Php150,000 to P200,000 effective December 1, 2023.

Transfer fees – increased by ₱0.7 million or 5.6% equivalent to additional 3 new shareholders who bought golf shares during the period.

Others – increased by ₱0.3 million of 29.5% attributed to the disposal of old generator set from the main clubhouse.

Costs and expenses of the club for the first half of 2024 increased by ₱7.4 million or 5.7%, from ₱128.9 million to ₱136.3 million this year with the following highlights:

Salaries and wages – increased by ₱3.3 million or 10.4%, from ₱31.3 million last year to ₱34.5 million this year, due to the impact of new minimum wage order, adjustments as provided for in the CBA, and salary adjustment for supervisors and department heads including the appointment of a new club officer.

Security and janitorial – increased by ₱2.1 million or 19.5%, from ₱10.8 million last year to ₱12.9 million this year, due to the full deployment of janitorial services and the impact of the new minimum wage order.

Light and Water – increased by ₱2.5 million or 22.7% attributable to the electricity consumption brought by full operations of the main club facility upon re-opening of the newly renovated locker rooms, mulligan bar, ball room and function rooms, and the impact of electricity power rate adjustment.

Other employee benefits – increased by ₱1.7 million or 18.9%, from ₱8.8 million last year to ₱10.5 million this year, attributable to the adjusted employee welfare contribution as mandated by the government, impact of the new minimum wage order and CBA adjustments, and the increased health insurance premium for the employees.

Input VAT expense - decreased by ₱2.5 million or 29.6% which is mainly attributable to the timing of expense recognition in relation to the capital expenditures and the completion of special projects.

Fuel and oil - decreased by ₱0.6 million or 13.4% attributable to the higher consumption of fuel last year due to the extended use of generator set while the Meralco main power line at the main club clubhouse was under rehabilitation.

Cost of sales of inventories – increased by ₱1.4 million or 38% mainly attributed to the higher pro shop sales for the first half of 2024 as compared to last year.

Professional fees - decreased by ₱0.33 million or 18.3% which is attributed to the timing of billings for legal services and other related expense.

Retirement benefit expense - decreased by ₱0.9 million or 34.8% due to the accrual adjustment based on the latest actuarial valuation services rendered by an independent contractor.

Communications - decreased by ₱0.4 million or 31% due to the upgraded internet subscription with PLDT using higher bandwidth but lower subscription fee.

Taxes and licenses - increased by ₱0.3 million or 18.6% due to higher business tax assessment brought by higher sales of the Club.

Contracted services - increased by ₱0.3 million or 31.8% attributable to laundry services brought by the increase in rates and higher usage of fairway towels during summer season.

Interest expense - increased by ₱0.50 million or 65.2% attributed to the new finance leases availed by the Club in relation to the purchase of various operating and maintenance equipment.

The Club identifies five (5) key performance indicators as follows: 1.) net working capital; 2.) current ratio; 3.) base equity; 4.) collection from membership dues and consumables; and 5.) earnings before depreciation (EBD).

Net working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or short-term debt paying ability of the Club. Having a positive working capital and a current ratio of at least 1:1 is a fair indication of liquidity. While base equity (member's equity over total liabilities) of at least 25% measures the level of dependence of the Club from its stockholders or creditors in meeting its financial obligation. A positive EBD determines that the Club can sustain its normal operation being a non-profit organization.

The Club has a net working capital of ₱83.1 million as at June 30, 2024 as compared to a net working capital of ₱71.4 million as of December 31, 2023. The increase of the Club's net working capital in a period of six (6) months is a significant indication that the Club has the ability to raise sufficient funds for its day-to-day operations and pay-off financial obligations as they mature. The potential liability is also likely to have a repayment period of more than a year and would probably be reclassified to noncurrent liabilities thereby improving further the Club's current ratio. The Club has also available shares acquired from its delinquent shareholders that can be sold anytime at the prevailing market prices when the need arises. The current ratio of the Club increased to ₱1.47 current asset for each peso of current liabilities as of June 30, 2024 as compared to ₱ 1.36 as of December 31, 2023. The Club has a base equity of 364% and 358% as of June 30, 2024 and December 31, 2023, respectively. The benchmark average monthly collection from membership dues and consumables of about ₱9 million monthly is based on the monthly dues of ₱4,000 and ₱500 monthly consumables. The average monthly collection is a good indication of the Club's ability to sustain its fixed revenue and collection targets. EBDA registered at ₱32.4 million and ₱30.3 million for the periods ending June 30, 2024 and 2023, respectively.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Club's liquidity that could affect the business establishments nationwide.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

There are no known trends, events or uncertainties expected to have a material impact on sales, revenues and income from continuing operations.

There were no significant elements of income or loss that did not arise from the Club's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

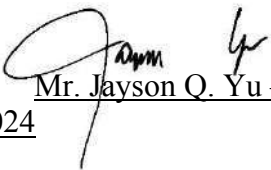
PART II – OTHER INFORMATION

There are no other information which need to be reported under this part of Form 17-C.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: The Manila Southwoods Golf & Country Club, Inc.

Signature and Title:  Mr. Jayson Q. Yu – Officer-in-Charge

Date: August 12, 2024

Principal Financial/Accounting Officer/Controller:  Mr. Armando D. Sierra - Comptroller

Date: August 12, 2024

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Statements of Financial Position

As at June 30, 2024 and December 31, 2023

	Notes	June 30, 2024	Dec. 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	2	182,234,702	101,597,273
Receivables	3	37,623,129	45,824,332
Inventories	4	30,102,282	27,349,124
Investments, current	5	-	81,386,232
Prepayments and other current assets	6	9,684,601	12,719,425
Total Current assets		259,644,714	268,876,386
Non-current assets			
Property and equipment, net	7	314,861,855	310,409,374
Land	8	5,305,108,000	5,305,108,000
Other non-current assets	9	16,542,142	17,574,220
Total non-current Assets		5,636,511,997	5,633,091,594
Total assets		5,896,156,711	5,901,967,980
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	10	107,490,154	125,517,955
Current portion of unearned receipts		60,393,885	59,224,396
Current portion of lease liabilities	11	8,643,601	12,676,461
Total current liabilities		176,527,640	197,418,812
Noncurrent Liabilities			
Unearned receipts, net of current portion		49,026,189	43,506,446
Lease liabilities, net of current portion	11	10,085,506	12,437,293
Retirement benefit obligation	17	8,820,782	10,165,404
Deferred income tax liability	18	1,025,119,337	1,025,119,337
Total non-current liabilities		1,093,051,814	1,091,228,480
Total liabilities		1,269,579,454	1,288,647,292
Equity			
Proprietary shares	12	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	13	(31,393,695)	(31,441,819)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	13	131,802,371	124,907,275
Other comprehensive income	8, 18	3,064,142,093	3,064,142,093
Cumulative excess of costs and expenses over receipts		(1,051,724,116)	(1,058,037,465)
Total Equity		4,626,577,257	4,613,320,688
Total liabilities and equity		5,896,156,711	5,901,967,980

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Statements of Total Comprehensive Income

For the periods ended June 30, 2024, 2023 and 2022

	Notes	Quarter Ended June 30		
		2024	2023	2022
Membership fees and assessments				
Membership dues		59,662,909	59,627,237	58,479,666
Membership fees		19,682,130	20,581,957	16,137,705
Transfer fees		13,750,000	13,000,000	10,650,000
Annual playing rights fees		8,883,333	8,100,000	7,900,000
		101,978,372	101,309,194	93,167,371
Revenues from club operations				
Green fees and tourist fees		34,002,305	31,775,819	20,722,133
Locker, golf cart and equipment rental fees		15,512,670	14,131,463	12,562,075
Sale of golf merchandise		7,886,117	6,001,429	6,989,727
Tournament fees		5,411,470	2,576,291	908,666
Concessionaires' fees		97,929	94,675	-
Others		1,372,969	1,060,268	877,129
		64,283,460	55,639,945	42,059,730
Other income				
Interest income	16	2,403,801	2,251,227	1,269,643
Receipts and income		168,665,633	159,200,366	136,496,744
Costs and expenses	15	136,270,266	128,879,028	119,151,258
Excess of receipts over costs and expenses				
before depreciation		32,395,367	30,321,338	17,345,486
Depreciation expense	7	26,082,021	21,005,585	20,513,203
Net income (loss)		6,313,346	9,315,753	(3,167,717)
Basic and diluted income (loss) per share		2,191	3,232	(1,106)

See accompanying Notes to Financial Statements.

Explanatory Notes:

- a) The following are transactions that may affect the assets, equity and cash flows of the Club:
 - 1). Re-issuance of club acquired delinquent shares at premium prices;*
 - 2). Renovation projects to upgrade the club facility and capital expenditures;**
- b) Except for the possible resurgence of health emergency situations like COVID-19, there are no seasonal aspects that had material effect on financial condition or result of interim operations of the club.*
- c) Except for the possible resurgence of health emergency situations like COVID-19, there are no changes in estimates of amounts that had material effect on the current interim period.*
- d) The Club had no issuances, repurchases and repayment of debt and equity securities during the interim period.*
- e) There are no changes in the composition of the Club for the covering interim period.*
- f) There are no material changes in contingent liabilities or assets of the Club from the last annual balance sheet date.*
- g) Except for the impact of possible resurgence of COVID-19, there are no events that will trigger direct or contingent financial obligation that is material to the Club, including default or acceleration of an obligation.*

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Statements of Changes in Equity

For the periods ended June 30, 2024, 2023 and 2022

	Proprietary Shares (Note 12)	Shares of delinquent shareholders acquired through auctions (Note 13)	Excess of proceeds over cost from re-issuance of shares of delinquent shareholders (Note 13)	Other comprehensive income (Note 8, 17,18)	Cumulative excess of expenses over receipts	Total Equity
Balance at January 1, 2022	2,513,750,604	(33,536,586)	55,855,789	3,074,513,342	(1,030,774,719)	4,579,808,430
Net income (loss)					(3,167,717)	(3,167,717)
Shares of delinquent shareholders acquired through auctions		42,571				42,571
Re-issuance of shares of delinquent shareholders		-	9,551,802			9,551,802
Balance at June 30, 2022	2,513,750,604	(33,494,015)	65,407,591	3,074,513,342	(1,033,942,436)	4,586,235,086
Balance at January 1, 2023	2,513,750,604	(32,434,614)	90,524,682	3,074,513,342	(1,050,519,626)	4,595,834,388
Net income (loss)					9,315,754	9,315,754
Shares of delinquent shareholders acquired through auctions		1,080,548				1,080,548
Re-issuance of shares of delinquent shareholders		-	31,679,723			31,679,723
Balance at June 30, 2023	2,513,750,604	(31,354,066)	122,204,405	3,074,513,342	(1,041,203,872)	4,637,910,413
Balance at January 1, 2024	2,513,750,604	(31,441,819)	124,907,273	3,064,142,093	(1,058,037,467)	4,613,320,684
Net income (loss)					6,313,351	6,313,351
Shares of delinquent shareholders acquired through auctions		48,124	-	-		48,124
Re-issuance of shares of delinquent shareholders			6,895,098			6,895,098
Balance at June 30, 2024	2,513,750,604	(31,393,695)	131,802,371	3,064,142,093	(1,051,724,116)	4,626,577,257

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Statements of Cash Flows
For the periods ended June 30, 2024, 2023 and 2022

	Notes	2024	2023	2022
Cash flows from operating activities				
Excess of receipts over costs and expenses		6,313,347	9,315,754	(3,167,717)
Adjustments for:				
Depreciation expense	7	26,082,021	21,005,585	20,513,203
Retirement benefit expense	15,17	1,734,681	2,662,724	1,202,760
Amortization of prepaid dues	6	600,000	600,000	600,000
Interest expense	11,15	1,154,274	698,604	679,872
Interest income	16	(2,403,801)	(2,251,227)	(1,269,643)
Income before working capital changes		33,480,522	32,031,440	18,558,475
Changes in working capital:				
Receivables		8,201,203	628,070	(9,169,499)
Inventories		(2,753,157)	3,774,856	(6,629,081)
Prepayments and other current assets		3,034,825	(4,027,858)	(2,763,229)
Other non-current assets		(312,543)	4,192,552	1,424,956
Accounts payable and other current Liabilities		(17,016,575)	9,081,406	26,350,387
Unearned receipt		6,689,234	4,208,380	7,427,501
Net cash generated from operations		31,323,509	49,888,846	35,199,510
Interest received	16	2,403,801	2,251,227	1,269,643
Contributions to the retirement fund	17	(4,500,000)	(1,500,000)	-
Net cash flows provided by operating Activities		29,227,310	50,640,073	36,469,153
Cash flows from investing activities				
Acquisition of property and equipment		(30,534,502)	(60,736,987)	(13,824,838)
Investments to treasury bills & bonds	5	14,971,167	-	-
Net cash flows used in investing activities		(15,563,335)	(60,736,987)	(13,824,838)
Cash flows from financing activities				
Proceeds from re-issuance of shares of delinquent shareholders	3,13	6,895,095	31,679,723	9,551,802
Principal and interest payment of lease Liabilities	11	(6,384,648)	(8,159,502)	(5,791,331)
Payment for shares of delinquent shareholders acquired through auctions	13	48,124	1,080,547	(472,076)
Net cash used in financing activities		558,571	40,919,772	3,288,395
Net increase in cash and cash equivalents		14,222,364	30,822,850	25,932,710
Cash and cash equivalents at January 1		168,012,338	136,986,029	126,819,083
Cash and cash equivalents at June 30	2	182,234,702	167,808,879	152,751,793

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Notes to the Financial Statements

As at June 30, 2024 and December 31, 2023 and for each of the second quarters in the period ended June 30, 2024, 2023, and 2022.

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated.)

1 General information

The Manila Southwoods Golf & Country Club, Inc. (the "Club") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 5, 1990. The Club is organized and operating exclusively for the promotion of social, recreational and athletic activities on a nonprofit basis among its shareholders and members, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The registered office address and principal place of business of the Club is Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite.

The audited financial statements of the Club as of December 31, 2023 were approved and authorized for issuance by the Board of Directors (BOD) on February 28, 2024.

2 Cash and cash equivalents

Cash and cash equivalents as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Cash on hand	942,343	1,342,343
Cash in banks	94,715,285	100,254,930
Cash equivalents	85,634,731	66,415,065
	181,292,359	168,012,338

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to 90 days depending on the immediate cash requirements of the Club and earn interest at 0.06% to 6.00% in 2024 and 2023. Total interest earned from cash in banks and cash equivalents are disclosed in Note 16.

3 Receivables

Receivables as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Receivables from members	17,182,625	23,483,666
Advances to suppliers and contractors	11,347,228	10,885,946
Current portion of installment receivables	1,502,305	5,042,663
Advances to officers and employees	5,268,765	4,044,524
Others	2,322,206	2,367,533
	37,623,129	45,824,332

Interest income earned from receivables from members and installment receivables are disclosed in Note 16.

4 Inventories

Inventories at cost as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Spare parts	9,071,003	8,099,355

Fertilizers, herbicides and chemicals	8,357,369	7,287,387
Supplies	5,467,410	4,430,814
Fuel and oil	740,091	849,427
Material and supplies	23,635,873	20,666,983
Inventories for sale	6,466,408	6,682,141
	30,102,281	27,349,124

The cost of materials and supplies and inventories for sale charged to expenses are disclosed in Note 15.

