

COVER SHEET

SEC Registration Number

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COMPANY NAME

A	N	V	A	Y	A		C	O	V	E		G	O	L	F			A	N	D		S	P	O	R	T	S		C		
L	U	B	,				I	N	C	.		(A		N	o	t	-	f	o	r	-	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)

A	N	V	A	Y	A		C	O	V	E																				
M	o	r	o	n	g	,		B	a	t	a	a	n																	

Form Type

1	7	-	A
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

financedept@anvayacove.com

Company's Telephone Number

9943-4400

Mobile Number

N/A

No. of Stockholders

Annual Meeting (Month / Day)

10/02

Fiscal Year (Month / Day)

FTY 2023

CONTACT PERSON INFORMATION

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

Name of Contact Person

Neal C. Perez

Email Address

perez.neal@anvayacove.com

Telephone Number/s

9943-4400

Mobile Number

0917-8044-462

CONTACT PERSON'S ADDRESS

Anvaya Cove Golf & Sports Club, Morong, Bataan

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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **CS201014919**
3. BIR Tax Identification No. **007-875-261-000**
4. Exact name of issuer as specified in its charter: **ANVAYA COVE GOLF AND
SPORTS CLUB, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Morong, Bataan,
Philippines**
6. Industry Classification Code : (SEC Use Only)
7. Address of issuer's principal office: **Anvaya Cove, Morong, Bataan**
Postal code: **2108**
8. Issuer's telephone number, including area code: **9943-4400**
9. Former name, former address, 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

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Registered</u>	<u>No. of Shares Registered & Sold</u>
Class A	5,420	5,420
Class B	2,846	2,846
Class C	154	154
Class D	80	—
TOTAL	8,500	8,420

11. Are any or all of the securities listed on a Stock Exchange?
Yes[] No[x]

If yes, state the name of such Stock Exchange and the class/es 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 Code and SRC Rule 17 there under 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 twelve (12) months (or for such shorter period 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[]

No[x]

13. Aggregate market value of the voting stock held by non-affiliates:

Class B Common Shares - ₱3,500,000.00

Class C Common Shares - ₱4,400,000.00

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

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

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A which the document is incorporated:

2023 Audited Financial Statements (incorporated as reference for Items 5, 7, 10 & 12 of SEC Form 17-A)

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Business Development

Form and Date of Organization

Anvaya Cove Golf and Sports Club, Inc. (the “Club”) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on September 21, 2010. The primary purpose of the Club is to maintain, operate, manage, and carry on the business and operation of a golf and sports club and its facilities in the Municipality of Morong, Province of Bataan, for the amusement, entertainment, recreational and athletic activities, on a non-profit basis of its members.

Bankruptcy, Receivership or Similar Proceedings

There is no bankruptcy, receivership or similar proceedings involving the Club.

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

There are no material reclassifications, mergers, consolidations, or purchases or sales of a significant amount of assets involving the Club.

Business of Issuer

2023 marked the first full year post-covid return to normal operations. As such, Management was able to focus on greater member’s access and events. January saw the return of the Pawikan Cup Member-Guest Tournament in its 7th edition, as well as continuing the Premier League regular legs that included the 2-Man Scramble, Molave Storm, and culminating in the President’s Cup and 10th Anniversary celebrations in December. The Club also introduced the first ever Oktoberfest tournament.

One of the most notable 2023 golf events was the LPGT Anvaya Cove International, February 21-24, which included the Philippines’ finest fighting it out, and prevailing, against regional stars from Thailand, Taiwan, Hong Kong, Japan, and Korea.

Anvaya continued its tradition once again of playing Santa. At Mabayo-Annex High School about 100 families and their children played games, received toys and clothes, and were given Noche Buena packages.

In 2023 the Club continued to work toward GEO certification by initiating tree planting of indigenous fruit tree species to improve the Club’s flora and fauna, as well as continuing the transition of greens to pure zoysia from mini-verde. This move will provide a more consistent playing surface for members and guests, while being cost efficient and environmentally friendly for the long run as well.

During this period the Club saw a 25% increase in rounds played from 20,028 to 25,176. However, at the same time room occupancies declined by 12% to 4881 from 5549. 2023 also saw a 55% increase in Club Functions from 33 to 51 that resulted in a 3-fold increase in revenue from Php4.7 million to Php14.3 million. Finally, the Club Class B share price increased in value from Php2.9 million to Php3.5 million and Class C from Php3.8 million to Php4.4 million.

The Club, while enjoying higher demand, remains committed to improving playing conditions and member’s experience, while implementing industry sustainability best practices and reasonable cost controls.

Principal Products or Services Contributing 10% or More to Sales or Revenues

Membership dues contributed 43.38% of total Club revenues.

Service income consists of room accommodation, guest fees, sport complex amenities and income from the use of Club golf course, collectively contributed 29.10% of the total Club revenues.

Sale of goods which consist of sales of food, beverage and merchandise recorded at 22.61% of total Club revenues.

Percentage of sales or revenues and net income contributed by foreign sales

All income of the Club is derived from domestic sales of goods and services; hence, the Club has no foreign sales.

Distribution Method of Products

As the Club is an exclusive membership club, updates of its products and services are sent by email blasts to Club members.

New Products or Services

The Club has not introduced new products or services other than as provided hereunder.

Competition

The Club's all-weather championship golf course was designed by Golf plan, a California-based firm which has designed 150 courses in 60 different countries, including The Club at Nine Bridges in South Korea, the one and only five Asian courses ranked on GOLF magazine's newly issued World Top 100.

The course is one of the most eco-sensitive courses to debut in Asia Pacific in the 21st century with its turf grass, a special salt tolerant zoysia and its specimen dita and cuphon trees preserved across a 470-hectare property.

The Club has successfully pinned itself on the international golf map after being voted as the Best New Course in Asia Pacific on the Asian Golf Awards held in Singapore in November 2014; Best Course in the Philippines for 2015, 2016 and 2017 on Asian Golf Awards; 1st Runner Up in Best Golf Resort in Asia Pacific for 2016 and 2017 on Asian Golf Awards; Philippine's Best Golf Course in World Golf Awards for 2021 and 2022 Best Golf Course in the Philippines on Golf Digest.

Sources and Availability of Raw Materials

The Club has no major existing supply contracts. Raw materials such as food and vegetables, beverage, and drinks as well as operational supplies are sourced from the open market onsite and from Manila. Power is supplied by Peninsula Electric Cooperative and water is supplied by Manila Water Philippine Ventures (MWPV) and through a deep well. Diesel and gasoline are supplied by local petrol stations located within the vicinity of the Club.

Customer Base

The business of the Club is in no way dependent upon a single customer or few customers, the loss of any one or more of which would have no material adverse effect on the business of the Club. Being a membership club, there are no major existing sales contracts by the Club with an individual or entity.

Transactions with and/or dependence on related parties

The Club, in the normal course of business, entered transactions with Ayala Land, Inc. (ALI), a stockholder, and an affiliate, Anvaya Cove Beach and Nature Club Inc. (ACBNCI) consisting primarily of reimbursement of cost and expenses. Outstanding balances at year-end are unsecured, noninterest-bearing and is normally settled in cash, and is due and demandable.