5 Investments

Investments as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Current		
Time deposits	-	66,415,065
Treasury bills	-	-
Treasury bonds	-	14,971,167
	-	81,386,232
Non-current		
Treasury bonds	-	-
	-	81,386,232

Time deposits consist of short-term placements with term ranging from 104 days to 112 days and earn interest at 6.4% per annum.

On August 9, 2022, the Club purchased investment in short-term treasury bill with a face value of P15,332,000 which matures on July 19, 2023. The investment earns interest at 3.08% for the year ended December 31, 2022. As at March 31, 2024 and December 31, 2023, the carrying value of these investments amounted to nil and P14,999,755, respectively.

Treasury bonds consist of retail treasury bond purchased in 2022 with face value of P14,550,000 and matures on March 12, 2024. The investment earns interest at 6.25% per annum. As at December 31, 2023 and 2022, the carrying value of these investments amounted to P14,971,167. Treasury bonds were not renewed upon maturity dates.

Interest income earned from investments are disclosed in Note 16.

6 Prepayments and other current assets

Prepayments and other current assets as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Prepayments	4,918,666	8,506,036
Deferred input VAT	-	300,915
Prepaid income tax	3,565,935	2,712,474
Current portion of prepaid dues	1,200,000	1,200,000
	9,684,601	12,719,425

Prepayments pertain to insurance and real property taxes.

Prepaid dues

On behalf of Manila Southwoods Homeowners' Association (MSHA), the Club made prepayments for operating expenses of the sports club facilities, which at the time the payments were made, were principally being used by members of the Club. Over the years, members of the Club have continued using the Manila Southwoods Sports Club (the "Sports Club") and the Club made prepayments out of its own funds to partially defray the costs of the

maintenance and continued operation of the Sports Club.

Pursuant to a BOD resolution dated October 29, 2003, the Club negotiated for the amortization of the prepayments. The negotiation includes the granting to all members of the Club playing rights or privilege to use the Sports Club facilities in exchange for a fee which shall be deducted from or offset against the prepayment until such advances are fully liquidated. In consideration for the use of the Sports Club facilities, effective May 31, 2006, the monthly fee shall be P100,000 or P1.2 million annually.

A supplement to the abovementioned agreement was made on November 12, 2007 in which the parties intend that all payments made or to be made by the Club for the operation and maintenance of Sports Club shall be considered as prepayment for all the monthly dues, which may be assessed for the use of the Sports Club's facilities.

On January 28, 2015, the BOD resolved that the amounts paid for the Sports Club starting in 2014 onwards shall be treated and booked as usage fees and not as advances pending the negotiations and until such time that a formal arrangement with MSHA is finalized with respect to the use of the Sports Club. The amortization of prepaid dues and any usage fees are reported as members' dues and other charges in Note 15.

7 Property and equipment, net

Details of and movements in property and equipment, net as at and for the periods ended June 30, 2024 and December 31, 2023 are as follows:

	Golf course developments	Buildings and improvements	Golf course maintenance and transportation equipment	Furniture, fixtures, and office equipment	Clubhouse equipment	Total
Cost						
January 1, 2023	1,138,671,676	245,529,465	181,488,842	39,822,392	7,814,351	1,613,326,726
Additions	423,580	52,004,809	53,372,011	21,997,189	1,705,528	129,503,117
Disposals	-	-	(2,163,340)	(5,033,509)	-	(7,196,849)
Transfer	(2,925,000)	-	2,925,000	-	-	-
December 31, 2023	1,136,170,256	297,534,274	235,622,513	56,786,072	9,519,879	1,735,632,994
Additions	309,145	16,224,519	7,405,096	6,595,741	-	30,534,501
Disposals	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
June 30, 2024	1,136,479,401	313,758,793	243,027,609	63,381,813	9,519,879	1,766,167,495
Accumulated depreciation and amortization						
January 1, 2023	980,241,474	201,884,077	160,287,342	36,539,745	7,814,351	1,386,766,989
Depreciation and amortization	23,188,906	7,206,667	11,692,399	3,470,409	95,075	45,653,456
Disposal	-	-	(2,163,340)	(5,033,485)	-	(7,196,825)
Transfer	(48,750)	-	48,750	-	-	-
December 31, 2023	1,003,381,630	209,090,744	169,865,151	34,976,669	7,909,426	1,425,223,620
Depreciation and amortization	8,156,851	5,781,759	8,274,696	3,698,162	170,552	26,082,020
Disposal	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
June 30, 2024	1,011,538,481	214,872,503	178,139,847	38,674,831	8,079,978	1,451,305,640
Net book value						
December 31, 2023	132,788,627	88,443,530	65,757,362	21,809,403	1,610,453	314,861,855
June 30, 2024	129,019,346	98,212,661	68,362,779	21,130,112	1,525,177	318,250,073

Additions to cost and depreciation of property and equipment in 2022 amounted to P32.13 million and P40.94 million, respectively.

Golf course maintenance and transportation equipment includes right-of-use assets disclosed in Note 11.

Transfers pertain to change from right-of-use assets to Club-owned assets in the same asset class.

8 Land

As at June 30, 2024 and December 31, 2023, land has carrying amount of P5,305,108,000. This includes accumulated revaluation amounting to P4,100,477,347. The land's original cost was P1,204,630,653.

Land titles covering about 123 hectares out of the total land area actually covered by Golf Course Project of approximately 136 hectares have already been transferred and registered in the name of the Club on the basis of a tax-free exchange ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue (BIR). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free exchange ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name Club. The Club's management and legal counsel believed that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares or are there any adverse claims by third parties to the aforesaid 13 hectares of land.

As at June 30, 2024 and December 31, 2023, the parcels of land are stated at revalued amount under Level 3 fair value category based on the appraisal report by an independent appraiser dated February 15, 2021. The fair value of land has been derived using the sales comparison approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. Sales prices of comparable land in close proximity are adjusted for differences in key attributes or internal factors such as property size, location, and improvement. The most significant input into this valuation is price per square meter. The land is currently used as a recreational development (golf course) which is the highest and best use of the land.

9 Other non-current assets

Other non-current assets as at June 30, 2024 and December 31, 2023 consist of:

	Note	2024	2023
Prepaid dues, net of current portion		16,108,946	16,708,946
Installment receivables, net of current portion	19	11,319	443,398
Deferred input VAT		-	-
Others		421,877	421,876
		16,542,142	17,574,220

Interest income earned from installment receivables are disclosed in Note 16.

10 Accounts payable and other current liabilities

Accounts payable and other current liabilities as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Trade payables to third parties	46,729,219	65,748,150
Deferred liabilities	22,811,829	18,961,829
Deposits from members	13,921,141	12,531,401
Accrued expenses:		
Renovation costs	-	10,839,587
Statutory liabilities	9,538,818	9,057,960
Withholding taxes	815,011	803,675
Payroll	2,493,088	70,394
Others	6,123,109	2,492,882
Tournament fund	2,680,996	2,814,133

Sinking fund	278,849	273,129
Others	2,098,094	1,924,815
	107,490,154	125,517,955

Deferred liabilities are composed of advance payment of membership fees and assignee fees which are collected fees for those that have not yet passed the eligibility for membership and assignees due to certain requirements.

11 Leases

(a) Club as lessee

The Club has various lease agreements for golf course maintenance equipment and service vehicles. Right-of-use asset is presented as part of golf course maintenance and transportation equipment within property and equipment, net (Note 7) and lease liabilities are presented as separate line items in the statements of financial position. As at June 30, 2024 and December 31, 2023, the carrying amount of right-of-use assets related to the golf course maintenance and transportation equipment is shown below:

	2024	2023
Cost		
At January 1	41,391,970	23,412,623
Additions	7,405,098	20,904,347
Transfers	-	(2,925,000)
At June 30, 2024 and December 31, 2023	48,797,068	41,391,970
Accumulated amortization		
At January 1	9,586,917	4,776,654
Amortization	7,173,266	4,859,013
Transfers	-	(48,750)
At June 30, 2024 and December 31, 2023	16,760,183	9,586,917
Net book values	32,036,885	31,805,053

Movements in the lease liabilities for the years ended June 30, 2024 and December 31, 2023 are as follows:

	Notes	2024	2023
Lease liabilities			
January 1		25,113,754	14,300,926
Non-cash changes			
Principal additions	7	7,405,098	20,904,347
Interest expense	15	1,154,274	1,985,938
Cash changes:			
Principal and interest payments		(14,944,019)	(12,077,457)
June 30, 2024 and December 31, 2023		18,729,107	25,113,754
Lease liabilities			
Current portion		8,643,601	12,676,461
Non-current portion		10,085,506	12,437,293
		18,729,107	25,113,754

Principal and interest payments above represent the total cash outflow for leases. There were no short-term leases, low-value assets that are short-term leases and variable lease payments not included in lease liabilities for the each of the three years in the periods ended June 30, 2024, 2023 and 2022.

Principal and interest payments, and interest expense in 2022 amounted to P13.0 million and P1.36 million, respectively.

(b) *Club as lessor*

On July 28, 2015, the Club executed a concessionaire agreement with a third party which started its operations in April 2016. Similarly, the lessee agreed to become the exclusive concessionaire of the Club's food outlets and shall maintain consistent, continuous and uninterrupted food and beverage operations that meet the Club's standards. In consideration for the lessee's provision of service, all sales arising from food and beverage (F&B) operations shall be booked by lessee. For sales arising from non-club functions regarding F&B operations, the lessee will be charged 10% of its gross sales. No space rental shall be charged to lessee, provided that it shall shoulder all taxes, fees and all costs related to the food and beverage operations including but not limited to salaries and benefits of the employees, supplies and utilities.

Income from the agreement is reported as concessionaires' fee under revenue from club operations in the statements of total receipts and expenses.

12 Proprietary certificates

The Club has a permit from the SEC to offer its securities for sale to the public effective October 23, 1991 at issue/offer prices of P0.8 to P1.0 million per share for Class "A" shares and P1.0 million per share for Class "B" shares. Details of these securities as at June 30, 2024 and December 31, 2023 are as follows:

Type of common shares	Number of securities registered	Number of securities issued and outstanding*	Number of holders of securities	Amount
2024				
Class "A" with no par value**	1,800	1,729	1,457	1,508,650,362
Class "B" with no par value	1,200	1,153	646	1,005,100,242
	3,000	2,882	2103	2,513,750,604
2023				
Class "A" with no par value**	1,800	1,730	1,457	1,508,650,362
Class "B" with no par value	1,200	1,152	646	1,005,100,242
	3,000	2,882	2,103	2,513,750,604

*Number of securities registered minus number of shares of delinquent shareholders acquired through auctions

**Inclusive of 11 Founders' shares

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which 60% of the voting power is owned or controlled by citizens of the Philippines. Class "B" shares may be sold to any parties, irrespective of their nationality or citizenship.

13 Shares of delinquent shareholders acquired through auctions

Class A and Class B shares of delinquent shareholders were acquired by the Club through auctions pursuant to the Club's By-laws as settlement for their long outstanding accounts. A shareholder is considered delinquent when the receivables from the said shareholder have become 60 days overdue.

In 2023 and 2022, the Club acquired through auction the shares of delinquent shareholders amounting to P0.28 million and P0.31 million, respectively which are offset against the installment receivable balance. In 2021, the club paid P1.15 million for the shares of delinquent shareholders acquired through auctions. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as at the date of auction plus costs incurred during auction.

In 2023, the Club entered into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. The total net proceeds and the related acquisition cost amounted to P35.38 million and P0.99 million (2022 - P35.77 million and P1.1 million; 2021 - P25.6 million and P1.7 million), respectively. The outstanding balance are recognized as installment receivables in Notes 3 and 9.

Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price. The installment receivables from such sales are disclosed in Notes 3 and 9.

14 Related party transactions and balances

Related party transactions and outstanding balances of the Club represent transactions and balances with key management personnel and its retirement plan which are considered related parties under PAS 24, Related Party Disclosures.

The summary of the Club's transactions and outstanding balances with related parties as at and for the periods ended June 30, 2024 and December 31, 2023 are as follows:

	2024		2023		Terms and conditions
	Transactions	Outstanding payable	Transactions	Outstanding payable	
<u>Key management personnel</u>					
<u>Salaries and wages</u>	10,324,779	-	22,211,143	-	Payable in cash every month based on contract. Refer to Note 17.
<u>Retirement benefits</u>	993,228	8,820,782	1,980,394	10,165,404	
<u>Retirement plan</u>					
<u>Contributions</u>	4,500,000	-	5,077,534	-	Refer to Note 17.

15 Cost and expenses

Cost and expenses for the periods ended June 30, 2024, 2023 and 2022 are as follows:

	Notes	2024	2023	2022
Salaries and wages		34,513,667	31,259,387	32,158,580
Repairs and maintenance		17,617,988	17,656,433	20,170,279
Security and janitorial		12,949,430	10,838,917	7,692,731
Materials and supplies		9,682,345	9,483,510	8,482,642
Light and water		13,659,905	11,136,846	10,050,321
Other employee benefits		10,501,828	8,833,642	7,139,198
Cost of sales of inventories		5,078,540	3,680,370	4,810,038
Input VAT expense		6,000,000	8,527,042	6,400,453
Fuel and oil		4,227,426	4,882,124	4,733,705
Real property taxes		3,170,711	3,170,711	3,919,535
Taxes and licenses		1,803,975	1,520,253	1,086,603
Retirement benefit expense	17	1,734,681	2,662,724	1,202,760
Professional fees		1,497,601	1,834,654	1,386,310
Communications		898,190	1,303,062	1,071,012
Meetings and conferences		1,128,429	1,121,957	939,066
Contracted services		1,239,773	940,640	151,648
Members' dues and other charges		600,000	600,000	600,000
Others		8,811,503	8,728,152	6,476,505
		135,115,992	128,180,424	118,471,386
Interest expense	11	1,154,274	698,604	679,872
		136,270,266	128,879,028	119,151,258

16 Interest income

The following are the sources of Club's interest income for the periods ended June 30, 2024, 2023, and 2022:

	Notes	2024	2023	2022
Receivables	3	692,232	1,007,442	1,160,236
Cash and cash equivalents	2	32,484	571,383	50,382
Investments	5	1,679,085	672,402	59,024
		2,403,801	2,251,227	1,269,642

17 Retirement benefits

The Club maintains a funded and non-contributory defined benefit retirement plan covering all of its regular and permanent employees. The plan provides for a payment of benefits in lump sum upon attainment of normal retirement age of 60 and completion of at least 5 years if continuous service with the Club in line with Republic Act No. 7641, known as The Retirement Law. In 2022, a change on the retirement plan of the Club was implemented, which provide those employees who opt to voluntarily retire after 30 years of service, or after reaching age of 60 regardless of length of service, shall get 22.5 days per year of service. Benefits provided in the plan are based on the years of credited service and compensation of employees. Annual contribution to the retirement plan consists of retirement costs covering the current service costs for the year plus payments toward funding the accrued retirement benefit costs.

The retirement benefit obligation is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement benefit is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The latest actuarial valuation report prepared by the independent actuary for the year ended December 31, 2023 using the projected unit credit method.

The retirement benefit obligation (asset) as at June 30, 2024 and December 31, 2023 consist of:

	2024	2023
Present value of defined benefit obligation (PVDBO)	47,614,338	46,967,085
Fair value of plan assets (FVPA)	(38,793,556)	(36,801,681)
Retirement benefit obligation (asset)	8,820,782	10,165,404

Movements in the retirement benefit obligation (asset) for the periods ended June 30, 2024 and December 31, 2023 are as follows:

	2024	2023
At January 1	10,165,404	(396,798)
Retirement benefits expense	1,734,681	2,623,941
Remeasurement loss	-	164,856
Contribution	(3,079,303)	(3,000,000)
At December 31	8,820,782	10,165,404

Movements in the PVDBO for the years ended December 31 are as follows:

	2023	2022
At January 1	34,503,057	33,744,317
Current service cost	2,555,174	2,431,139
Past service cost	3,132,175	212,285
Interest cost	2,429,015	1,656,846
Benefits paid	(4,915,616)	(2,025,385)
Actuarial loss (gain) arising from:		
changes in financial assumptions	4,161,992	(3,663,661)
deviations of experience from assumptions	5,101,288	2,147,466
At December 31	46,967,085	34,503,057

Movements in the FVPA for the years ended June 30, 2024 and December 31, 2023 are as follows:

	2024	2023
At January 1	36,801,681	35,111,058
Interest income	1,144,613	2,471,818
Contributions	4,500,000	5,077,534
Benefits paid	(3,652,738)	(4,915,616)
Actuarial loss	-	(943,113)
At June 30, 2024 and December 31, 2023	38,793,556	36,801,681

The plan is administered by a firm of investment fund managers who are authorized to invest the funds as it deems proper. The actual returns on plan assets amounted to a gain of P1,528,705 for the year ended December 31, 2023 (2022 - loss of P4,672; 2021 - gain of P44,536).

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

As at December 31, the carrying amount of the plan asset is the same with its fair value. The allocation of the plan assets as at December 31 are as follows:

	2023	2022
Cash in banks	2.25%	6.36%
Interest receivables	1.11%	0.50%
Investments in equity securities	96.64%	93.14%

Descriptions of each category are as follows:

- Cash in banks consist of current account, savings deposit and special savings deposit;
- Receivables consist of interest receivables; and
- Investments in equity securities consist of short-term equity investments and time certificates of deposit.

The plan's investments do not have any concentration risk.

The Club is expected to contribute P3,000,000 to the plan assets in 2024.

Retirement benefit expense for the years ended December 31 are as follows:

	2023	2022	2021
Current service cost	2,555,174	2,431,139	2,488,983
Past service cost	3,132,175	212,285	-
Net interest	(42,803)	(19,483)	29,695
	5,644,546	2,623,941	2,518,678

The past service cost pertains to changes on retirement benefit plan for the year ended December 31, 2023 and 2022.

Movements in the remeasurement loss on retirement benefits under other comprehensive income for the years ended December 31 are as follows:

	2023	2022	2021
At January 1	(1,009,524)	(844,668)	(1,601,349)
Actuarial gain (loss)	(10,206,393)	(164,856)	756,681
At December 31	(11,215,917)	(1,009,524)	(844,668)

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

	2023	2022
Discount rate	6.06%	7.04%
Salary increase rate	5.00%	5.00%

Assumptions regarding future mortality and disability experiences are based on the 1994 Group Annuity Table and the 1952 Disability Table, respectively.

The weighted average duration of the defined benefit obligation is 17 years in 2023 (2022 - 12 years).

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the PVDBO as at December 31, assuming all other assumptions are held constant:

	Change in basis points	Increase (Decrease) in PVDBO	
		2023	2022
Discount rate	+100	(4,241,148)	(2,830,356)
	-100	4,893,320	3,268,449
Salary increase rate	+100	4,898,070	3,310,412
	-100	(4,375,308)	(2,933,005)

The maturity profiles of the undiscounted benefit payments as at December 31 are as follows:

	2023	2022
Within five years	19,906,647	11,099,290
Between six to 10 years	31,621,197	29,696,074
Between 11 to 15 years	44,773,102	34,469,019
Between 16 to 20 years	41,484,016	29,450,505
More than 20 years	72,576,206	59,490,559

18 Income taxes

Income tax expense for the years ended December 31, 2023 pertain to minimum corporate income tax (MCIT) amounting to P402,120 (2022 - P159,060; 2021 - P135,197).

The Club's deferred income tax liabilities as at December 31, 2023 pertain to 25% income tax effects of its revaluation gain of land in 2021. The deferred income tax liability of the Club as of December 31, 2023 and 2022 amounted to P1.03 billion.

Deferred income tax assets, net on the following temporary differences as at December 31 have not been recognized since management believes that the Club may not have sufficient future taxable income for these deferred income tax assets to be able to utilize:

	2023	2022
Retirement benefit liability(asset)	10,165,404	(608,001)
Unamortized past service costs	8,441,001	6,680,407
Remeasurement loss on retirement benefit obligation	(11,215,917)	(679,813)
Provision for retirement benefits	7,390,488	5,392,593
Net operating loss carry-over (NOLCO)	18,477,953	13,487,146
Other provisions	8,468,902	7,086,075
Subtotal	34,337,343	25,965,814
Multiply: Income tax rate	25%	25%
Tax effect	8,584,336	6,491,453
Minimum corporate income tax (MCIT)	696,377	424,343
Unrecognized deferred income tax assets, net	9,280,713	6,915,796

On June 26, 2019, the Supreme Court declared through General Register 228539 that membership fees, assessment dues, and fees of similar nature collected by clubs which are organized and operated exclusively for the pleasure, recreation, and other non-profit purposes are not subject to income tax and VAT.

In compliance with the National Internal Revenue Code of 1997 and as implemented under Revenue Regulation No. 14-2001, the net operating losses incurred for taxable years prior to 2020 can be carried over as a deduction from gross income for the next three (3) consecutive taxable years following the year of such loss.

Pursuant to Section 4 of Republic Act (RA) No. 11494, otherwise known as the “Bayanihan to Recover as One Act” and as implemented under Revenue Regulation No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Club's NOLCO as at December 31 are as follows:

Year incurred	Year of expiry	2023	2022
2018	2021	-	-
2019	2022	-	106,903,015
2020	2025	5,912,230	5,912,230
2021	2026	3,002,549	3,002,549
2022	2025	4,572,367	4,572,367
2023	2026	4,990,807	-
		18,477,953	120,390,161
Expired		-	(106,903,015)
Net operating loss carry-over		18,477,953	13,487,146

On March 26, 2021, Republic Act (RA) No. 11534, Corporate Recovery and Tax Incentives for Enterprises Act otherwise known as CREATE, was signed into law which lowered the Club's RCIT rate from 30% to 25% starting July 1, 2020. Also, under CREATE and RR No. 5-2021, the Minimum Corporate Income Tax (MCIT), was lowered to 1% effective 1 July 2020 to 30 June 2023, after which it will revert to 2%.

The details of the Club's MCIT as at December 31 are as follows:

Year incurred	Year of expiry	2023	2022
2018	2021	-	-
2019	2022	-	349,682
2020	2023	130,086	130,086
2021	2024	135,197	135,197
2022	2025	159,060	159,060
2023	2026	402,120	-
		826,463	774,025
Expired		(130,086)	(349,682)
MCIT		696,377	424,343

Reconciliations between the income tax computed at statutory income tax rate and the effective income tax expense shown in the statements of total receipts and expenses for the years ended December 31 are as follows:

	2023	2022	2021
Income tax at statutory income tax rates	(1,778,929)	(4,896,462)	(4,215,955)
Adjust for income tax effects of:			
Non-deductible expenses	48,772,951	47,898,942	44,046,017
Changes in unrecognized deferred income tax assets	2,577,430	1,132,893	(4,276,359)
Interest income subjected to final tax	(722,833)	(217,288)	(44,647)
Non-taxable income	(48,446,499)	(43,759,025)	(41,582,882)
Impact of CREATE Act	-	-	6,209,023
Effective income tax expense	402,120	159,060	135,197

19 Financial risk and capital management

19.1 Financial risk factors

The main risks arising from the Club's financial instruments are credit and liquidity risks. The members and the BOD review and approve the policies of managing each of the risks which are summarized below.

(a) Credit risk

Credit risk arises when a customer or counterparty fails to discharge an obligation and cause the Club to incur a financial loss.

The Club's receivables are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. The Club ensures that applicant for membership shall undergo a series of verifications to determine the individual or company financial capability and credit history. In case of delinquency, the Club's by-laws provide clear cut measures and sanctions against members with unpaid accounts. In addition, the Club has first lien on every proprietary certificate to ensure debts of members arising from unpaid membership dues and other club charges are recovered. Sales of products and services to non-members, i.e., members' guests are on cash basis. In the case of membership dues, advance payments promotions are launched each year with incentives on early annual payments to reduce receivables from member. These minimize the credit risk exposure any margin loss from possible default in the payment of receivables.

The table below shows the maximum exposure from credit risk for the Club's financial assets at amortized cost without taking account of any collateral and other credit enhancements as at June 30, 2024 and December 31, 2023:

	Notes	2024	2023
Cash and cash equivalents*	2	181,292,358	100,254,930
Receivables**	3	21,007,136	30,893,862
Installment receivables, net of current portion	9	11,319	443,398
Investments	5	-	81,386,232
		202,310,813	212,978,422

*Excludes cash on hand

**Excludes advances to suppliers and advances to officers and employees

The Club uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below:

- **Grade A** - This applies to highly rated financial obligors and strong counterparties with whom the Club has excellent collection experience, i.e., collections are made even before maturity date.
- **Grade B** - This applies to financial assets that are performing as expected or where counterparty pays on due dates.
- **Grade C** - This applies to accounts that are past due but are not impaired since are subsequently collected within 90 days from reporting date.
- Accounts not within Grades A, B and C are considered long outstanding and subject to expected credit loss allowance.

(i) Cash and cash equivalents

The Club's policy on counterparty risk management is to work with a select group of relationship banks which are licensed commercial and universal banks as defined by the Philippine Banking System. Credit risk exposure is low since commercial and universal banks represent the largest single group, resource-wise, of financial institutions in the country. Cash and cash equivalents are also deposited among the top ten banks in the Philippines, hence, considered Grade A.

(ii) Receivables, including non-current installment receivables

Credit rating of receivables, including non-current installment receivables, as at June 30, 2024 and December 31, 2023 are as follows:

	2024	2023
Grade A	13,736,576	28,969,727
Grade B	2,233,206	2,367,533
	16,058,782	31,337,260

(iii) Investments

There is minimum exposure to credit risk of investments in time deposits, treasury bills and treasury bonds as these are placed in various institutions with high credit ratings, as such, expected credit loss on the balance has therefore been assessed to be insignificant.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Club may encounter collection problem that will lead to difficulties in raising funds to meet or settle its obligations and to finance its activities.

The Club monitors its liquidity risk to a shortage of funds through monitoring of collections and projected cash flows from operations. The Club maintains sufficient cash to finance operations. Any excess fund is invested in cash equivalents to augment income generation. The Club's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Club also maintains a financial strategy that the scheduled payment of payables is well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities at amortized cost subject to liquidity risk based on contractual undiscounted payments as at June 30, 2024 and December 31, 2023:

	Note	On demand	Less than 3 months	Between 3 to 6 months	Between 6 to 12 months	Over 1 year	Total
2024							
Accounts and other current liabilities*	10	53,657,802	11,264,558	278,769	1,203,849	-	66,404,978
Lease liabilities**		-	2,987,601	5,655,999	8,258,196	1,827,310	18,729,106
		53,657,802	14,252,159	5,934,768	9,462,045	1,827,310	85,134,084
2023							
Accounts and other current liabilities*	10	73,317,889	19,267,864	819,755	201,721	-	93,607,229
Lease liabilities**		-	3,187,574	3,197,073	6,052,646	12,676,461	25,113,754
		73,317,889	22,455,438	4,016,828	6,254,367	12,676,461	118,720,983

*Excludes deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund

**Based on minimum lease payments

19.2 Fair value of financial instruments

The carrying values of the Club's financial instruments as at reporting dates approximate their fair values due to their short-term nature. For non-current installment receivables and investment in treasury bills and treasury bonds, the carrying amounts approximate their fair values since the impact of discounting is immaterial. For non-current lease liabilities, the carrying amounts approximate their fair values due to discounting.

19.3 Capital management

The primary objective of the Club's capital management is to ensure the Club's ability to continue as a going concern so that it can continue provide service to its members and benefits for other stakeholders. The Club's capital pertains to proprietary certificates, shares of delinquent shareholders acquired through auctions, excess of proceeds over cost from re-issuance of shares to delinquent shareholders, and deficit. There were no changes in the Club's capital management policies for the years ended December 31, 2023 and 2022. There are no other externally imposed capital requirements on the Club.

As at June 30, 2024 and December 31, 2023, the details of the Club's capital are as follows:

	2024	2023
Proprietary shares	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	(31,393,695)	(31,441,819)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	131,802,371	124,907,275
Other comprehensive income	3,064,142,093	3,064,142,093
Cumulative excess of costs and expenses over receipts	(1,051,724,116)	(1,058,037,465)
	4,626,577,257	4,613,320,688

20 Critical accounting estimates, assumptions and judgments

The preparation of the Club's financial statements requires management to make judgment, estimates and assumptions that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment, estimates and assumptions used in arriving at the estimates to change. The effects of any change in judgment, estimates and assumptions are reflected in the financial statements as they become reasonably determinable.

20.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared.

(a) Expected credit losses (ECL) of financial assets at amortized cost

The Club applied the ECL model associated with its financial assets at amortized cost. The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Club uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For receivables, the Club uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of active members that have similar loss patterns. The provision matrix is initially based on the Club's historical observed default rates. The Club then calibrates the matrix to adjust the credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Club's historical credit loss experience and forecast of economic conditions may also not be representative of member's actual default in the future. Based on management's assessment, no impairment losses are required on financial assets at amortized cost as at December 31, 2023 and 2022 due to the low credit risk exposure as discussed in Note 19.1(a).

(b) Useful lives of property and equipment

The useful life of each of the Club's item of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses and brought about by changes in the factors mentioned.

A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease the carrying value of property and equipment.

There were no changes in estimated useful lives of property and equipment in 2023 and 2022. The carrying values of property and equipment as at December 31, 2023 and 2022 are disclosed in Note 7.

(c) Fair value of land

The Club measures its land at revalued amount with changes in fair value being recognized in the other comprehensive income. The Club has established a process by which measurement of fair value of the land is in place for financial reporting purposes. This primarily involves the expertise of an independent valuer. The valuer considers certain unobservable inputs and valuation adjustments to provide a reasonable indication of fair value. Any significant changes to these inputs and adjustments could significantly affect the amount of the fair values.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements as at December 31, 2023 and 2022:

Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
External factor (asking price discount)	-10%	The higher the negative input, the lower the fair value
Internal factors (location, size and development)	-10%	

There were no significant interrelationships between unobservable inputs that materially affects fair values. Further information about the assumptions made in measuring the fair values is disclosed in Note 8.

(d) Retirement benefits

The cost of retirement benefits as well as the PVDBO is determined using actuarial valuations. The actuarial valuation involves making various assumptions including the determination of the discount rates, rate of increase in compensation, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of Philippine government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates for the Philippines. Further information about the assumptions made in measuring the PVDBO and FVPA are disclosed in Note 17.