The Club entered into a Management Agreement with Ayala Land Club Management Inc. (ACMI) for the latter to provide management services over general management, administration, financial management, human resources management, and property management of the Club. Management fees include the basic management fee amounting to ₱206,103.15 per month with an escalation clause of 7.5% per annum and incentive fee equivalent to 3% of the Gross Operating Profit (GOP). The agreement has been transferred to Ayala Land Premier Inc. (ALPI), after the SEC approved the merger of Ayala Land Sales, Inc. (ALSI), ACMI and ALPI on October 17, 2023, with the latter as the surviving entity.

Intellectual Property

The Club does not own any intellectual property rights such as patents, trademarks, copyrights, or licenses, and has not entered any franchises, concessions, and royalty agreements.

Government Approvals/Regulations

The principal product and service of the Club consist in the provision of amenities for leisure and recreation for its members. No special government approvals are required for the provision of such services.

The Club renews annually its business permit with the Municipality of Morong.

Effect of Existing and Probable Government Regulations

“Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE” Bill

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Club:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity’s office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

Applying the provisions of the CREATE Act, the Club would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

Accordingly, starting 1 July 2023, the Club will revert to its original 2% MCIT rate based on the gross income of the Club.

“Tax Reform for Acceleration and Inclusion (TRAIN) Law”

Pursuant to Section 2 Revenue Regulations (RR) No. 13-2018, the regulations implementing the Value-Added Tax (VAT) provisions of Train Law, starting 1 January 2023, the filing and payment of VAT returns shall be done on a quarterly basis. The filing of monthly VAT returns (BIR Form No. 2550M) will no longer be required, and VAT taxpayers will only need to file four (4) Quarterly VAT returns (BIR Form No. 2550Q) within 25 days following the close of each taxable quarter.

Development Activities

The Club has been fully completed and conveyed by Ayala Land, Inc. since May 2014. No development activities have been done since then.

Environmental Compliance

Club allocates a portion of the membership dues for the environmental fund which is utilized for environmental initiatives of the Club. For the year 2023, the Club collected a total of ₱1,841,800 for the Environmental Fund. The Club has spent ₱9,399 to cover the costs and expenditures for its different programs for the protection and conservation of the environment.

Employees

As of December 31, 2023, the Club was operated through its complement of approximately one hundred twenty-nine permanent and contractual employees, the breakdown of which is as follows:

	Organic	Non-organic	Total
Managers	3	–	3
Rank and file	30	97	127
Total	33	97	130

Of the 33 organic employees, 3 perform administrative functions, 12 perform clerical functions, and 18 perform operational functions.

Of the 97 non-organic employees, 13 perform clerical functions, and 84 perform operational functions.

There are no Collective Bargaining Agreements entered into by the Club with its employees. The Club’s employees have not been on strike in the past 3 years nor have they threatened to strike.

The employees are entitled to the thirteenth-month pay.

Risk Factors relating to the Company

Risks in Business of the Club

During the lean season, the Club is offering lower rates for room accommodations and golf tournaments as well as a flexible approach during weekends of allowing guests of members to have access to the services of the Club even without the member present. However, the Club ensures a manageable number of guests coming to visit with the addition of a more aggressive food and beverage promotion.

ITEM 2. PROPERTIES

On October 20, 2010, the Club and the Subic Bay Development and Industrial Estate Corporation (SUDECO) executed a Deed of Assignment which transfers seventeen (17) adjoining parcels of land with an aggregate area of approximately 817,624 square meters to the Club. In exchange for the land, the Club issued 1,082 Class A shares, 537 Class B shares and 24 Class C shares.

The facilities and amenities of the Club will lie on these parcels of land. Facilities and amenities of the Club include a Sports Center, a Golf Clubhouse and an 18-hole Championship Golf Course.

The property, plant and equipment are properly maintained as the Club has a yearly capital expenditure budget for this purpose. Depreciation of property and equipment commences once the property and equipment are available for use and is computed on straight-line basis over the estimated useful lives of the property and equipment as follows:

Land improvements	25 years
Buildings	35 years
Furniture, fixtures, and equipment	5 years

There is no mortgage, lien or encumbrance on the properties owned by the Club.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which the Club is a party or of which any of its properties is subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The annual meeting of stockholders was held virtually on October 2, 2023. The following actions were approved by at least a majority of the shareholders present to vote at such meeting:

- (a) Approval of the Minutes of the 2022 Annual Stockholders' Meeting held on September 30, 2022.
- (b) Noting of the President's Report and approval of the audited financial statements as of December 31, 2022;
- (c) Ratification of all resolutions adopted by the Board of Directors and all acts of Management beginning September 30, 2022 to October 2, 2023
 - (i) Election of officers
 - (ii) Appointment of Chairmen and members of the Board Committees
 - (iii) Designation of Lead Independent Director
 - (iv) Approval of the 2022 second quarter results of operation and audit findings
 - (v) Approval of the external audit plan
 - (vi) Approval of the revised internal audit plan
 - (vii) Approval of the 2023 third quarter results of operations
 - (viii) Approval of the 2022-2023 internal audit plan
 - (ix) Approval of the 2023 operating budget
 - (x) Approval of the implementation of cashless transactions
 - (xi) Approval of the Christmas fund special assessment
 - (xii) Approval of the partial performance bonus and cash gift
 - (xiii) Appointment of Stock Transfer Services, Inc. as the stock transfer agent
 - (xiv) Approval of the 2022 financial audit results on areas of audit emphasis
 - (xv) Approval of the management representation letter
 - (xvi) Approval of the full year 2022 financial audit and operating results
 - (xvii) Approval of the report of the Audit and Risk Oversight Committee to the Board
 - (xviii) Approval of the amendments to the Audit and Risk Oversight Committee Charter and Internal Audit Charter
 - (xix) Approval of the 2022 audited financial statements
 - (xx) Approval of the acquisition of cyber security tools
 - (xxi) Approval of the 2023 first quarter financial and operating results
 - (xxii) Appointment of the independent auditor for 2023 and fixing of its remuneration

- (xxiii) Appointment of Chief Risk Officer
- (xxiv) Approval of information technology projects
- (xxv) Approval of additional capital expenditures
- (xxvi) Approval of the information technology projects
- (xxvii) Approval of the increase in membership dues
- (xxviii) Approval of the new guidelines for exercising the Company's right of first refusal
- (xxix) Approval of the establishment of the retirement fund and retirement plan
- (xxx) Appointment Trustee Bank for the retirement fund
- (xxxi) Approval of the schedule of 2023 Annual Stockholders' Meeting and relevant dates
- (xxxii) Approval of the participation and voting by remote communication in all meetings of the Board of Directors and stockholders
- (xxxiii) Delegation of authority to the Corporate Governance and Nomination Committee to approve the final list of nominees to the Board

- (e) Election of the members of the Board of Directors, including independent directors, for the ensuing calendar year. The following shareholders were nominated and voted as members of the Board of Directors of the Club for the ensuing year or until their successors are duly elected and qualified:

AYALA LAND, INC. (ALI)

1. Dante M. Abando
2. Augusto D. Bengzon
3. Anna Ma. Margarita B. Dy
4. Javier D. Hernandez
5. Joseph Carmichael Z. Jugo
6. Paolo O. Viray

SUDECO

1. Jocelyn F. de Leon
2. Paullolindo A. Elauria

INDEPENDENT DIRECTORS

1. George Edwin T. Lee
2. Agustin R. Montilla IV
3. Bernadine T. Siy

- (f) Election of PwC Isla Lipana & Co. (PwC) as external auditor and the fixing of its remuneration.