In determining the long-term rates of return, the Club considers the nature of the plans' investments, an expectation for the plans' investment strategies, historical rates of return and current economic forecasts. The Club evaluates the expected long-term rate of return annually and adjusts as necessary. The activities of the plan expose it to a variety of risks. The management of these risks and the overall investment policy and strategy of the retirement plan are based on the trustee bank's assessment in compliance with local regulations and practice. Responsibility for governance of the retirement plan, including investment decisions and contribution schedules, lies jointly with the Club and the trustee bank.

The Club's management ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt and equity securities, consisting of investments in government securities, mutual funds and unit investment trust fund, with maturities that match the benefit payments as they fall due. Assets are invested in different classes in order to maintain balance between risk and return. Investments are diversified to limit the financial effect of any individual investment.

20.2 Critical judgments in applying the Club's accounting policies

In the process of applying the Club's accounting policies, management has made the following judgments, apart

from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as of reporting date.

(a) Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. Distribution of free green fee coupons, an incentive when a member pays one-year membership dues in advance, is a separately identifiable promise and is not combined with the obligation related to the membership dues since this is distinct within the context of the contract.

(b) Determining the timing of recognizing membership fees and assessments

The Club charges membership dues, membership fees and assignee fees. The Club has concluded that it incurs an obligation to provide services to the members for the fees received and such shall be recognized over time as the members receive substantially the benefits and privileges of being a member. Membership fees are recognized as earned over the average life stay of members which is determined to be four years based on the eight-year historical membership data of the Club.

(c) Income taxes

A certain degree of judgment is required in determining the provision for income taxes, as there are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets as at December 31, 2023 and 2022 are disclosed in Note 18.

(d) Contingencies

The Club determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management's assessment is developed in consultation with the Club's legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable.

The Club is a respondent in cases arising from the normal course of business, the outcome of which cannot be presently determined. In the opinion of the Club's management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Club's financial statements.

21 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

21.1 Basis of preparation

The financial statements of the Club have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) (formerly Financial Reporting Standards Council (FRSC)) and adopted by the SEC.

The financial statements of the Club have been prepared under a historical cost basis, except for land and fair value of plan assets which are measured at fair value.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 20.

Changes in accounting policies and disclosures

(a) New standards, amendment to existing standards and interpretations applied by the Club

The Club has applied the following standard for the first time for their annual reporting period commencing January 1, 2023:

- Disclosure of accounting policies - Amendments to PAS 1 and PFRS Practice Statement 2

PAS 1, "Presentation of Financial Statements" was amended to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effects of adoption of amendments to PAS 1 and PFRS Practice Statement 2 as at January 1, 2023 are considered in the summary of material accounting policies (Note 21).

- Definition of accounting estimates - Amendments to PAS 8

The amendment to PAS 8, "*Accounting Policies, Changes in Accounting Estimates and Errors*" clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The adoption did not have a significant impact on the Club's financial statements as at December 31, 2023 and 2022.

- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to PAS 12

The amendments to PAS 12, "*Income Taxes*" require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings, or another component of equity, as appropriate. PAS 12 did not previously address how to account

for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The adoption did not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted by the Club

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Club. These standards, amendments or interpretations are not expected to have a material impact on the Club in the current or future reporting periods and on foreseeable future transactions.

21.2 Cash equivalents; Investments in treasury bills and treasury bonds

Term deposits, treasury bill, and treasury bonds are presented as cash equivalents if they have a maturity of three months or less at the time of acquisition and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

Term deposits, treasury bill, and treasury bonds with maturity of more than three (3) months but not beyond twelve (12) months at the time of acquisition are classified as short-term investment.

Investment in treasury bills and time deposits are carried in the statements of financial position at amortized cost. Other relevant policies are discussed in Note 21.4.

21.3 Receivables

Receivables from members are generally on a 30-day term. When an account is 60 days past due, the BOD reviews and approves membership as delinquent shares which will then be subject for auction (Note 13).

Upon approval of delinquent shareholdings, the Club will enter into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance, which are recognized as installment receivable, of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price.

Other relevant policies are disclosed in Note 21.4, except for advances to suppliers and advances to officers and employees which are not considered financial assets.

Advances to suppliers represent initial payments for purchases while advances to officers and employees are cash advances which are subject to liquidation. These are reclassified to another asset account or expense when the service or goods is provided by or received from the supplier, or the advance is liquidated.

21.4 Financial instruments

Financial assets

(a) Classification

The Club only holds financial assets at amortized cost as at December 31, 2023 and 2022.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, if any, is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented in other income and expense. Impairment losses, if any, are presented in the statement of total comprehensive income as expenses.

The Club's financial assets measured at amortized cost comprise of cash and cash equivalents (Note 21.2), receivables (Note 21.3), investments in treasury bills and treasury bonds (Note 21.2) in the statement of financial position.

Financial assets measured at amortized cost are carried at amortized cost using the effective interest method.

(b) Impairment

The Club recognizes an expected credit loss for all debt instruments not held at FVPL. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For cash and cash equivalents, past due receivables, investments in treasury bills and treasury bonds, the Club applies a general approach in calculating expected credit losses. The Club recognizes a loss allowance based on either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk on these financial assets since initial recognition.

For current receivables, the Club applies a simplified approach in calculating expected credit losses. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Club 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.

The Club considers a financial asset in default when contractual payments are past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

The Club's financial liabilities are limited to financial liabilities at amortized cost.

Financial liabilities at amortized cost pertain to issued financial instruments that are not classified as fair value through profit or loss and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than twelve (12) months after the reporting period which are classified as non-current liabilities.

The Club's accounts payable and other current liabilities (excluding deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund) and lease liabilities are classified under financial liabilities at amortized cost.

21.5 Inventories

Inventories comprise mainly merchandise goods for sale in the Club's pro-shop, and material and supplies for the maintenance of the golf club. These are initially recorded at cost and are valued at the lower of cost and net realizable value (NRV). Costs are accounted for using first-in, first-out basis. The NRV of inventories is its current replacement cost or at the estimated selling price in the ordinary course of business less applicable variable selling expenses

Inventories are periodically reviewed and evaluated for obsolescence. An allowance for inventory obsolescence is provided for slow moving, obsolete, defective or damaged inventories based on physical inspection and management evaluation. Obsolete inventories are scrapped or disposed of and related costs are charged to profit or loss.

Write-offs represent the release of previously recorded provision from the allowance account and credited to the inventory account following the disposal of the inventories.

Reversals of previously recorded provisions are credited in profit or loss based on the result of management's update assessment, considering available facts and circumstances, including but not limited to net realizable value at the time of disposal.

Inventories are derecognized when they are sold or consumed, or there are no future benefits to the Club. The carrying amount of those inventories is recognized, reported as part of cost and expenses in profit or loss in the period incurred (for material and supplies) or in which the related revenue is recognized (for inventories for sale).

21.6 Property and equipment, and land

Land is recognized at fair value based on periodic, but at least triennial, valuations by external independent appraiser. A revaluation surplus is credited to other comprehensive income. Increases in the carrying amounts arising from revaluation of land are recognized, net of tax, in other comprehensive income and accumulated in "Other comprehensive income" in members' equity. All other property, plant and equipment is recognized at historical cost less accumulated depreciation and impairment, if any.

Land is not depreciated. Depreciation of other property and equipment is computed using the straight-line method to allocate the costs of the assets over their estimated useful lives as follows:

Asset class	Estimated useful life in years
Golf course developments	15 - 40
Buildings and improvements	3 - 35
Golf course maintenance and transportation equipment	1 - 5
Furniture, fixtures and office equipment	1 - 5
Clubhouse equipment	3 - 5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 21.7).

When revalued assets are sold, it is Club's policy to transfer any amounts included in other comprehensive income in respect of those assets to cumulative excess of costs and expenses over receipts or cumulative excess receipts over costs and expenses.

21.7 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that an asset (e.g., land, property and equipment) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and 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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognized in the statements of total receipts and expenses in those expense.

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, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of total receipts and expenses.

After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

21.8 Accounts payable and other current liabilities

Accounts payable and other current liabilities are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim against the Club is established. This is recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method which is normally equal to its nominal amount. Other relevant policies are disclosed in Note 21.4, except for deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund.

Deferred liabilities represent payments received from membership applicants. These are recognized as income when the application is approved; otherwise, the payments received by the Club are refunded.

Statutory liabilities and accrued expenses for withholding tax are not considered financial liabilities and not subject to discounting but are derecognized similarly.

Sinking fund and tournament fund are payments received from members for a specific purpose. These are derecognized when expenditures for the specific purpose is incurred. Any excess fund at the end of the specific purpose will be charged directly to cumulative excess of costs and expenses over receipts.

21.9 Leases

(a) Club as lessee

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Club's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Club:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Interest expense from lease liabilities is reported under cash flows from operations in the statement of cash flows.

Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Club is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(b) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Club becomes obliged to exercise (or not exercise) it.

The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

(c) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of total comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

(b) Club as lessor

Leases in which the Club does not transfer substantially all the risk and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and derecognized over the lease term on the same bases as lease income.

Operating lease payments are recognized as an income or expense in the statements of total receipts and expenses on a straight-line basis over the lease term. Variable lease payments are recognized as income or expense when incurred.

21.10 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT), to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Club reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are derecognized when the relevant temporary differences are realized/settled or recoverability is no longer probable.

21.11 Equity

Proprietary certificates are shares of stock have no par value and recorded equal to the proceeds and/or fair value of considerations received. Incremental costs incurred directly attributable to the issuance of new shares are shown as a deduction from proceeds, net of tax.

Shares of delinquent shareholders acquired through auctions represents the Club's proprietary certificates which are reacquired by the Club and deducted from equity. No gain or loss is recognized in the statements of total receipts and expenses on the purchase, sale, issue or cancellation of the Club's own equity instruments. Excess of proceeds over cost from re-issuance of shares of delinquent shareholders is presented as another line item under equity.

Other comprehensive income represents the accumulated revaluation gain of land, net of tax, and

remeasurement of retirement benefits.

Deficit represents the net losses accumulated over the years from the Club's operations. Deficit may also include effect of changes in accounting policy as may be required by the respective standard's transitional provisions.

21.12 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use. The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

As at December 31, 2023 and 2022, the Club has no assets and liabilities measured at fair value, except for land and FVPA at Level 3 and Level 1 fair value categories, respectively.

21.13 Membership fees and assessments, and revenues from club operations

(a) Membership fees and assessments

These represents fees received from members as part of Club privileges. These are recognized as follows:

- Membership dues are annual dues from existing members. These are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Membership fees are one-time joining fees for members which are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Transfer fees are charged on the transfer of golf shares from an existing member to another buyer. These are recognized when such transfer is completed.
- Annual playing rights are recognized upon transfer of playing rights to the assignee. These are recognized when such transfer is completed.
- Special assessments are recognized upon receipt of the fee collected for a specific purpose or project.

(b) Revenues from club operations

The Club recognizes revenue as control is passed, either (i) over time when the customer simultaneously receives and consumes all of the benefits provided by the Club as the Club performs; or (ii) at a point in time when control is passed at a certain point in time as described below.

- Green fees and tourist fees, tournament fees, and club events represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.
- Sales of golf merchandise are recognized at a point in time when the goods are delivered to the buyer.
- Locker, golf cart and equipment rental fees, and concessionaires' fees represent rental income
- Other income are recognized when earned.

(c) Interest income

Interest income, which is presented net of applicable tax withheld, is recognized on a time-proportion basis using the effective interest method.

21.14 Costs and expenses

Cost and expenses are recognized in the statements of total receipts and expenses in the period these are incurred.

Interest expense is recognized on a time-proportion basis using the effective interest method.

21.15 Employee benefits

(a) Short-term employee benefits

The Club recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves, and bonuses. Bonuses are based on a formula that takes into consideration the employee's salary, length of service and performance evaluation. The Club recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

(b) Retirement benefits

The Club has a funded and non-contributory defined benefit retirement plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the PUC method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds converted into zero coupon rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the present value of the defined benefit obligation and the fair value of plan assets. This cost is included in personnel costs in the statement of total comprehensive income.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which these occur, directly in other comprehensive income as shown in the statement of total comprehensive income. Other comprehensive income is presented within equity in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately within personnel costs in the statement of total comprehensive income as past service costs.

22 Supplementary information required by the BIR

The following information required by Revenue Regulations No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared for the period ended June 30, 2024 and the receipts upon which the same were based consist of:

	Gross Receipts	Output VAT
Taxable receipts	70,973,980	8,516,878
Exempt receipts	109,562,624	-
	180,536,604	8,516,878

Receipts subject to VAT are based on gross receipts, less actual discounts, if any, while receipts in the statement of total receipts and expenses are measured in accordance with the policies in Note 21.13.

(b) Input VAT

Details of input VAT as at and for the period ended June 30, 2024 are as follows:

	Amount
Balance at beginning of year	-
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	3,394,705
Capital goods subject to amortization	3,103,953
Capital goods not exceeding 1 million	912,413
Importation of goods other than capital goods	47,210
Services lodged under cost and expenses	3,420,539
Claims for tax credit/refund and other adjustments*	(10,604,686)
Balance of deferred input tax to be amortized	(274,134)
Balance at end of period	-

*Pertains to total input VAT claimed against output VAT, and expensed due to allocation to exempt receipts

(c) Importations

The Club made importations amounting to P367,270.63 and has paid the corresponding import and customs duties and tariff fees amounted to Php55,695.23 as of June 30, 2024

(d) Excise tax

The Club had no transactions subject to excise tax for the period ended June 30, 2024.

(e) Documentary stamp tax

Documentary stamp taxes paid for the period ended June 30, 2024 amounted to P20,793.97 pertaining to insurance and finance leases.

(f) Other taxes and licenses

All other taxes and licenses for the period ended June 30, 2024 are as follows:

	Amount
Local taxes	
Real property taxes	3,170,711
Business permit	1,580,403
Community tax certificate	10,500
Other national taxes	
Registration to other government agencies	131,659
Annual water charges	55,435
Others	5,685
	4,954,392

The amounts above and documentary stamp taxes paid in (e) are lodged in the taxes and licenses and real property taxes accounts under costs and expenses section in the Club's statement of total receipts and expenses for the period ended June 30, 2024.

(g) Withholding taxes

Withholding taxes paid and accrued by the Club as at and for the period ended June 30, 2024 are as follows:

	Paid	Accrued	Total
Withholding tax on compensation	1,457,609	309,493	1,767,102
Expanded withholding taxes	1,998,081	252,627	2,250,708
	3,455,690	562,120	4,017,810

(h) Tax assessments and cases

The Club has no pending tax assessments with the BIR and cases, litigation and/or prosecution in courts or bodies outside the BIR as at June 30, 2024.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at June 30, 2024
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income received and accrued
Financial assets at amortized cost				
Cash and cash equivalents	-	182,234,702	182,234,702	32,484
Receivables, net, including non-current portion of installment receivables	-	37,634,448	37,634,448	692,232
Investments	-	-	-	1,679,085
	-	219,869,150	219,869,150	2,403,801

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at June 30, 2024
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non-current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corporate Secretary	42,406	7,841	9,000	-	3,234	38,013	41,247
Robert John L. Sobrepena, Chairman	44,379	35,275	56,795	-	22,859	-	22,859
Daniel C. Samaniego, Director	51,879	24,528	60,879	-	13,230	2,298	15,528
Francisco C. Gonzalez, Director	40,872	38,953	56,141	-	9,139	14,545	23,684
Alfredo M. Mendoza, Director	33,454	12,276	9,000	-	2,160	34,570	36,730
John R. Cope, Employee	24,554	134,482	83,500	-	49,301	26,235	75,536
	237,544	253,355	275,315	-	99,923	115,661	215,584

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the consolidation of financial statements
As at June 30, 2024
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non-current	Ending balance
			Amount collected	Amount written-off			
Not applicable							

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at June 30, 2024
(All amounts in Philippine Peso)

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
Obligation under finance lease*	18,729,107	8,643,601	10,085,506

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule E - Indebtedness to Related Parties
As at June 30, 2024
(All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at June 30, 2024
(All amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
Not applicable				

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at June 30, 2024
(All amounts in Philippine Peso)

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		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,729	-	-	12	1,717
Class "B" common shares	1,200	1,153	-	-	2	1,151
	3,000	2,882	-	-	14	2,868

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						1	8	1	0	6	9
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COMPANY NAME

T	H	E		M	A	N	I	L	A		S	O	U	T	H	W	O	O	D	S		G	O	L	F		&		C
O	U	N	T	R	Y		C	L	U	B	,		I	N	C	.		(	A		N	o	n	p	r	o	f	i	t
	C	o	r	p	o	r	a	t	i	o	n	)																	

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

S	o	u	t	h	w	o	o	d	s		B	o	u	l	e	v	a	r	d	,		B	o	.		C	a	b	i
l	a	n	g		B	a	y	b	a	y	,		C	a	r	m	o	n	a	,		C	a	v	i	t	e		

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

armand.sierra@manilasouthwoods.com

Company's Telephone Number

(046) 419-8190

Mobile Number

N/A

No. of Stockholders

2,052

Annual Meeting (Month / Day)

June of each year

Fiscal Year (Month / Day)

December/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Armando D. Sierra

Email Address

armand.sierra@manilasouthwoods.com

Telephone Number/s

(046) 419-8190

Mobile Number

0917-881-4314

CONTACT PERSON'S ADDRESS

Southwoods Ave., Cabilang Baybay, Carmona, Cavite

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

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



John Gordon <jmgordon.manilasouthwoods@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

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

Fri, Apr 12, 2024 at 4:50 PM

To: JMGORDON.MANILASOUTHWOODS@gmail.com

Cc: ARMAND_SIERRA@yahoo.com

Hi THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB INC.,

Valid files

- EAFS000645256RPTTY122023.PDF
- EAFS000645256TCRTY122023-02.pdf
- EAFS000645256TCRTY122023-01.pdf
- EAFS000645256ITRTY122023.pdf
- EAFS000645256AFSTY122023.pdf

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- <None>

Transaction Code: **AFS-0-4ZSS1VS309FLF98GFQSWQMYT303VW2VTMY**

Submission Date/Time: **Apr 12, 2024 04:50 PM**

Company TIN: **000-645-256**

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.



THE MANILA SOUTHWOODS
GOLF AND COUNTRY CLUB

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **THE MANILA SOUTHWOODS GOLF & COUNTRY 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 in 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.

Isla Lipana & Co., the independent auditor, appointed by the Stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


ROBERT JOHN L. SOBREPEÑA
Chairman of the Board of Directors


FERDINAND T. SANTOS
President


RAFAEL PEREZ DE TAGLE, JR.
Treasurer

February 28, 2024

GMA. CAVITE


DOC. NO. 745
DE NO. 29
BOOK NO. 44
SERIES OF 2024

Southwoods Blvd., Carmona, Cavite, Philippines 4116
Trunkline No. (046) 419-8190 / (02) 779-5590


ATTY. CESAR ANTHONY S. SOLIS
NOTARY PUBLIC IN THE PHILIPPINES
PRTY. 2017 CAVITE 01/02/24
BHLIFE MEMBER NO. 011212
MCLE COM. NO. 001212 PASIG CITY
6RGY. POB. 2 GEN. MARIANO ALVAREZ, CAVITE
ROLL NO. 55902



Independent Auditor's Report

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Manila Southwoods Golf & Country Club, Inc. (the "Club") as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Club comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of total receipts and expenses for each of the three years in the period ended December 31, 2023;
- the statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (the "Code of Ethics"), together with the ethical requirements that are relevant to our audits 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.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



Independent Auditor's Report
To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Page 2

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 Club'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 Club or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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, they 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report
To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Page 3

- 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 Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Club 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 audit.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Pocholo C. Domondon".

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 12, 2024 at Makati City

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 28, 2024



**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. (the "Club") as at and for the year ended December 31, 2023 on which we have rendered the attached report dated February 28, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary, the Club has three (3) shareholders owning one hundred (100) or more shares each as at December 31, 2023.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Pochoy C. Domondon".

Pochoy C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 12, 2024 at Makati City

T.I.N. 213-227-235

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Makati City
February 28, 2024

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

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**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 28, 2024. The supplementary information shown in Schedules A, B, C, D, E, F, and G, as additional components required by SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information have been prepared in accordance with SRC Rule 68.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Pocholo C. Domondon".

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 12, 2024 at Makati City

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The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Financial Position
As at December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	101,597,273	136,986,029
Receivables	3	45,824,332	47,397,303
Inventories	4	27,349,124	25,928,058
Investments, current	5	81,386,232	14,999,755
Prepayments and other current assets	6	12,719,425	11,378,785
Total current assets		268,876,386	236,689,930
Non-current assets			
Property and equipment, net	7	310,409,374	226,559,737
Land	8	5,305,108,000	5,305,108,000
Investment, net of current portion	5	-	14,971,167
Retirement benefit asset	17	-	608,001
Other non-current assets	9	17,574,220	24,616,544
Total non-current assets		5,633,091,594	5,571,863,449
Total assets		5,901,967,980	5,808,553,379
Liabilities and Members' Equity			
Current liabilities			
Accounts payable and other current liabilities	10	125,517,955	84,903,911
Current portion of unearned receipts		59,224,396	50,681,982
Current portion of lease liabilities	11	12,676,461	6,700,367
Total current liabilities		197,418,812	142,286,260
Non-current liabilities			
Unearned receipts, net of current portion		43,506,446	37,877,693
Lease liabilities, net of current portion	11	12,437,293	7,600,559
Retirement benefit obligation	17	10,165,404	-
Deferred income tax liability	18	1,025,119,337	1,025,119,337
Total non-current liabilities		1,091,228,480	1,070,597,589
Total liabilities		1,288,647,292	1,212,883,849
Members' Equity			
Proprietary shares	12	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	13	(31,441,819)	(32,434,614)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	13	124,907,275	90,524,682
Other comprehensive income	8,18	3,064,142,093	3,074,348,486
Cumulative excess of costs and expenses over receipts		(1,058,037,465)	(1,050,519,628)
Total equity		4,613,320,688	4,595,669,530
Total liabilities and members' equity		5,901,967,980	5,808,553,379

The notes on pages 1 to 27 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Total Receipts and Expenses
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Membership fees and assessments				
Membership dues		122,870,233	117,981,592	118,960,919
Membership fees		28,378,262	23,827,276	21,191,943
Transfer fees		25,500,000	21,700,000	17,000,000
Annual playing rights fees		17,037,500	11,527,231	9,178,666
		193,785,995	175,036,099	166,331,528
Revenues from club operations				
Green fees and tourist fees		62,727,805	47,190,660	29,790,118
Locker, golf cart and equipment rental fees		28,206,413	26,823,169	15,756,858
Sale of golf merchandise		13,089,212	13,792,008	5,107,809
Tournament fees		4,803,838	3,175,183	-
Concessionaires' fees		94,675	117,498	-
Others		2,168,561	1,983,692	1,320,792
		111,090,504	93,082,210	51,975,577
Other income				
Interest income	16	4,618,995	3,252,720	3,175,277
Receipts and income		309,495,494	271,371,029	221,482,382
Costs and expenses	15	(270,957,755)	(250,012,730)	(197,293,956)
Excess of receipts over costs and expenses before depreciation and income tax		38,537,739	21,358,299	24,188,426
Depreciation expense	7	(45,653,456)	(40,944,148)	(41,052,244)
Excess of costs and expenses over receipts before income tax		(7,115,717)	(19,585,849)	(16,863,818)
Income tax expense	18	(402,120)	(159,060)	(135,197)
Net loss		(7,517,837)	(19,744,909)	(16,999,015)
Other comprehensive income (loss)				
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation gain of land, net of tax	8,18	-	-	205,023,867
Remeasurement gain (loss) on retirement benefit plan	17	(10,206,393)	(164,856)	756,681
		(10,206,393)	(164,856)	205,780,548
Total comprehensive income (loss)		(17,724,230)	(19,909,765)	188,781,533

The notes on pages 1 to 27 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Proprietary shares (Note 12)	Shares of delinquent shareholders acquired through auctions (Note 13)	Excess of proceeds over cost from re-issuance of shares of delinquent shareholders (Note 13)	Other comprehensive income (loss) (Notes 8,17,18)	Cumulative excess of costs and expenses over receipts	Total equity
Balances as at January 1, 2021	2,513,750,604	(35,267,975)	31,914,694	2,868,732,794	(1,013,775,704)	4,365,354,413
Net loss	-	-	-	-	(16,999,015)	(16,999,015)
Other comprehensive income	-	-	-	205,780,548	-	205,780,548
Total comprehensive income	-	-	-	205,780,548	(16,999,015)	188,781,533
Re-issuance of shares of delinquent shareholders	-	1,731,389	23,941,095	-	-	25,672,484
Balances as at December 31, 2021	2,513,750,604	(33,536,586)	55,855,789	3,074,513,342	(1,030,774,719)	4,579,808,430
Net loss	-	-	-	-	(19,744,909)	(19,744,909)
Other comprehensive loss	-	-	-	(164,856)	-	(164,856)
Total comprehensive loss	-	-	-	(164,856)	(19,744,909)	(19,909,765)
Re-issuance of shares of delinquent shareholders	-	1,101,972	34,668,893	-	-	35,770,865
Balances as at December 31, 2022	2,513,750,604	(32,434,614)	90,524,682	3,074,348,486	(1,050,519,628)	4,595,669,530
Net loss	-	-	-	-	(7,517,837)	(7,517,837)
Other comprehensive loss	-	-	-	(10,206,393)	-	(10,206,393)
Total comprehensive loss	-	-	-	(10,206,393)	(7,517,837)	(17,724,230)
Re-issuance of shares of delinquent shareholders	-	992,795	34,382,593	-	-	35,375,388
Balances as at December 31, 2023	2,513,750,604	(31,441,819)	124,907,275	3,064,142,093	(1,058,037,465)	4,613,320,688

The notes on pages 1 to 27 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Cash Flows
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Excess costs and expenses over receipts before income tax		(7,115,717)	(19,585,849)	(16,863,818)
Adjustments for:				
Depreciation and amortization expense	7	45,653,456	40,944,148	41,052,244
Retirement benefit expense	15, 17	5,644,546	2,623,941	2,518,678
Amortization of prepaid dues	6	1,200,000	1,200,000	1,200,000
Interest expense	11, 15	1,985,938	1,356,950	1,170,039
Interest income	16	(4,618,995)	(3,252,720)	(3,175,277)
Income before working capital changes		42,749,228	23,286,470	25,901,866
Changes in working capital:				
Receivables		(2,686,790)	(21,979,895)	270,488
Prepayments and other current assets		(1,065,434)	(7,725,163)	3,329,874
Inventories		(1,421,066)	(9,504,989)	1,398,457
Other non-current assets		755,364	5,222,392	(1,473,181)
Accounts payable and other current liabilities		40,614,068	35,402,886	2,563,701
Unearned receipts		14,171,167	20,178,403	17,346,763
Net cash generated from operations		93,116,537	44,880,104	49,337,968
Interest received	16	4,618,995	3,252,720	3,175,277
Income tax paid		-	-	(325,224)
Contributions to the retirement benefit plan	17	(5,077,534)	(3,000,000)	(3,000,000)
Net cash flows provided by operating activities		92,657,998	45,132,824	49,188,021
Cash flows from investing activities				
Acquisitions of property and equipment		(109,276,096)	(32,129,421)	(980,560)
Proceeds from investments in treasury bills and treasury bonds		14,999,755	-	-
Acquisitions of investments in treasury bills and treasury bonds	5	(66,415,065)	(29,970,922)	-
Net cash flows used in investing activities		(160,691,406)	(62,100,343)	(980,560)
Cash flows from financing activities				
Net proceeds from re-issuance of shares of delinquent shareholders	3, 13	44,722,109	40,130,422	16,384,764
Principal and interest payments of lease liabilities	11	(12,077,457)	(12,995,958)	(11,090,554)
Net cash flows provided by financing activities		32,644,652	27,134,464	5,294,210
Net (decrease) increase in cash and cash equivalents		(35,388,756)	10,166,945	53,501,671
Cash and cash equivalents at January 1		136,986,029	126,819,084	73,317,413
Cash and cash equivalents at December 31	2	101,597,273	136,986,029	126,819,084

The notes on pages 1 to 27 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Notes to the Financial Statements

As at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated.)

1 General information

The Manila Southwoods Golf & Country Club, Inc. (the "Club") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 5, 1990. The Club is organized and operating exclusively for the promotion of social, recreational and athletic activities on a nonprofit basis among its shareholders and members, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The registered office address and principal place of business of the Club is Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite.

The financial statements of the Club were approved and authorized for issuance by the Board of Directors (BOD) on February 28, 2024.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2023	2022
Cash on hand	1,342,343	642,343
Cash in banks	100,254,930	94,581,565
Cash equivalents	-	41,762,121
	101,597,273	136,986,029

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to 90 days depending on the immediate cash requirements of the Club and earn interest at 0.06% to 4.00% in 2023 and 2022. Total interest earned from cash in banks and cash equivalents are disclosed in Note 16.

3 Receivables

Receivables as at December 31 consist of:

	2023	2022
Receivables from members	23,483,666	17,252,584
Advances to suppliers and contractors	10,885,946	15,262,469
Current portion of installment receivables	5,042,663	9,302,424
Advances to officers and employees	4,044,524	3,722,321
Others	2,367,533	1,857,505
	45,824,332	47,397,303

Interest income earned from receivables from members and installment receivables are disclosed in Note 16.

4 Inventories

Inventories at cost as at December 31 consist of:

	2023	2022
Spare parts	8,099,355	5,835,946
Fertilizers, herbicides and chemicals	7,287,387	8,567,928
Supplies	4,430,814	5,741,731
Fuel and oil	849,427	713,405
Material and supplies	20,666,983	20,859,010
Inventories for sale	6,682,141	5,069,048
	27,349,124	25,928,058

The cost of materials and supplies and inventories for sale charged to expenses are disclosed in Note 15.

5 Investments

Investments as at December 31 consist of:

	2023	2022
Current		
Time deposits	66,415,065	-
Treasury bills	-	14,999,755
Treasury bonds	14,971,167	-
	81,386,232	14,999,755
Non-current		
Treasury bonds	-	14,971,167
	81,386,232	29,970,922

Time deposits consist of short-term placements with term ranging from 104 days to 112 days and earn interest at 6.4% per annum.