The Corporation received one (1) vote against the appointment of the external auditor. There were no abstentions on the foregoing actions. Proxies were requested to be issued in the name of the Chairman.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Price Information

ALI and SUDECO sell their shares in a secondary market, which includes GG&A Club Shares Brokers, Inc. These shares are not traded in a stock exchange.

The following table shows the selling prices of the shares of the Club for each quarter of 2022 and 2023:

Quarter of Fiscal Year	Class B Share Price	Class C Share Price
Q1 2022	₱1,950,000	₱2,450,000

Q2 2022	₱2,300,000	₱2,800,000
Q3 2022	₱2,300,000	₱2,800,000
Q4 2022	₱2,900,000	₱3,800,000
Q1 2023	₱2,900,000	₱3,800,000
Q2 2023	₱3,300,000	₱4,200,000
Q3 2023	₱3,300,000	₱4,200,000
Q4 2023	₱3,500,000	₱4,400,000

As of the end of December 2023, the Club has sold the following number of shares:

Share	Volume	Value
Class A	5,420	₱137,793,900
Class B	2,846	71,993,500
Class C	154	3,839,600
Total	8,420	₱213,627,000

Stockholders

The Club has a total of about 841 stockholders as of December 31, 2023.

Class A Shares

There were eighteen (18) registered holders of Class A shares of the Corporation as of December 31, 2023.

	Stockholder Name	No. of Class A shares	Percentage of Class A shares
1.	Ayala Land, Inc.	4,322	79.7417%
2.	Subic Bay Development and Industrial Estate Corp.	1,082	19.9631%
3.	Anna Ma. Margarita B. Dy	1	0.0185%
4.	Bernardine T. Siy	1	0.0185%
5.	Jaime E. Ysmael	1	0.0185%
6.	Paolo O. Viray	1	0.0185%
7.	Joseph Carmichael Z. Jugo	1	0.0185%
8.	Emilio Lolito J. Tumbocon	1	0.0185%
9.	George Edwin T. Lee	1	0.0185%
10.	Robert S. Lao	1	0.0185%
11.	Augusto D. Bengzon	1	0.0185%
12.	Jocelyn F. de Leon	1	0.0185%
13.	Augustin R. Montilla IV	1	0.0185%
14.	Paullolindo A. Elauria	1	0.0185%
15.	Dante M. Abando	1	0.0185%
16.	George Bernard L. Cadhit	1	0.0185%
17.	Jose Emmanuel H. Jalandoni	1	0.0185%
18.	Javier D. Hernandez	1	0.0185%

Class B Shares

There were 778 registered holders of Class B shares of the Corporation as of December 31, 2023.

	Stockholder Name	No. of Class B	Percentage of Class B
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		shares	shares
1.	Ayala Land, Inc.	1,913	67.21%
2.	Subic Bay Development and Industrial Estate Corp.	156	5.48%
3.	Others	776	27.30%

Class C Shares

There were 45 registered holders of Class C shares of the Corporation as of December 31, 2023.

	Stockholder Name	No. of Class C shares	Percentage of Class C shares
1.	Ayala Land, Inc.	106	68.83%
2.	Subic Bay Development and Industrial Estate Corp.	4	2.60%
3.	Others	43	28.57%

Dividends

Article Seventh, Paragraph B (2) of the Club's Articles of Incorporation provides, "xxx No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall only be entitled to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation thereof."

Recent Sales of Unregistered or Exempt Securities

There was no sale of unregistered securities of the Club nor the issuance of securities of the Club constituting an exempt transaction in 2023.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Management's Discussion and Analysis of Results of Operations and Financial Conditions

Review for the year ended December 31, 2023

Results of Operations

Total Club revenues were recorded at ₱211.20 million for the year ended 2023, significantly higher by ₱11.50 million or 5.76% as compared to previous year.

- Membership dues recorded at ₱91.62 million or 43.38% of the total revenues, higher by ₱4.84 million or 5.57% as compared to last year.
- Service income amounted to ₱61.45 million or 29.10 % of total revenues, increased by ₱6.02 million or 10.87% as compared to last year.
- Sale of goods totaled ₱47.75 million or 22.61 % of total revenues, lower by ₱0.34 million or 0.70% as compared to last year.
- Transfer fee for the period reached ₱10.39 million or 4.92 % of the total revenues, higher by ₱0.98 million or 10.39%. This refers to required fee for the processing of change of ownership and nominees.

Total cost and expenses for the year was recorded at ₱234.07 million which was ₱34.53 million or

17.31% higher as compared last year.

- Cost of services recorded at ₱115.37 million or 49.29% of the total cost and expenses. Higher by ₱11.48 million or 11.05% compared to previous year of ₱103.89 million.
- Cost of sales recorded at ₱38.61 million or 16.49% of total cost and expenses. Higher by ₱6.58 million or 20.56% compared to prior year of ₱32.02 million.
- General and administrative expenses amounted to ₱80.10 million or 34.22% of total cost and expenses. Higher by ₱16.47 million or 25.88% as compared to previous year of ₱63.63 million.

Other Income, 11.88% of total revenues, recorded at ₱25.09 million. Significantly higher by ₱18.96 million or 309.53%

- Interest income for the year ended 2023, recorded at ₱4.06 million or 1.92% of total revenues, higher by ₱3.01 million or 286/61% as compared to last year.
- Miscellaneous income recorded at ₱21.02 million or 9.95 % of the total revenues, increased by ₱15.95 million or 314.28% compared to previous year.

Provision for income tax computed at ₱5,521, almost in line with ₱5,391 of 2022.

Other comprehensive loss recorded at ₱118,790 in 2023.

Financial Condition

Total assets amounted to ₱909.73 million which was slightly higher by ₱1.27 million or 0.14% as compared to previous year. The changes were attributed to the following major components:

- Cash and cash equivalent amounted to ₱21.55 million or 2.37% of the total assets. A decrease of ₱4.98 million or 18.75% compared to previous year.
- Financial asset at fair value was recorded at ₱3.01 million or 0.33% of the total assets, higher by ₱0.13 million or 4.40% as compared to previous year.
- Accounts and other receivables recorded at ₱35.37 million or 3.89% of the total assets, decreased by ₱1.30 million or 3.56% compared to last year.
- Receivables from related parties computed at ₱75.66 million, 8.32% of the total assets, recorded an increase of ₱12.84 million or 20.43% compared to previous year.
- Inventories recorded at ₱2.22 million or 0.24% of total asset, increased by ₱0.13 million or 6.13% from ₱2.09 million of previous year.
- Other current asset of ₱35.87 million, 3.94% of total sales, higher by ₱4.24 million or 13.42% as compared to prior year.
- Property and equipment recorded at ₱733.22 million or 80.60% of the total assets. A decrease of ₱9.43 million or 1.27% on account of depreciation as compared to previous year.
- As of the year ended 2023, advances and other noncurrent asset recorded at ₱2.83 million, lower by ₱0.36 million or 11.23% compared to previous year.

Total liabilities of the club amounted to ₱179.67 million or 19.75% of Total Liabilities and Member's

Equity. A decrease of ₱0.82 million or 0.45% as compared to last year's ₱180.49 million. The changes were attributed to the following major components:

- An increase of ₱12.52 million in accounts and other payables or 27.14% as compared to previous year.
- Contract liabilities, 3.37% of total liabilities and equity, amounted to ₱30.67 million, significantly higher by 53.47% as compared to CY 2022.
- Recorded a decrease of ₱24.47 million or 21.68% as of December 31, 2023 on payable to related parties compared to previous year.

Statement of Cash Flow

- Cash provided (used) by operating and investing activities for the year ended 2023 was recorded at ₱29.14 million and (₱24.08) million, respectively.
- Cash used in financing activities for year ended 2023 recorded at ₱10.00 million.
- At the end of the year 2023, the cash balance amounted to ₱21.55 million.

Key Performance Indicators

The Club looks closely at the following to determine its overall performance:

Ratio	Formula	2023	2022
Current ratio	Current assets / Current liabilities	0.98	0.91
Acid test ratio	Quick assets (Total current assets excluding inventory) / Current liabilities	0.76	0.72
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.23	0.24
Debt-to-equity ratio	Total debt / Total stockholders' equity	0.25	0.25
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.25	1.25
Interest rate coverage ratio	EBITDA / Interest expense	0.00	0.01
Return on equity	Net income after tax / Average total stockholders' equity	0.00	0.01
Return on assets	Net income after tax / Average total assets	0.01	0.03
Net profit margin	Net income after tax / Total revenue	0.01	0.03

Increase in current and acid test ratio of 0.07 and 0.04 respectively as compared to 2022.

Solvency ratio slightly decrease by 0.01. Debt-to-equity ratio and asset-to-equity ratio stood at 0.25 and 1.25 respectively.

Both interest rate coverage ratio and return on equity recorded at 0.00 for 2023, compared to 0.01 of 2022.

Return on assets recorded at 0.01 for 2023, compared to 0.03 of 2022.

Net profit margin computed at 0.01 in 2023, lower by 0.02 compared to 2022.

(a) Satisfaction of cash requirements and fund-raising plans

Operating Cash Requirement

No operating cash is required since the Club has started commercial operations and construction of the Club's facilities is being financed by capital infusion.

Project Development Cash Requirement

With respect to the cash requirement for project development, ALI had infused additional paid-in capital in the amount of ₱763.88 million for the complete development of the Club.

(b) Product research and development

No plan for product research and development. Architectural design planning for the golf course, structures and facilities of the Club are already complete.

(c) Purchase or sale of plant and significant equipment

All of the necessary and significant equipment of the Club has been purchased since the course and the structures of the Club are already completed.

(d) Significant changes in the number of employees

The Club already has 130 hired employees as of December 2023.

Others

As of the year ended December 31, 2023, there are no material events and uncertainties known to management that would have an impact on future operations except on item C:

- (a) Known trends, demands, commitments, events, or uncertainties that would have an impact on the Club;
- (b) Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
- (c) There is a known viral outbreak known as Covid 19 pandemic that may result to the unfavorable impact on the net sales or revenues or income from operation.
- (d) Significant elements of income or loss that did not arise from the Club's continuing operations;
- (e) Causes for any material changes from period to period in one or more line item of the Club's financial operations;
- (f) Seasonal aspects that had a material effect on the financial condition or results of the operations;

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

ITEM 7. FINANCIAL STATEMENTS

The financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to refer thereto in their reports on the financial statements of the Club.

Independent Public Accountants

The Club has engaged the services of PwC for the year 2023.

External Audit Fees and Services

The Club paid its external auditors the following audit and audit related fees in the past three years:

Year	Audit Fee
2023	₱179,900
2022	₱170,100
2021	₱162,000

The audit committee approved the policies and procedure for said services. No other fees were paid to said auditors for other services.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Board of Directors

The members of the Board of Directors of the Club as of December 31, 2023 are as follows:

Director	Nationality
Dante M. Abando	Filipino
Augusto D. Bengzon	Filipino
Jocelyn F. De Leon	Filipino
Bernard Vincent O. Dy ¹	Filipino
Paullolindo A. Elauria	Filipino
Javier D. Hernandez	Filipino
Joseph Carmichael Z. Jugo	Filipino
Paolo O. Viray	Filipino
George Edwin T. Lee	Filipino
Agustin R. Montilla IV	Filipino
Bernadine T. Siy	Filipino

Independent Directors

The stockholders of the Club have elected Messrs. George Edwin T. Lee and Agustin R. Montilla IV, and Ms. Bernadine T. Siy as independent directors in compliance with the requirements of the SRC Rule 38.

¹ Elected on November 13, 2023 to serve the unexpired term of Ms. Anna Ma. Margarita B. Dy.

Executive Officers

The executive officers of the Club since December 31, 2023 are as follows:

Position	Officer
Chairman	Augusto D. Bengzon ²
President	Joseph Carmichael Z. Jugo
Vice President	Paullolindo A. Elauria ³
Treasurer	Desiree Joy S. Miranda
Finance Director, Compliance Officer, and Chief Risk Officer	Neal C. Perez
General Manager	Jose P. Dagdagan
Corporate Secretary	Solomon M. Hermosura ⁴
Assistant Corporate Secretary	Maria Paula G. Romero-Bautista
Data Protection Officer	Amelia Ann T. Alipao ⁵

Comprehensive Background

The following describes the relevant business experience of the Club's directors and officers for the past five (5) years:

Dante M. Abando, Filipino, 59, has served as a Director of the Club since its incorporation. He is a Senior Vice President and Member of the Management Committee of ALI. He is concurrently the President of Makati Development Corporation. He is also the Chairman of MDC BuildPlus, Inc., MDC Concrete, Inc., MDC Equipment Solutions, Inc. and MDBI Construction Corp., a joint venture of Makati Development Corporation and Bouygues Batiment International. He is currently a Board Member of Avida Land Corporation, Serendra, Inc., and Ayala Property Management Corporation. He was the President of Alveo Land Corporation. He served as Chairman and President of the Philippine Constructors Association from 2016 to 2017 and a member of the Board of Trustees of the University of the Philippines Alumni Engineers from 2015 to 2018. He graduated with a degree in Bachelor of Science in Civil Engineering from the University of the Philippines in 1986 and earned his Master's Degree in Business Administration in 1995 from the same university. In 2012, he completed the Executive Program on Real Estate Management at Harvard University Graduate School of Design.

Augusto D. Bengzon, Filipino, 60, has served as Director of the Club since its incorporation, as Treasurer and Compliance Officer since March 15, 2017 until September 24, 2021, and was then elected as Chairman of the Board on September 25, 2021. He was elected as Chairman of Anvaya Cove Beach and Nature Club, Inc. on July 30, 2021. He is currently the Senior Vice President, Chief Finance Officer, Chief Compliance Officer and Treasurer of ALI. He is a Director of AREIT, Inc. and Treasurer of AyalaLand Logistics Holding Corp., publicly listed companies under the Ayala Land Group. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc.; Director and Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of ALI Eton Property Development Corp., Aurora Properties Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.; Director of Alviera Country Club Inc., Amicassa Process Solutions, Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., Station Square East Commercial Corp. and Southcrest Hotel Ventures, Inc.; Comptroller of Nuevocentro, Inc.; Treasurer and Chief Finance Officer of Portico Land Corp.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Alveo Land Corp., Amaia Land Corp., Avida Land

² Mr. Bernard Vincent O. Dy has been elected as Chairman of the Board on February 23, 2024.