On August 9, 2022, the Club purchased investment in short-term treasury bill with a face value of P15,332,000 which matures on July 19, 2023. The investment earns interest at 3.08% for the year ended December 31, 2022. As at December 31, 2023 and 2022, the carrying value of these investments amounted to P14,999,755.

Treasury bonds consist of retail treasury bond purchased in 2022 with face value of P14,550,000 and matures on March 12, 2024. The investment earns interest at 6.25% per annum. As at December 31, 2023 and 2022, the carrying value of these investments amounted to P14,971,167.

Interest income earned from investments are disclosed in Note 16.

6 Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

	2023	2022
Prepayments	8,506,036	7,984,322
Deferred input VAT	300,915	-
Prepaid income tax	2,712,474	2,194,463
Current portion of prepaid dues	1,200,000	1,200,000
	12,719,425	11,378,785

Prepayments pertain to insurance and real property taxes.

Prepaid dues

On behalf of Manila Southwoods Homeowners' Association (MSHA), the Club made prepayments for operating expenses of the sports club facilities, which at the time the payments were made, were principally being used by members of the Club. Over the years, members of the Club have continued using the Manila Southwoods Sports Club (the "Sports Club") and the Club made prepayments out of its own funds to partially defray the costs of the maintenance and continued operation of the Sports Club.

Pursuant to a BOD resolution dated October 29, 2003, the Club negotiated for the amortization of the prepayments. The negotiation includes the granting to all members of the Club playing rights or privilege to use the Sports Club facilities in exchange for a fee which shall be deducted from or offset against the prepayment until such advances are fully liquidated. In consideration for the use of the Sports Club facilities, effective May 31, 2006, the monthly fee shall be P100,000 or P1.2 million annually.

A supplement to the abovementioned agreement was made on November 12, 2007 in which the parties intend that all payments made or to be made by the Club for the operation and maintenance of Sports Club shall be considered as prepayment for all the monthly dues, which may be assessed for the use of the Sports Club's facilities.

On January 28, 2015, the BOD resolved that the amounts paid for the Sports Club starting in 2014 onwards shall be treated and booked as usage fees and not as advances pending the negotiations and until such time that a formal arrangement with MSHA is finalized with respect to the use of the Sports Club. The amortization of prepaid dues and any usage fees are reported as members' dues and other charges in Note 15.

7 Property and equipment, net

Details of and movements in property and equipment, net as at and for the years ended December 31 are as follows:

	Golf course developments	Buildings and improvements	Golf course maintenance and transportation equipment	Furniture, fixtures, and office equipment	Clubhouse equipment	Total
Cost						
January 1, 2022	1,131,652,029	240,822,599	164,254,652	36,653,674	7,814,351	1,581,197,305
Additions	7,019,647	4,706,866	17,234,190	3,168,718	-	32,129,421
December 31, 2022	1,138,671,676	245,529,465	181,488,842	39,822,392	7,814,351	1,613,326,726
Additions	423,580	52,004,809	53,372,011	21,997,189	1,705,528	129,503,117
Disposals	-	-	(2,163,340)	(5,033,509)	-	(7,196,849)
Transfer	(2,925,000)	-	2,925,000	-	-	-
December 31, 2023	1,136,170,256	297,534,274	235,622,513	56,786,072	9,519,879	1,735,632,994
Accumulated depreciation and amortization						
January 1, 2022	956,179,883	196,909,323	149,219,405	35,699,978	7,814,252	1,345,822,841
Depreciation and amortization	24,061,591	4,974,754	11,067,937	839,767	99	40,944,148
December 31, 2022	980,241,474	201,884,077	160,287,342	36,539,745	7,814,351	1,386,766,989
Depreciation and amortization	23,188,906	7,206,667	11,692,399	3,470,409	95,075	45,653,456
Disposal	-	-	(2,163,340)	(5,033,485)	-	(7,196,825)
Transfer	(48,750)	-	48,750	-	-	-
December 31, 2023	1,003,381,630	209,090,744	169,865,151	34,976,669	7,909,426	1,425,223,620
Net book value						
December 31, 2022	158,430,202	43,645,388	21,201,500	3,282,647	-	226,559,737
December 31, 2023	132,788,626	88,443,530	65,757,362	21,809,403	1,610,453	310,409,374

Additions to cost and depreciation of property and equipment in 2021 amounted to P6.04 million and P32.13 million, respectively.

Golf course maintenance and transportation equipment includes right-of-use assets disclosed in Note 11.

Transfers pertain to change from right-of-use assets to Club-owned assets in the same asset class.

8 Land

As at December 31, 2023 and 2022, land has carrying amount of P5,305,108,000. This includes accumulated revaluation amounting to P4,100,477,347. The land's original cost was P1,204,630,653.

Land titles covering about 123 hectares out of the total land area actually covered by Golf Course Project of approximately 136 hectares have already been transferred and registered in the name of the Club on the basis of a tax-free exchange ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue (BIR). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free exchange ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name Club. The Club's management and legal counsel believed that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares or are there any adverse claims by third parties to the aforesaid 13 hectares of land.

As at December 31, 2023 and 2022, the parcels of land are stated at revalued amount under Level 3 fair value category based on the appraisal report by an independent appraiser dated February 15, 2021. The fair value of land has been derived using the sales comparison approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. Sales prices of comparable land in close proximity are adjusted for differences in key attributes or internal factors such as property size, location, and improvement. The most significant input into this valuation is price per square meter. The land is currently used as a recreational development (golf course) which is the highest and best use of the land.

9 Other non-current assets

Other non-current assets as at December 31 consist of:

	Note	2023	2022
Prepaid dues, net of current portion		16,708,946	17,908,946
Installment receivables, net of current portion	19	443,398	5,530,358
Deferred input VAT		-	755,363
Others		421,876	421,877
		17,574,220	24,616,544

Interest income earned from installment receivables are disclosed in Note 16.

10 Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of:

	2023	2022
Trade payables to third parties	65,748,150	42,776,866
Deferred liabilities	18,961,829	13,334,561
Deposits from members	12,531,401	10,736,231
Accrued expenses:		
Renovation costs	10,839,587	-
Statutory liabilities	9,057,960	8,314,518
Withholding taxes	803,675	893,117
Payroll	70,394	71,367
Others	2,492,882	4,892,343
Tournament fund	2,814,133	2,262,411
Sinking fund	273,129	9,689
Others	1,924,815	1,612,808
	125,517,955	84,903,911

Deferred liabilities are composed of advance payment of membership fees and assignee fees which are collected fees for those that have not yet passed the eligibility for membership and assignees due to certain requirements.

11 Leases

(a) Club as lessee

The Club has various lease agreements for golf course maintenance equipment and service vehicles. Right-of-use asset is presented as part of golf course maintenance and transportation equipment within property and equipment, net (Note 7) and lease liabilities are presented as separate line items in the statements of financial position. As at December 31, the carrying amount of right-of-use assets related to the golf course maintenance and transportation equipment is shown below:

	2023	2022
Cost		
At January 1	23,412,623	24,544,076
Additions	20,904,347	16,689,101
Transfers	(2,925,000)	(17,820,554)
At December 31	41,391,970	23,412,623
Accumulated amortization		
At January 1	4,776,654	11,726,393
Amortization	4,859,013	7,617,464
Transfers	(48,750)	(14,567,203)
At December 31	9,586,917	4,776,654
Net book values	31,805,053	18,635,969

Movements in the lease liabilities for the years ended December 31 are as follows:

	Notes	2023	2022
Lease liabilities			
January 1		14,300,926	9,250,833
Non-cash changes			
Principal additions	7	20,904,347	16,689,101
Interest expense	15	1,985,938	1,356,950
Cash changes:			
Principal and interest payments		(12,077,457)	(12,995,958)
December 31		25,113,754	14,300,926
Lease liabilities			
Current portion		12,676,461	6,700,367
Non-current portion		12,437,293	7,600,559
		25,113,754	14,300,926

Principal and interest payments above represent the total cash outflow for leases. There were no short-term leases, low-value assets that are short-term leases and variable lease payments not included in lease liabilities for the each of the three years in the period ended December 31, 2023.

Principal and interest payments, and interest expense in 2021 amounted to P11.09 million and P1.17 million, respectively.

(b) Club as lessor

On July 28, 2015, the Club executed a concessionaire agreement with a third party which started its operations in April 2016. Similarly, the lessee agreed to become the exclusive concessionaire of the Club's food outlets and shall maintain consistent, continuous and uninterrupted food and beverage operations that meet the Club's standards. In consideration for the lessee's provision of service, all sales arising from food and beverage (F&B) operations shall be booked by lessee. For sales arising from non-club functions regarding F&B operations, the lessee will be charged 10% of its gross sales. No space rental shall be charged to lessee, provided that it shall shoulder all taxes, fees and all costs related to the food and beverage operations including but not limited to salaries and benefits of the employees, supplies and utilities.

Income from the agreement is reported as concessionaires' fee under revenue from club operations in the statements of total receipts and expenses.

12 Proprietary certificates

The Club has a permit from the SEC to offer its securities for sale to the public effective October 23, 1991 at issue/offer prices of P0.8 to P1.0 million per share for Class "A" shares and P1.0 million per share for Class "B" shares. Details of these securities as at December 31 are as follows:

Type of common shares	Number of securities registered	Number of securities issued and outstanding*	Number of holders of securities	Amount
2023				
Class "A" with no par value**	1,800	1,730	1,457	1,508,650,362
Class "B" with no par value	1,200	1,152	646	1,005,100,242
	3,000	2,882	2103	2,513,750,604
2022				
Class "A" with no par value**	1,800	1,725	1,429	1,508,650,362
Class "B" with no par value	1,200	1,150	633	1,005,100,242
	3,000	2,875	2,062	2,513,750,604

*Number of securities registered minus number of shares of delinquent shareholders acquired through auctions

**Inclusive of 11 Founders' shares

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which 60% of the voting power is owned or controlled by citizens of the Philippines. Class "B" shares may be sold to any parties, irrespective of their nationality or citizenship.

13 Shares of delinquent shareholders acquired through auctions

Class A and Class B shares of delinquent shareholders were acquired by the Club through auctions pursuant to the Club's By-laws as settlement for their long outstanding accounts. A shareholder is considered delinquent when the receivables from the said shareholder have become 60 days overdue.

In 2023 and 2022, the Club acquired through auction the shares of delinquent shareholders amounting to P0.28 million and P0.31 million, respectively which are offset against the installment receivable balance. In 2021, the club paid P1.15 million for the shares of delinquent shareholders acquired through auctions. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as at the date of auction plus costs incurred during auction.

In 2023, the Club entered into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. The total net proceeds and the related acquisition cost amounted to P35.38 million and P0.99 million (2022 - P35.77 million and P1.1 million; 2021 - P25.6 million and P1.7 million), respectively. The outstanding balance are recognized as installment receivables in Notes 3 and 9.

Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price. The installment receivables from such sales are disclosed in Notes 3 and 9.

14 Related party transactions and balances

Related party transactions and outstanding balances of the Club represent transactions and balances with key management personnel and its retirement plan which are considered related parties under PAS 24, Related Party Disclosures.

The summary of the Club's transactions and outstanding balances with related parties as at and for the years ended December 31 are as follows:

	2023		2022		Terms and conditions
	Transactions	Outstanding payable	Transactions	Outstanding payable	
<i>Key management personnel</i>					
Salaries and wages	22,211,143	-	20,388,916	-	Payable in cash every month based on contract.
Retirement benefits	1,980,394	24,198,139	1,241,989	18,739,797	Refer to Note 17.
<i>Retirement plan</i>					
Contributions	5,077,534	-	3,000,000	-	Refer to Note 17.

15 Cost and expenses

Cost and expenses for the years ended December 31 are as follows:

	Notes	2023	2022	2021
Salaries and wages		65,577,256	63,449,475	52,202,718
Repairs and maintenance		35,420,631	42,150,413	38,779,438
Security and janitorial		22,138,605	16,130,156	14,867,125
Materials and supplies		21,368,371	21,309,617	18,174,626
Light and water		20,788,781	18,447,779	14,605,262
Other employee benefits		17,653,927	15,265,043	13,951,977
Input VAT expense		15,843,100	12,181,090	6,810,206
Taxes and licenses		9,518,436	2,244,182	1,900,587
Fuel and oil		9,143,652	10,218,375	6,647,849
Cost of sales of inventories		8,263,029	9,264,381	2,851,206
Real property taxes		6,341,422	9,027,788	5,395,753
Retirement benefit expense	17	5,644,546	2,623,941	2,518,678
Professional fees		3,339,094	3,474,778	2,832,134
Communications		2,713,395	2,212,173	2,149,727
Meetings and conferences		2,198,669	2,239,978	1,520,557
Contracted services		2,026,777	1,290,595	972,753
Members' dues and other charges		1,200,000	1,205,060	1,200,000
Others		19,792,126	15,920,956	8,743,321
		268,971,817	248,655,780	196,123,917
Interest expense	11	1,985,938	1,356,950	1,170,039
		270,957,755	250,012,730	197,293,956

16 Interest income

The following are the sources of Club's interest income for the years ended December 31:

	Notes	2023	2022	2021
Receivables	3	1,727,665	2,383,567	2,996,688
Cash and cash equivalents	2	1,721,927	510,334	178,589
Investments	5	1,169,403	358,819	-
		4,618,995	3,252,720	3,175,277

17 Retirement benefits

The Club maintains a funded and non-contributory defined benefit retirement plan covering all of its regular and permanent employees. The plan provides for a payment of benefits in lump sum upon attainment of normal retirement age of 60 and completion of at least 5 years of continuous service with the Club in line with Republic Act No. 7641, known as The Retirement Law. In 2022, a change on the retirement plan of the Club was implemented, which provide those employees who opt to voluntarily retire after 30 years of service, or after reaching age of 60 regardless of length of service, shall get 22.5 days per year of service. Benefits provided in the plan are based on the years of credited service and compensation of employees. Annual contribution to the retirement plan consists of retirement costs covering the current service costs for the year plus payments toward funding the accrued retirement benefit costs.

The retirement benefit obligation is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement benefit is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The latest actuarial valuation report prepared by the independent actuary for the year ended December 31, 2023 using the projected unit credit method.

The retirement benefit obligation (asset) as at December 31 consist of:

	2023	2022
Present value of defined benefit obligation (PVDBO)	46,967,085	34,503,057
Fair value of plan assets (FVPA)	(36,801,681)	(35,111,058)
Retirement benefit obligation (asset)	10,165,404	(608,001)

Movements in the retirement benefit obligation (asset) for the years ended December 31 are as follows:

	2023	2022
At January 1	(608,001)	(396,798)
Retirement benefits expense	5,644,546	2,623,941
Remeasurement loss	10,206,393	164,856
Contribution	(5,077,534)	(3,000,000)
At December 31	10,165,404	(608,001)

Movements in the PVDBO for the years ended December 31 are as follows:

	2023	2022
At January 1	34,503,057	33,744,317
Current service cost	2,555,174	2,431,139
Past service cost	3,132,175	212,285
Interest cost	2,429,015	1,656,846
Benefits paid	(4,915,616)	(2,025,385)
Actuarial loss (gain) arising from:		
changes in financial assumptions	4,161,992	(3,663,661)
deviations of experience from assumptions	5,101,288	2,147,466
At December 31	46,967,085	34,503,057

Movements in the FVPA for the years ended December 31 are as follows:

	2023	2022
At January 1	35,111,058	34,141,115
Interest income	2,471,818	1,676,328
Contributions	5,077,534	3,000,000
Benefits paid	(4,915,616)	(2,025,385)
Actuarial loss	(943,113)	(1,681,000)
At December 31	36,801,681	35,111,058

The plan is administered by a firm of investment fund managers who are authorized to invest the funds as it deems proper. The actual returns on plan assets amounted to a gain of P1,528,705 for the year ended December 31, 2023 (2022 - loss of P4,672; 2021 - gain of P44,536).