³ Mr. Paolo O. Viray has been elected as Vice President of the Board on February 23, 2024.

⁴ Ms. Maria Franchette M. Acosta has been elected as Corporate Secretary on March 15, 2024.

⁵ Mr. Roscoe M. Pineda has been elected as Data Protection Officer effective January 1, 2024.

Corp., AyalaLand Premier Inc., Ayala Property Management Corporation, Bellavita Land Corp., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Serendra Inc., The Suites at One Bonifacio High Street Condominium Corp. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Golf & Leisure Club, Inc. and Ayala Greenfield Development Corporation; Trustee of Philippine National Police Foundation, Inc. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

Jocelyn S. De Leon, Filipino, 63, has served as a Director of the Club since December 2011. She is the Chairman of the Board and Director of SUDECO. She is presently Chairman of the Board and Director of Philippine Petrochemical Products, Inc.; Chairman of the Board and Director of Solar Plastics Corporation, Subic West Integrated Dev. Corporation, Zambales Farms & Forest Dev. Inc.; Chairman of the Board and Director of Seaport Development & Industrial Corporation and Silangguin Bay Corporation. She was formerly General Manager of Premier Creative Packaging Inc. until September 2003 and Business Manager and Accountant of Ekistic Mobility Consultant, Inc., a corporation domiciled in Torrance, California USA, a position she held until October 1993. She was also former General Manager of Lowell Cost Plus Inc., a corporation domiciled in Redondo Beach California, USA, and Corporate Planner in Philippine Petrochemical Products, Inc. in Makati City, Philippines. Ms. De Leon graduated with a degree in Bachelor of Science, Major in Marketing at the De La Salle University in Manila on March 1986 and took post-graduate studies at the same university in Masters in Business Administration.

Bernard Vincent O. Dy, 60, was the former President and CEO of ALI from April 2014 until September 2023. He was a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee from April 2014 until September 2023. He is a director of publicly-listed companies, AREIT, Inc. and Avaland Berhad of Malaysia. Concurrently, he is the Chairman of Aviana Development Corp. and Ayagold Retailers, Inc.; Vice Chairman of Alviera Country Club, Inc. and Director of AKL Properties, Inc., Alabang Commercial Corporation, Altaraza Development Corporation, Aurora Properties Incorporated, Avencosouth Corp., Ayala Greenfield Development Corporation, Ayalaland-Tagle Properties, Inc., Berkshires Holdings, Inc., BGWest Properties, Inc., Bonifacio Land Corporation, Ceci Realty Inc., Columbus Holdings, Inc., Emerging City Holdings, Inc., Fort Bonifacio Development Corporation, Serendra, Inc., Station Square East Commercial Corporation, and Vesta Property Holdings, Inc. He is also the President of Bonifacio Art Foundation, Inc. and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc., advisor of Alveo-Federal Land Communities, Inc.; and, Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. Mr. Dy earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1989, and Masters in International Relations in 1997 from the University of Chicago.

Paullolindo A. Elauria, Filipino, 57, has served as Director and Vice President of the Club since its incorporation. He has also served as Director of Anvaya Cove Beach and Nature Club, Inc. since its incorporation on March 28, 2005 and as President since October 17, 2017. He is the President of SUDECO since 2002, Philippine Petrochemical Products, Inc., Subic West Integrated Development Corp., Seaport Development and Industrial Corporation, Leungs Holdings, Inc., Sideli International Trading Corporation, Zambales Farms and Forest, Inc., Shining Star Corporation, and Philippine Mariculture Systems Corp. He is also the President and Legal Counsel for Seaport Development Corporation since 2018. He holds a Bachelor of Laws Degree from The Manuel L. Quezon University and passed the bar in 1992. He also holds Bachelor's degree in Mathematics for Teachers from the Philippine Normal University. He is the Founder, President and Commissioner of the Professional Chess Association of the Philippines, the first government-licensed professional chess league in the world.

Javier D. Hernandez, 54, is a Vice President of Ayala Land, Inc. since April 2017. He is currently the President & Chief Executive Officer of AyalaLand Hotels & Resorts Corporation, ALI Triangle Hotel

Ventures, Inc., Arcasouth Hotel Ventures, Inc., Asiatown Hotel Ventures, Inc., Bay Area Hotel Ventures, Inc., Bonifacio Hotel Ventures, Inc., Capitol Central Hotel Ventures, Inc., Cebu Insular Hotel Co., Inc., Central Bloc Hotel Ventures, Inc., Circuit Makati Hotel Ventures, Inc., Ecosouth Hotel Ventures, Inc., Econorth Resort Ventures, Inc., Enjay Hotels, Inc., Makati North Hotel Ventures, Inc., North Triangle Hotel Ventures, Inc., One Makati Hotel Ventures, Inc., One Makati Residential Ventures, Inc., Sentera Hotel Ventures, Inc., and Sicogon Island Tourism Estate Corp., and President of the Ten Knots Phils., Inc., Bacuit Bay Development Corporation, Ecoholdings Company, Inc., Regent Horizons Conservation Company, Inc., Lio Tourism Estate Management Corp., Ten Knots Development Corporation, Chirica Resorts Corporation, Pangulasian Island Resort Corp., Lio Resort Ventures Inc., North Liberty Resort Ventures, Inc. and Turista.ph Technologies, Inc. He is responsible for the overall management of all Seda properties, El Nido Resorts and LIO Estate in El Nido, Palawan. President and Chief Executive Officer of Sicogon Island Tourism Estate Corp. He is also a Director and Chief Operating Officer of Southcrest Ventures, Inc. and Northgate Hotel Ventures, Inc., and Director and Vice President for Operations of Alabang Commercial Corporation. He is also a Director of South Innovative Theater Management Inc. He has worked for Ayala Land for 29 years, spending seven years with Ayala Malls, four years with the Sales and Marketing Group, thereafter rejoining Ayala Malls for another 13 years before transferring to AyalaLand Hotels and Resorts mid-2016. He graduated with a Bachelors Degree in Business Administration from the San Francisco State University.

Joseph Carmichael Z. Jugo, Filipino, 49, has served as a Director and President of the Club since July 6, 2017. He is a Senior Vice President and member of the Management Committee of ALI. He is concurrently Chairman & President of OLC Development Corp., Roxas Land Corp., Southportal Properties, Inc.; Chairman of Ayala Hotels, Inc., Verde Golf Development Corp., Anvaya Environmental Foundation, Inc.; Director, President, & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; Director & President of Ayalaland Premier, Inc., Ayalaland-Tagle Properties, Inc., and BGWest Properties Inc.; Director & Vice President of Anvaya Cove Beach & Nature Club, Inc.; President of Garden Towers Condo Corp.; Director of Amicassa Process Solutions, Inc., Serendra, Inc., Ayala Center Estate Association, and Algofil Inc.. In his almost 20 years in the company, he has been a part of and handled various business lines including business development for the retail and malls group, project development for the residential business group, project development for the leisure group and sales for the local and international markets. He graduated from the Ateneo de Manila with a degree in Management Economics in 1997 and completed his MBM from the Asian Institute of Management (with Distinction) in 2002. He attended the International Graduate Student Exchange Program at the Tuck School of Business, Dartmouth College in 2002 and completed the INSEAD Asian International Executive Programme (AIEP) in 2015.

Paolo O. Viray, Filipino, 43, has served as a Director of the Club since March 17, 2017 and currently the Vice President since February 2024. He is a Director of Anvaya Cove Beach and Nature Club, Inc.; Director and Chief Operating Officer of AyalaLand Premier, Inc.; Director and Vice President Ayala Greenfield Golf and Leisure Club; Director of Verde Golf Development Corporation, and Ayala Hotels, Inc. He served as the General Manager for Ayala Land International Marketing, USA, and Project Development Manager for Ayala Land Premier. He joined ALI in 2004 and has been involved in various residential, leisure and special projects handling business development and project development. He holds a degree in Civil Engineering from De La Salle University, Manila and a Master's Degree in Business Administration from Hult International Business School, San Francisco, California.

George Edwin T. Lee, 60, has been elected as an Independent Director of the Club on January 28, 2020. He is President of Armstrong Realty Investments, Inc. since 1990. Prior to joining Armstrong Realty Investments, Inc., he was a marketing analyst at Philip Morris USA New York. He was the Chairman of Ortigas Center Association, Inc. in 2010 to 2018 and served as President in 2006 to 2010. He is currently the Chairman of the Board of Solana Resorts. He is a director of Greenhills West Association and was President from 2006 to 2010 and Vice Chairman from 2010 to 2018. Mr. Lee is currently a Director of Perla Insurance. He is also a director and member of the Membership Committee of Sta. Elena Golf & Country Club. He graduated from Ateneo de Manila University in 1984 with a degree in

AB Economics and finished his Master's in Business Administration from Fordham University in New York in 1989.

Agustin R. Montilla IV, Filipino, 53, has served as an independent director of the Club since September 25, 2021. He joined Romulo Mabanta Buenaventura Sayoc & de los Angeles as an Associate in 1996 and has been a Senior Partner since 2016. He is also a Director of Lex Mundi, one of the largest global networks of independent law firms; a member of the Board of Trustees of the Beacon International School Foundation, Inc. and Manila Polo Club, Inc.; member of the Board of Trustees and Secretary of the Cancer Resource and Wellness (Carewell) Community Foundation, Inc.; President and shareholder of Dueno Alegre, Inc.; President of ETM Philippines Holdings, Inc.; Director and Corporate Secretary of SAL Buendia Holding Corp., and Corporate Secretary of The Asia Society Foundation Philippines, Montivar, Inc. and BF Jade E-Services Philippines, Inc.. He has served as a Lecturer in Law at Ateneo De Manila University School of Law from 1999 to 2004 and graduated with honors from the same school in April 1995. In May 2002, he earned his Legum Magister from Columbia Law School in New York.

Bernadine T. Siy, Filipino, 64, has served as an independent director of the Club since September 25, 2021. She currently serves as an independent director of Cebu Air, Inc. since February 2021 and of PLDT Inc. since June 2021. Concurrently, she is also a director in Epicurean Partners Exchange Inc., Coffee Masters Inc., Fil-Pacific Apparel Corporation, and Authentic American Apparel Corporation. She also holds the following positions in several non-profit institutions and organizations: Chairperson/member of the Ateneo de Manila University Board of Trustees; member of the board of the Foundation for Economic Freedom; and member of the Management Association of the Philippines. She has served as a President and CEO of Epicurean Partners Exchange Inc., Coffee Masters Inc. and Fil-Pacific Apparel Corporation. Her past positions also include being a member of the Board of Trustees of Habitat for Humanity Philippines, a director in the Garment Business Association of the Philippines, and a director in Hands-On Manila. She earned her Bachelor of Arts in Economics at Ateneo De Manila University and graduated Magna Cum Laude in March 1980. In June 1984, she finished her Masters in Management with Majors in Finance and Accounting at the J.L. Kellogg Graduate School of Management, Northwestern University in Chicago, Illinois.

Desiree Joy C. Suarez-Miranda, Filipino, 39, has served as the Treasurer of the Club since September 25, 2021. She also served as the Compliance Officer of the Club from September 25, 2021 to November 11, 2021. Concurrently, she serves as Director, Treasurer and Chief Finance Officer of Ayala Hotels, Inc., AyalaLand Club Management, Inc., and Verde Golf Development Corporation; Director and Chief Finance Officer of Ayala Land Sales, Inc., OLC Development Corporation and SouthPortal Properties, Inc.; Chief Finance Officer and Comptroller of Ayala Greenfield Development Corporation and Ayala Greenfield Golf & Leisure Club, Inc.; and Chief Finance Officer of AyalaLand Premier, Inc. and Anvaya Environmental Foundation, Inc.. Prior to joining ALI, she worked at SyCip Gorres Velayo & Co. She graduated from the University of Santos Tomas with a degree in Bachelor of Science in Accountancy and placed 19th in the Certified Public Accountants' Board Exam.

Neal C. Perez, Filipino, 50, has served as the Compliance Officer and Finance Director of the Club since November 11, 2021, and was elected as Chief Risk Officer subsequently on May 12, 2023. He has multiple certifications, both local and international, namely: Certified Public Accountant (CPA), Certified Management Accountant (CMA), Certified Internal Auditor (CIA), Certified Forensic Accountant (CrFA), Certified Internal Controls Auditor (CICA) and Certification in Risk Management Assurance (CRMA). He has an impeccable professional track record as Finance and Compliance Director, Finance Controller, Finance Manager and Internal Auditor in various sectors including hospitality, gaming, real estate, utilities, consumer electronics and government services. As an ISO Quality Management Representative (QMR), he successfully initiated and implemented the ISO 9001 Quality Management System (QMS) program in frontline services and back office functions. Mr. Perez holds a Master's Degree in Business Management from the University of the Philippines - Diliman and double Bachelor's Degrees in Commerce and Accountancy from Saint Louis University where he graduated Magna Cum Laude and Cum Laude, respectively.

Jose P. Dagdagan, Filipino, 69, has served as the General Manager of the Club since July 26, 2021. He was the Operations Manager of AyalaLand Club Management, Inc. since 2012. Concurrently, he is a member of the Board of Trustees and Chairman, Golf Club Management and Sustainability of the National Golf Association of the Philippines; General Manager of Verde Golf Development Corporation; and General Manager of Capitol Hills Golf & Country Club, Inc. He was also the General Manager of Ayala Greenfield Golf & Leisure Club, Inc. Prior to his retirement from the Armed Forces of the Philippines in 1996, Mr. Dagdagan was a Drill Instructor and Academic Chief at the Marine Training Center, a Program Manager of the International Military Education and Training Program of the Joint United States Military Advisory Group, and the Chairman of the Oversight Committee of the AFP Commissary & Exchange Service. In 1982, he was the AFP Soldier of the Year and the Philippine Marines' Marine of the Year. He had his Masters in Public Administration at Makati University and a graduate of AB Political Science at Fort Andres Bonifacio College.