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

As at December 31, the carrying amount of the plan asset is the same with its fair value. The allocation of the plan assets as at December 31 are as follows:

	2023	2022
Cash in banks	2.25%	6.36%
Interest receivables	1.11%	0.50%
Investments in equity securities	96.64%	93.14%

Descriptions of each category are as follows:

- a. Cash in banks consist of current account, savings deposit and special savings deposit;
- b. Receivables consist of interest receivables; and
- c. Investments in equity securities consist of short-term equity investments and time certificates of deposit.

The plan's investments do not have any concentration risk.

The Club is expected to contribute P3,000,000 to the plan assets in 2024.

Retirement benefit expense for the years ended December 31 are as follows:

	2023	2022	2021
Current service cost	2,555,174	2,431,139	2,488,983
Past service cost	3,132,175	212,285	-
Net interest	(42,803)	(19,483)	29,695
	5,644,546	2,623,941	2,518,678

The past service cost pertains to changes on retirement benefit plan for the year ended December 31, 2023 and 2022.

Movements in the remeasurement loss on retirement benefits under other comprehensive income for the years ended December 31 are as follows:

	2023	2022	2021
At January 1	(1,009,524)	(844,668)	(1,601,349)
Actuarial gain (loss)	(10,206,393)	(164,856)	756,681
At December 31	(11,215,917)	(1,009,524)	(844,668)

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

	2023	2022
Discount rate	6.06%	7.04%
Salary increase rate	5.00%	5.00%

Assumptions regarding future mortality and disability experiences are based on the 1994 Group Annuity Table and the 1952 Disability Table, respectively.

The weighted average duration of the defined benefit obligation is 17 years in 2023 (2022 - 12 years).

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the PVDBO as at December 31, assuming all other assumptions are held constant:

	Change in basis points	Increase (Decrease) in PVDBO	
		2023	2022
Discount rate	+100	(4,241,148)	(2,830,356)
	-100	4,893,320	3,268,449
Salary increase rate	+100	4,898,070	3,310,412
	-100	(4,375,308)	(2,933,005)

The maturity profiles of the undiscounted benefit payments as at December 31 are as follows:

	2023	2022
Within five years	19,906,647	11,099,290
Between six to 10 years	31,621,197	29,696,074
Between 11 to 15 years	44,773,102	34,469,019
Between 16 to 20 years	41,484,016	29,450,505
More than 20 years	72,576,206	59,490,559

18 Income taxes

Income tax expense for the years ended December 31, 2023 pertain to minimum corporate income tax (MCIT) amounting to P402,120 (2022 - P159,060; 2021 - P135,197).

The Club's deferred income tax liabilities as at December 31, 2023 pertain to 25% income tax effects of its revaluation gain of land in 2021. The deferred income tax liability of the Club as of December 31, 2023 and 2022 amounted to P1.03 billion.

Deferred income tax assets, net on the following temporary differences as at December 31 have not been recognized since management believes that the Club may not have sufficient future taxable income for these deferred income tax assets to be able to utilize:

	2023	2022
Retirement benefit liability(asset)	10,165,404	(608,001)
Unamortized past service costs	8,441,001	6,680,407
Remeasurement loss on retirement benefit obligation	(11,215,917)	(679,813)
Provision for retirement benefits	7,390,488	5,392,593
Net operating loss carry-over (NOLCO)	18,477,953	13,487,146
Other provisions	8,468,902	7,086,075
Subtotal	34,337,343	25,965,814
Multiply: Income tax rate	25%	25%
Tax effect	8,584,336	6,491,453
Minimum corporate income tax (MCIT)	696,377	424,343
Unrecognized deferred income tax assets, net	9,280,713	6,915,796

On June 26, 2019, the Supreme Court declared through General Register 228539 that membership fees, assessment dues, and fees of similar nature collected by clubs which are organized and operated exclusively for the pleasure, recreation, and other non-profit purposes are not subject to income tax and VAT.

In compliance with the National Internal Revenue Code of 1997 and as implemented under Revenue Regulation No. 14-2001, the net operating losses incurred for taxable years prior to 2020 can be carried over as a deduction from gross income for the next three (3) consecutive taxable years following the year of such loss.

Pursuant to Section 4 of Republic Act (RA) No. 11494, otherwise known as the "Bayanihan to Recover as One Act" and as implemented under Revenue Regulation No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Club's NOLCO as at December 31 are as follows:

Year incurred	Year of expiry	2023	2022
2018	2021	-	-
2019	2022	-	106,903,015
2020	2025	5,912,230	5,912,230
2021	2026	3,002,549	3,002,549
2022	2025	4,572,367	4,572,367
2023	2026	4,990,807	-
		18,477,953	120,390,161
Expired		-	(106,903,015)
Net operating loss carry-over		18,477,953	13,487,146

On March 26, 2021, Republic Act (RA) No. 11534, Corporate Recovery and Tax Incentives for Enterprises Act otherwise known as CREATE, was signed into law which lowered the Club's RCIT rate from 30% to 25% starting July 1, 2020. Also, under CREATE and RR No. 5-2021, the Minimum Corporate Income Tax (MCIT), was lowered to 1% effective 1 July 2020 to 30 June 2023, after which it will revert to 2%.

The details of the Club's MCIT as at December 31 are as follows:

Year incurred	Year of expiry	2023	2022
2018	2021	-	-
2019	2022	-	349,682
2020	2023	130,086	130,086
2021	2024	135,197	135,197
2022	2025	159,060	159,060
2023	2026	402,120	-
		826,463	774,025
Expired		(130,086)	(349,682)
MCIT		696,377	424,343

Reconciliations between the income tax computed at statutory income tax rate and the effective income tax expense shown in the statements of total receipts and expenses for the years ended December 31 are as follows:

	2023	2022	2021
Income tax at statutory income tax rates	(1,778,929)	(4,896,462)	(4,215,955)
Adjust for income tax effects of:			
Non-deductible expenses	48,772,951	47,898,942	44,046,017
Changes in unrecognized deferred income tax assets	2,577,430	1,132,893	(4,276,359)
Interest income subjected to final tax	(722,833)	(217,288)	(44,647)
Non-taxable income	(48,446,499)	(43,759,025)	(41,582,882)
Impact of CREATE Act	-	-	6,209,023
Effective income tax expense	402,120	159,060	135,197

19 Financial risk and capital management

19.1 Financial risk factors

The main risks arising from the Club's financial instruments are credit and liquidity risks. The members and the BOD review and approve the policies of managing each of the risks which are summarized below.

(a) Credit risk

Credit risk arises when a customer or counterparty fails to discharge an obligation and cause the Club to incur a financial loss.

The Club's receivables are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. The Club ensures that applicant for membership shall undergo a series of verifications to determine the individual or company financial capability and credit history. In case of delinquency, the Club's by-laws provide clear cut measures and sanctions against members with unpaid accounts. In addition, the Club has first lien on every proprietary certificate to ensure debts of members arising from unpaid membership dues and other club charges are recovered. Sales of products and services to non-members, i.e., members' guests are on cash basis. In the case of membership dues, advance payments promotions are launched each year with incentives on early annual payments to reduce receivables from member. These minimize the credit risk exposure any margin loss from possible default in the payment of receivables.

The table below shows the maximum exposure from credit risk for the Club's financial assets at amortized cost without taking account of any collateral and other credit enhancements as at December 31:

	Notes	2023	2022
Cash and cash equivalents*	2	100,254,930	136,343,686
Receivables**	3	30,893,862	28,412,513
Installment receivables, net of current portion	9	443,398	5,530,358
Investments	5	81,386,232	29,970,922
		212,978,422	200,257,479

*Excludes cash on hand

**Excludes advances to suppliers and advances to officers and employees

The Club uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below:

- **Grade A** - This applies to highly rated financial obligors and strong counterparties with whom the Club has excellent collection experience, i.e., collections are made even before maturity date.
- **Grade B** - This applies to financial assets that are performing as expected or where counterparty pays on due dates.
- **Grade C** - This applies to accounts that are past due but are not impaired since are subsequently collected within 90 days from reporting date.
- Accounts not within Grades A, B and C are considered long outstanding and subject to expected credit loss allowance.

(i) Cash and cash equivalents

The Club's policy on counterparty risk management is to work with a select group of relationship banks which are licensed commercial and universal banks as defined by the Philippine Banking System. Credit risk exposure is low since commercial and universal banks represent the largest single group, resource-wise, of financial institutions in the country. Cash and cash equivalents are also deposited among the top ten banks in the Philippines, hence, considered Grade A.

(ii) Receivables, including non-current installment receivables

Credit rating of receivables, including non-current installment receivables, as at December 31 are as follows:

	2023	2022
Grade A	28,969,727	23,760,010
Grade B	2,367,533	10,182,861
	31,337,260	33,942,871

(iii) Investments

There is minimum exposure to credit risk of investments in time deposits, treasury bills and treasury bonds as these are placed in various institutions with high credit ratings, as such, expected credit loss on the balance has therefore been assessed to be insignificant.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Club may encounter collection problem that will lead to difficulties in raising funds to meet or settle its obligations and to finance its activities.

The Club monitors its liquidity risk to a shortage of funds through monitoring of collections and projected cash flows from operations. The Club maintains sufficient cash to finance operations. Any excess fund is invested in cash equivalents to augment income generation. The Club's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Club also maintains a financial strategy that the scheduled payment of payables is well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities at amortized cost subject to liquidity risk based on contractual undiscounted payments as at December 31:

	Note	On demand	Less than 3 months	Between 3 to 6 months	Between 6 to 12 months	Over 1 year	Total
2023							
Accounts and other current liabilities*	10	73,317,889	19,267,864	819,755	201,721	-	93,607,229
Lease liabilities**		-	3,187,574	3,197,073	6,052,646	12,676,461	25,113,754
		73,317,889	22,455,438	4,016,828	6,254,367	12,676,461	118,720,983
2022							
Accounts and other current liabilities*	10	46,750,906	12,658,714	332,715	347,280	-	60,089,615
Lease liabilities**		-	2,001,081	2,001,081	3,764,077	8,101,902	15,868,141
		46,750,906	14,659,795	2,333,796	4,111,357	8,101,902	75,957,756

*Excludes deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund

**Based on minimum lease payments

19.2 Fair value of financial instruments

The carrying values of the Club's financial instruments as at reporting dates approximate their fair values due to their short-term nature. For non-current installment receivables and investment in treasury bills and treasury bonds, the carrying amounts approximate their fair values since the impact of discounting is immaterial. For non-current lease liabilities, the carrying amounts approximate their fair values due to discounting.

19.3 Capital management

The primary objective of the Club's capital management is to ensure the Club's ability to continue as a going concern so that it can continue provide service to its members and benefits for other stakeholders. The Club's capital pertains to proprietary certificates, shares of delinquent shareholders acquired through auctions, excess of proceeds over cost from re-issuance of shares to delinquent shareholders, and deficit. There were no changes in the Club's capital management policies for the years ended December 31, 2023 and 2022. There are no other externally imposed capital requirements on the Club.

As at December 31, the details of the Club's capital are as follows:

	2023	2022
Proprietary shares	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	(31,441,819)	(32,434,614)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	124,907,275	90,524,682
Other comprehensive income	3,064,142,093	3,074,348,486
Cumulative excess of costs and expenses over receipts	(1,058,037,465)	(1,050,519,628)
	4,613,320,688	4,595,669,530

20 Critical accounting estimates, assumptions and judgments

The preparation of the Club's financial statements requires management to make judgment, estimates and assumptions that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment, estimates and assumptions used in arriving at the estimates to change. The effects of any change in judgment, estimates and assumptions are reflected in the financial statements as they become reasonably determinable.

20.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared.

(a) Expected credit losses (ECL) of financial assets at amortized cost

The Club applied the ECL model associated with its financial assets at amortized cost. The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Club uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For receivables, the Club uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of active members that have similar loss patterns. The provision matrix is initially based on the Club's historical observed default rates. The Club then calibrates the matrix to adjust the credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Club's historical credit loss experience and forecast of economic conditions may also not be representative of member's actual default in the future. Based on management's assessment, no impairment losses are required on financial assets at amortized cost as at December 31, 2023 and 2022 due to the low credit risk exposure as discussed in Note 19.1(a).

(b) Useful lives of property and equipment

The useful life of each of the Club's item of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses and brought about by changes in the factors mentioned.

A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease the carrying value of property and equipment.

There were no changes in estimated useful lives of property and equipment in 2023 and 2022. The carrying values of property and equipment as at December 31, 2023 and 2022 are disclosed in Note 7.

(c) Fair value of land

The Club measures its land at revalued amount with changes in fair value being recognized in the other comprehensive income. The Club has established a process by which measurement of fair value of the land is in place for financial reporting purposes. This primarily involves the expertise of an independent valuer. The valuer considers certain unobservable inputs and valuation adjustments to provide a reasonable indication of fair value. Any significant changes to these inputs and adjustments could significantly affect the amount of the fair values.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements as at December 31, 2023 and 2022:

Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
External factor (asking price discount)	-10%	The higher the negative input, the
Internal factors (location, size and development)	-10%	lower the fair value

There were no significant interrelationships between unobservable inputs that materially affects fair values. Further information about the assumptions made in measuring the fair values is disclosed in Note 8.

(d) Retirement benefits

The cost of retirement benefits as well as the PVDBO is determined using actuarial valuations. The actuarial valuation involves making various assumptions including the determination of the discount rates, rate of increase in compensation, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of Philippine government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates for the Philippines. Further information about the assumptions made in measuring the PVDBO and FVPA are disclosed in Note 17.

In determining the long-term rates of return, the Club considers the nature of the plans' investments, an expectation for the plans' investment strategies, historical rates of return and current economic forecasts. The Club evaluates the expected long-term rate of return annually and adjusts as necessary. The activities of the plan expose it to a variety of risks. The management of these risks and the overall investment policy and strategy of the retirement plan are based on the trustee bank's assessment in compliance with local regulations and practice. Responsibility for governance of the retirement plan, including investment decisions and contribution schedules, lies jointly with the Club and the trustee bank.

The Club's management ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt and equity securities, consisting of investments in government securities, mutual funds and unit investment trust fund, with maturities that match the benefit payments as they fall due. Assets are invested in different classes in order to maintain balance between risk and return. Investments are diversified to limit the financial effect of any individual investment.

20.2 Critical judgments in applying the Club's accounting policies

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as of reporting date.

(a) Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. Distribution of free green fee coupons, an incentive when a member pays one-year membership dues in advance, is a separately identifiable promise and is not combined with the obligation related to the membership dues since this is distinct within the context of the contract.