Solomon M. Hermosura, Filipino, 62, has served as the Corporate Secretary of the Club since its incorporation. He is a Senior Managing Director, Group Head of Corporate Governance, Chief Legal Officer, Compliance Officer, Data Protection Officer, and Corporate Secretary of Ayala Corporation. He has been a member of the Ayala Corporation Management Committee since 2009 and the Ayala Group Management Committee since 2010. He also serves as Corporate Secretary and Group General Counsel of ALI; Corporate Secretary of Globe Telecom, Inc., Integrated Micro-Electronics, Inc., AC Energy Corporation, AREIT, Inc. and Ayala Foundation, Inc., and as Corporate Secretary and member of the Boards of Directors of a number of companies in the Ayala Group. He is currently a member of the faculty of the College of Law of San Beda University. He graduated valedictorian with Bachelor of Laws degree from San Beda College in 1986 and placed 3rd in the 1986 Bar Examination.

Maria Paula G. Romero-Bautista, Filipino, 39, has served as Assistant Corporate Secretary of the Club since September 28, 2018. She was a Senior Counsel at Ayala Group Legal, assigned to the Corporate Services and Compliance Unit. She is a Legal Counsel in Amicassa Process Solutions, Inc. beginning January 1, 2023, assigned to the Compliance and Corporate Services Group. She handles various corporate and assistant corporate secretarial functions for several companies within the Ayala Group. Prior to joining Ayala Group Legal, she worked at Gatchalian Castro & Mawis Law Office and Cruz Marcelo & Tenebrancia Law Office. She graduated with a Juris Doctor degree from Ateneo de Manila University in 2009 and for her undergraduate studies, from De La Salle University Manila with a degree in Bachelor of Science in Commerce Majoring in Legal Management in 2005.

Amelia Ann T. Alipao, Filipino, 60, has served as Data Protection Officer of the Club since September 26, 2020. She is currently a Vice President and the Chief Information Officer (CIO) of Ayala Land Inc. She is also the Group Data Protection Officer for ALI Group of Companies and presently a member of the Data Privacy Council for Real Estate of the National Privacy Commission. She is a Director of APRISA Business Process Solutions, Inc. and HCX Technology Partners Inc.. She is currently a member of the ALI Corporate Bidding Committee. She previously occupied this role in 2009-2011 and acted as Chairperson. Before joining ALI, she took on dual roles in SAP Philippines as Account Manager, handling government accounts, and project manager for SAP Implementation. She served as Assistant Vice President in Coca-Cola Bottlers Philippines, Inc., where she held various IT systems implementation projects. She started her IT career as an IT Instructor in I/Act of SyCip Gorres Velayo & Co. She holds a Bachelor of Arts in Biology and a Bachelor of Science in Business Management from De La Salle University.

Significant Employees

The Club considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the Club's goals and objectives.

Family Relationships

None of the Directors or Executive Officers is related to another by affinity or consanguinity.

Involvement in Certain Legal Proceedings (over the past 5 years)

The Club has no knowledge of any of the following events that occurred during the past five (5) years up to the date of this report which are material to an evaluation of the ability or integrity of any director or executive officer:

- (a) None of them has been involved in any bankruptcy petition.
- (b) None of them has been convicted by final judgment in a criminal proceeding or being subject to a pending criminal proceeding both domestic and foreign.
- (c) None of them has been subject to any order, judgment or decree of any court of competent jurisdiction (domestic or foreign) permanently or temporarily, enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities.
- (d) None of them has been 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.

ITEM 10. EXECUTIVE COMPENSATION

Compensation Table

Executive Compensation

ACMI, a wholly owned subsidiary of ALI, manages the operation of the Club under a Management Agreement which was renewed on January 1, 2022 and shall be effective until January 1, 2025. By virtue of the approval of the merger of ACMI, ALPI, and ALSI by the SEC on October 17, 2023 wherein ALPI was the surviving entity, contract has now been transferred to ALPI.

ACMI and ALI did not charge any cost pertaining to the compensation of the Corporation's directors and officers for its management and operation.

Compensation of Directors

(1) Standard Arrangement (Current Compensation)

Article VII, Section 1 (2nd paragraph) of the Corporation's By-Laws provides:

“xxx Directors shall receive no salaries from the Club.”

(2) Other Arrangement

None of the directors, in their personal capacity, has been contracted and compensated by the Corporation for services other than those provided as a director.

The Corporation has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Warrants and Options Outstanding

The Club has not offered any stock warrants or stock options to any of its directors, executive officers or employees.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL AND RECORD SHAREHOLDERS

Security ownership of certain record and beneficial owners of more than 5% of common shares as of December 31, 2023:

Title of Class	Name & Address of Record Owner & Relationship w/ Issuer	Name of Beneficial Owner & Relationship w/ Record Owner	Citizenship	No. of Shares	Percentage
Class A Class B Class C	Ayala Land, Inc. (ALI) 31/F Tower One & Exchange Plaza, Ayala Ave. Makati City ALI is the parent of the Corporation	ALI is both the beneficial and record owner of the Issuer.	Filipino	4,322 1,913 106	75.31%
Class A Class B Class C	Subic Bay Development and Industrial Estate Corp. (SUDECO) 8/F Vernida IV Condominium 128 L.P. Leviste St., Salcedo Village, Makati City SUDECO is a stockholder of the Corporation	SUDECO is both the beneficial and record owner of the Issuer.	Filipino	1,082 156 4	14.75%

- The Board of Directors of ALI has the power to decide how ALI's shares in the Club are to be voted. Augusto D. Bengzon and Joseph Carmichael Z. Jugo have been named and appointed to exercise the voting power.
- The Board of Directors of SUDECO has the power to decide how SUDECO's shares in the Club are to be voted. Jocelyn F. de Leon or in her absence Paullolindo A. Elauria has been named and appointed to exercise the voting power.

Security Ownership of Management

Security ownership of directors and management as of December 31, 2023:

Title of Class	Name	Position	Amount & Nature of Ownership	Citizen-ship	Percent-age
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Class A	Augusto D. Bengzon	Chairman of the Board of Directors	1 (record owner)	Filipino	0.0119%
Class A	Joseph Carmichael Z. Jugo	Director & President	1 (record owner)	Filipino	0.0119%
Class A	Paulloindo A. Elauria	Director & Vice President	1 (record owner)	Filipino	0.0119%
Class A	Dante M. Abando	Director	1 (record owner)	Filipino	0.0119%
Class A	Jocelyn F. de Leon	Director	1 (record owner)	Filipino	0.0119%
Class A	Javier D. Hernandez	Director	1 (record owner)	Filipino	0.0119%
Class B	Bernard Vincent O. Dy	Director	1 (record and beneficial owner)	Filipino	0.0119%
Class A	Paolo O. Viray	Director	1 (record owner)	Filipino	0.0119%
Class A	George Edwin T. Lee	Independent Director	1 (record owner)	Filipino	0.0119%
Class A	Agustin R. Montilla IV	Lead Independent Director	1 (record owner)	Filipino	0.0119%
Class A	Bernadine T. Siy	Independent Director	1 (record owner)	Filipino	0.0119%
-	Desiree Joy C. Suarez	Treasurer	0	Filipino	N/A
-	Solomon M. Hermosura	Corporate Secretary	0	Filipino	N/A
-	Maria Paula G. Romero-Bautista	Assistant Corporate Secretary	0	Filipino	N/A
-	Amelia Ann T. Alipao	Data Protection Officer	0	Filipino	N/A
-	Jose P. Dagdagan	General Manager	0	Filipino	N/A
-	Neal C. Perez	Compliance Officer, Finance Director, and Chief Risk Officer	0	Filipino	N/A
Security Ownership of all Directors and Officers			11		0.1306%

No director or member of the Corporation's management owns 2% or more of the outstanding capital stock of the Corporation.