(b) Determining the timing of recognizing membership fees and assessments

The Club charges membership dues, membership fees and assignee fees. The Club has concluded that it incurs an obligation to provide services to the members for the fees received and such shall be recognized over time as the members receive substantially the benefits and privileges of being a member. Membership fees are recognized as earned over the average life stay of members which is determined to be four years based on the eight-year historical membership data of the Club.

(c) Income taxes

A certain degree of judgment is required in determining the provision for income taxes, as there are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets as at December 31, 2023 and 2022 are disclosed in Note 18.

(d) Contingencies

The Club determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management's assessment is developed in consultation with the Club's legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable.

The Club is a respondent in cases arising from the normal course of business, the outcome of which cannot be presently determined. In the opinion of the Club's management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Club's financial statements.

21 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

21.1 Basis of preparation

The financial statements of the Club have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) (formerly Financial Reporting Standards Council (FRSC)) and adopted by the SEC.

The financial statements of the Club have been prepared under a historical cost basis, except for land and fair value of plan assets which are measured at fair value.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 20.

Changes in accounting policies and disclosures

(a) New standards, amendment to existing standards and interpretations applied by the Club

The Club has applied the following standard for the first time for their annual reporting period commencing January 1, 2023:

- Disclosure of accounting policies - Amendments to PAS 1 and PFRS Practice Statement 2

PAS 1, "Presentation of Financial Statements" was amended to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effects of adoption of amendments to PAS 1 and PFRS Practice Statement 2 as at January 1, 2023 are considered in the summary of material accounting policies (Note 21).

- Definition of accounting estimates - Amendments to PAS 8

The amendment to PAS 8, "*Accounting Policies, Changes in Accounting Estimates and Errors*" clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The adoption did not have a significant impact on the Club's financial statements as at December 31, 2023 and 2022.

- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to PAS 12

The amendments to PAS 12, "*Income Taxes*" require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings, or another component of equity, as appropriate. PAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The adoption did not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted by the Club

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Club. These standards, amendments or interpretations are not expected to have a material impact on the Club in the current or future reporting periods and on foreseeable future transactions.

21.2 Cash equivalents; Investments in treasury bills and treasury bonds

Term deposits, treasury bill, and treasury bonds are presented as cash equivalents if they have a maturity of three months or less at the time of acquisition and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

Term deposits, treasury bill, and treasury bonds with maturity of more than three (3) months but not beyond twelve (12) months at the time of acquisition are classified as short-term investment.

Investment in treasury bills and time deposits are carried in the statements of financial position at amortized cost. Other relevant policies are discussed in Note 21.4.

21.3 Receivables

Receivables from members are generally on a 30-day term. When an account is 60 days past due, the BOD reviews and approves membership as delinquent shares which will then be subject for auction (Note 13).

Upon approval of delinquent shareholdings, the Club will enter into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance, which are recognized as installment receivable, of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price.

Other relevant policies are disclosed in Note 21.4, except for advances to suppliers and advances to officers and employees which are not considered financial assets.

Advances to suppliers represent initial payments for purchases while advances to officers and employees are cash advances which are subject to liquidation. These are reclassified to another asset account or expense when the service or goods is provided by or received from the supplier, or the advance is liquidated.

21.4 Financial instruments

Financial assets

(a) Classification

The Club only holds financial assets at amortized cost as at December 31, 2023 and 2022.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, if any, is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented in other income and expense. Impairment losses, if any, are presented in the statement of total comprehensive income as expenses.

The Club's financial assets measured at amortized cost comprise of cash and cash equivalents (Note 21.2), receivables (Note 21.3), investments in treasury bills and treasury bonds (Note 21.2) in the statement of financial position.

Financial assets measured at amortized cost are carried at amortized cost using the effective interest method.

(b) Impairment

The Club recognizes an expected credit loss for all debt instruments not held at FVPL. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For cash and cash equivalents, past due receivables, investments in treasury bills and treasury bonds, the Club applies a general approach in calculating expected credit losses. The Club recognizes a loss allowance based on either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk on these financial assets since initial recognition.

For current receivables, the Club applies a simplified approach in calculating expected credit losses. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Club 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.

The Club considers a financial asset in default when contractual payments are past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

The Club's financial liabilities are limited to financial liabilities at amortized cost.

Financial liabilities at amortized cost pertain to issued financial instruments that are not classified as fair value through profit or loss and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than twelve (12) months after the reporting period which are classified as non-current liabilities.

The Club's accounts payable and other current liabilities (excluding deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund) and lease liabilities are classified under financial liabilities at amortized cost.

21.5 Inventories

Inventories comprise mainly merchandise goods for sale in the Club's pro-shop, and material and supplies for the maintenance of the golf club. These are initially recorded at cost and are valued at the lower of cost and net realizable value (NRV). Costs are accounted for using first-in, first-out basis. The NRV of inventories is its current replacement cost or at the estimated selling price in the ordinary course of business less applicable variable selling expenses

Inventories are periodically reviewed and evaluated for obsolescence. An allowance for inventory obsolescence is provided for slow moving, obsolete, defective or damaged inventories based on physical inspection and management evaluation. Obsolete inventories are scrapped or disposed of and related costs are charged to profit or loss.

Write-offs represent the release of previously recorded provision from the allowance account and credited to the inventory account following the disposal of the inventories.

Reversals of previously recorded provisions are credited in profit or loss based on the result of management's update assessment, considering available facts and circumstances, including but not limited to net realizable value at the time of disposal.

Inventories are derecognized when they are sold or consumed, or there are no future benefits to the Club. The carrying amount of those inventories is recognized, reported as part of cost and expenses in profit or loss in the period incurred (for material and supplies) or in which the related revenue is recognized (for inventories for sale).

21.6 Property and equipment, and land

Land is recognized at fair value based on periodic, but at least triennial, valuations by external independent appraiser. A revaluation surplus is credited to other comprehensive income. Increases in the carrying amounts arising from revaluation of land are recognized, net of tax, in other comprehensive income and accumulated in "Other comprehensive income" in members' equity. All other property, plant and equipment is recognized at historical cost less accumulated depreciation and impairment, if any.

Land is not depreciated. Depreciation of other property and equipment is computed using the straight-line method to allocate the costs of the assets over their estimated useful lives as follows:

Asset class	Estimated useful life in years
Golf course developments	15 - 40
Buildings and improvements	3 - 35
Golf course maintenance and transportation equipment	1 - 5
Furniture, fixtures and office equipment	1 - 5
Clubhouse equipment	3 - 5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 21.7).

When revalued assets are sold, it is Club's policy to transfer any amounts included in other comprehensive income in respect of those assets to cumulative excess of costs and expenses over receipts or cumulative excess receipts over costs and expenses.

21.7 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that an asset (e.g., land, property and equipment) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and 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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognized in the statements of total receipts and expenses in those expense.

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, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of total receipts and expenses.

After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

21.8 Accounts payable and other current liabilities

Accounts payable and other current liabilities are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim against the Club is established. This is recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method which is normally equal to its nominal amount. Other relevant policies are disclosed in Note 21.4, except for deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund.

Deferred liabilities represent payments received from membership applicants. These are recognized as income when the application is approved; otherwise, the payments received by the Club are refunded.

Statutory liabilities and accrued expenses for withholding tax are not considered financial liabilities and not subject to discounting but are derecognized similarly.

Sinking fund and tournament fund are payments received from members for a specific purpose. These are derecognized when expenditures for the specific purpose is incurred. Any excess fund at the end of the specific purpose will be charged directly to cumulative excess of costs and expenses over receipts.

21.9 Leases

(a) Club as lessee

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Club's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Club:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Interest expense from lease liabilities is reported under cash flows from operations in the statement of cash flows.

Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Club is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(b) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Club becomes obliged to exercise (or not exercise) it.

The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

(c) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of total comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

(b) Club as lessor

Leases in which the Club does not transfer substantially all the risk and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and derecognized over the lease term on the same bases as lease income.

Operating lease payments are recognized as an income or expense in the statements of total receipts and expenses on a straight-line basis over the lease term. Variable lease payments are recognized as income or expense when incurred.

21.10 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT), to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Club reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are derecognized when the relevant temporary differences are realized/settled or recoverability is no longer probable.

21.11 Equity

Proprietary certificates are shares of stock have no par value and recorded equal to the proceeds and/or fair value of considerations received. Incremental costs incurred directly attributable to the issuance of new shares are shown as a deduction from proceeds, net of tax.

Shares of delinquent shareholders acquired through auctions represents the Club's proprietary certificates which are reacquired by the Club and deducted from equity. No gain or loss is recognized in the statements of total receipts and expenses on the purchase, sale, issue or cancellation of the Club's own equity instruments. Excess of proceeds over cost from re-issuance of shares of delinquent shareholders is presented as another line item under equity.

Other comprehensive income represents the accumulated revaluation gain of land, net of tax, and remeasurement of retirement benefits.

Deficit represents the net losses accumulated over the years from the Club's operations. Deficit may also include effect of changes in accounting policy as may be required by the respective standard's transitional provisions.

21.12 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use. The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

As at December 31, 2023 and 2022, the Club has no assets and liabilities measured at fair value, except for land and FVPA at Level 3 and Level 1 fair value categories, respectively.

21.13 Membership fees and assessments, and revenues from club operations

(a) Membership fees and assessments

These represents fees received from members as part of Club privileges. These are recognized as follows:

- Membership dues are annual dues from existing members. These are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Membership fees are one-time joining fees for members which are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Transfer fees are charged on the transfer of golf shares from an existing member to another buyer. These are recognized when such transfer is completed.
- Annual playing rights are recognized upon transfer of playing rights to the assignee. These are recognized when such transfer is completed.
- Special assessments are recognized upon receipt of the fee collected for a specific purpose or project.

(b) Revenues from club operations

The Club recognizes revenue as control is passed, either (i) over time when the customer simultaneously receives and consumes all of the benefits provided by the Club as the Club performs; or (ii) at a point in time when control is passed at a certain point in time as described below.

- Green fees and tourist fees, tournament fees, and club events represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.
- Sales of golf merchandise are recognized at a point in time when the goods are delivered to the buyer.
- Locker, golf cart and equipment rental fees, and concessionaires' fees represent rental income
- Other income are recognized when earned.

(c) Interest income

Interest income, which is presented net of applicable tax withheld, is recognized on a time-proportion basis using the effective interest method.

21.14 Costs and expenses

Cost and expenses are recognized in the statements of total receipts and expenses in the period these are incurred.

Interest expense is recognized on a time-proportion basis using the effective interest method.

21.15 Employee benefits

(a) Short-term employee benefits

The Club recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves, and bonuses. Bonuses are based on a formula that takes into consideration the employee's salary, length of service and performance evaluation. The Club recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

(b) Retirement benefits

The Club has a funded and non-contributory defined benefit retirement plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the PUC method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds converted into zero coupon rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the present value of the defined benefit obligation and the fair value of plan assets. This cost is included in personnel costs in the statement of total comprehensive income.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which these occur, directly in other comprehensive income as shown in the statement of total comprehensive income. Other comprehensive income is presented within equity in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately within personnel costs in the statement of total comprehensive income as past service costs.

22 Supplementary information required by the BIR

The following information required by Revenue Regulations No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared for the year ended December 31, 2023 and the receipts upon which the same were based consist of:

	Gross Receipts	Output VAT
Taxable receipts	129,330,799	15,519,969
Exempt receipts	209,761,875	-
	339,092,674	15,519,969

Receipts subject to VAT are based on gross receipts, less actual discounts, if any, while receipts in the statement of total receipts and expenses are measured in accordance with the policies in Note 21.13.

(b) Input VAT

Details of input VAT as at and for the year ended December 31, 2023 are as follows:

	Amount
Balance at beginning of year	-
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	7,455,502
Capital goods subject to amortization	11,473,671
Capital goods not exceeding 1 million	1,346,126
Importation of goods other than capital goods	85,032
Services lodged under cost and expenses	7,292,735
Claims for tax credit/refund and other adjustments*	(26,279,025)
Balance of deferred input tax to be amortized	(1,374,041)
Balance at end of year	-

**Pertains to total input VAT claimed against output VAT, and expensed due to allocation to exempt receipts*

(c) Importations

The Club's importations amounting to P708,603 for the year ended December 31, 2023 were not subject to import taxes and duties. The club has no other transactions subject to customs duties and tariff fees.

(d) Excise tax

The Club had no transactions subject to excise tax for the year ended December 31, 2023.

(e) Documentary stamp tax

Documentary stamp taxes paid for the year ended December 31, 2023 amounted to P418,100 which are mainly from various insurance policies and lease agreements.

(f) Other taxes and licenses

All other taxes and licenses for the year ended December 31, 2023 are as follows:

	Amount
Local taxes	
Real property taxes	6,341,422
Business permit	2,615,612
Community tax certificate	10,500
Other national taxes	
Registration to other government agencies	6,418,289
Annual water charges	55,435
BIR registration fee	500
Others	418,100
	15,859,858

The amounts above and documentary stamp taxes paid in (e) are lodged in the taxes and licenses and real property taxes accounts under costs and expenses section in the Club's statement of total receipts and expenses for the year ended December 31, 2023.

(g) Withholding taxes

Withholding taxes paid and accrued by the Club as at and for the year ended December 31, 2023 are as follows:

	Paid	Accrued	Total
Withholding tax on compensation	2,923,655	205,245	3,128,900
Expanded withholding taxes	4,489,305	520,337	5,009,642
	7,412,960	725,582	8,138,542

(h) Tax assessments and cases

The Club had no pending tax assessments with the BIR and cases, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2023.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at December 31, 2023
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income received and accrued
Financial assets at amortized cost				
Cash and cash equivalents	-	101,597,273	101,597,273	1,721,927
Receivables, net, including non-current portion of installment receivables	-	31,337,260	31,337,260	1,727,665
Investments	-	81,386,232	81,386,232	1,169,403
	-	214,320,765	214,320,765	4,618,995

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at December 31, 2023
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non-current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corporate Secretary	29,876	45,380	36,000	-	3,508	35,748	39,256
Robert John L. Sobrepena, Chairman	50,056	125,709	133,861	-	41,904	-	41,904
Daniel C. Samaniego, Director	776	125,026	106,699	-	19,103	-	19,103
Rafael Perez de Tagle Jr., Treasurer	14,204	114,434	122,449	-	6,189	-	6,189
Enrique A. Sobrepena, Director*	4,460	-	-	4,460	-	-	-
John R. Cope, Employee	59,718	452,061	405,000	-	42,992	63,787	106,779
	159,090	862,610	804,009	4,460	113,696	99,535	213,231

*Deceased

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the consolidation of financial statements
As at December 31, 2023
(All amounts in Philippine Peso)

[illegible]

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at December 31, 2023
(All amounts in Philippine Peso)

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”
Obligation under finance lease*	25,113,754	12,676,461	12,437,293

The Manila Southwoods Golf & Country Club, Inc.
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Schedule E - Indebtedness to Related Parties
As at December 31, 2023
(All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2023
(All amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
Not applicable				

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at December 31, 2023
(All amounts in Philippine Peso)

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		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,730	-	-	12	1,718
Class "B" common shares	1,200	1,152	-	-	2	1,150
	3,000	2,882	-	-	14	2,868