Voting Trust Holders of 5% or More

The Club knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

Change in Control

No change of control in the Corporation has occurred since the beginning of its last fiscal year.

ITEM 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

Please refer to Note 17, *Related Party Transactions*, of the Notes to Financial Statements of the 2023 Audited Financial Statements, which is incorporated herein in the accompanying Index to Exhibits.

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

Compliance with Corporate Governance

The Club amended the Manual of Corporate Governance (the “Revised Manual of Corporate Governance”) on July 8, 2020 in accordance with the provisions of SEC Memorandum Circular No. 24, Series of 2019. The Club is attentive to the rules of the SEC so that improvements to its corporate governance policies may be faithfully adopted and implemented.

The evaluation system which was established to measure or determine the level of compliance of the Board of Directors and top-level management with its Revised Manual of Corporate Governance consists of a Board Performance Assessment which is accomplished by the Board of Directors indicating the compliance ratings. The above is submitted to the Compliance Officer who issues the required certificate of compliance with the Club's Revised Manual of Corporate Governance to the Securities and Exchange Commission.

To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Club, as well as the mechanism for monitoring and evaluating Management's performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

On June 30, 2023, the Club submitted to the SEC its Annual Corporate Governance Report for the year 2022 pursuant to SEC Memorandum Circular No. 13, Series of 2021, wherein the Club disclosed its compliance or non-compliance with the recommendations under the Code of Corporate Governance for Public Companies and Registered Issuers.

The Club is taking further steps to enhance adherence to principles and practices of good corporate governance.

PART V - EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

(a) Exhibits - See accompanying Index to Exhibits

The following exhibit is incorporated by reference in this report:

2023 Financial Statements

The other exhibits, as indicated in the Index to Exhibits, are either not applicable to the Club or require no answer.

(b) Reports on SEC Form 17-C

The following reports on SEC Form 17-C, as amended, was filed during the six (6)-month period immediately preceding the period covered by this report:

SEC Form 17-C dated August 16, 2023: resetting of the 2023 Annual Stockholders' Meeting to October 2, 2023.

SEC Form 17-C dated August 23, 2023: setting of the Notice and Agenda for the 2023 Annual Stockholders' Meeting.

SEC Form 17-C dated October 6, 2023: disclosing the results of the 2023 Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors.

SEC Form 17-C dated November 17, 2023: disclosing the election of Bernard Vincent O. Dy as director replacing Anna Ma. Margarita B. Dy and appointment of Roscoe M. Pineda as Data Protection Officer effective January 1, 2024.

SEC Form 17-C dated February 23, 2024: disclosing the election of Bernard Vincent O. Dy as Chairman of the Board and Chairman of the Executive Committee replacing Augusto D. Bengzon and election of Paolo O. Viray as Vice President replacing Paullolindo A. Elauria.

SEC Form 17-C dated February 29, 2024: disclosing the resignation of Solomon M. Hermosura as Corporate Secretary of the Corporation.

SEC Form 17-C dated March 15, 2024: disclosing the election of Maria Franchette M. Acosta as Corporate Secretary and appointment of Paullolindo A. Elauria as member of the Membership Committee of the Corporation to replace Solomon M. Hermosura.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of Makati on the APR 15 2024.

By:

Signature and Title

:


BERNARD VINCENT O. DY
Chairman


Signature and Title

:


JOSEPH CARMICHAEL Z. JUGO
President


Signature and Title

:


DESIREE JOY S. MIRANDA
Treasurer

Signature and Title

:


NEAL C. PEREZ
Finance Director, Compliance Officer, and
Chief Risk Officer

Signature and Title

:


MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City) SS.

BEFORE ME, a Notary Public for and in the City of Makati, this APR 15 2024, personally appeared the following:

Anvaya Cove Golf and Sports Club, Inc.
represented by:

<u>Name</u>	<u>Passport/Driver's License No.</u>	<u>Date & Place of Issue</u>
Bernard Vincent O. Dy	Passport No. P7090535B	July 1, 2021/DFA Manila
Joseph Carmichael Z. Jugo	Passport No. P6459871A	April 7, 2018/DFA, Manila
Desiree Joy C. Suarez- Miranda	Passport No. P0497029C	June 15, 2022/DFA Manila
Neal C. Perez	Driver's License No. C09-93-048756	June 6, 2022/Land Transportation Office
Maria Franchette M. Acosta	Passport No. P2265706C	Nov. 4, 2022/DFA Manila


who are personally known to me and identified by me through competent evidence of identity to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed and that they have the authority to sign on behalf of their respective principals.

WITNESS MY HAND AND NOTARIAL SEAL affixed at the place and on the date first above written.

Doc. No. 199 ;
Page No. 41 ;
Book No. XLVII ;
Series of 2024.

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (amending Sec. 188 of the NIRC)
affixed on Notary Public's copy.




MARIA PAULA G. ROMERO-BAUTISTA
Notary Public - Makati City
Appt. No. M-227 until December 31, 2025
Roll of Attorneys No. 58335
IBP No. 416399 - 01/11/2024 - Makati City
PTR No. MKT10083260 - 01/11/2024 - Makati City
MCLE Compliance No. VII-0020268 - 06/02/2022
6th Floor Makati Stock Exchange Building,
Ayala Avenue, Makati city, Philippines

ANVAYA COVE GOLF AND SPORTS CLUB, INC.

INDEX TO EXHIBITS
Form 17-A – Item 7

No.		
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	N/A*
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	N/A
(8)	Voting Trust Agreements	N/A
(9)	Material Contracts	N/A
(10)	2023 Financial Statements (with notarized Statement of Management Responsibility)	Attached
(13)	Letter re: Change in Certifying Accountant	N/A
(16)	Report Furnished to Security Holders	N/A
(18)	Subsidiaries Registrant	N/A
(19)	Published Report regarding Matters Submitted to Vote of Security Holders	N/A
(20)	Consent of Experts and Independent Counsel	N/A
(21)	Power of Attorney	N/A
(29)	Additional Exhibits	N/A

**Not applicable or require no answer*

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

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

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	0	1	4	9	1	9
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COMPANY NAME

A	N	V	A	Y	A		C	O	V	E		G	O	L	F		A	N	D		S	P	O	R	T	S			
C	L	U	B			I	N	C	.																				

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

Caption: The word "MORONG" is spelled out using the letters A, N, V, A, Y, A, C, O, V, E, M, O, R, O, N, G, B, A, T, A, A, N.																													
A	N	V	A	Y	A		C	O	V	E	,		M	O	R	O	N	G	,		B	A	T	A	A	N			

Form Type

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

Department requiring the report

--	--	--	--

Secondary License Type, if Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

financedept@anvayacove.com

Company's Telephone Number/s

9943-4400

Mobile Number

N/A

No. of Stockholders

841

Annual Meeting (Month/Day)

10/02

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Neal Perez

Email Address

perez.neal@anvayacove.com

Telephone Number/s

9943-4400

Mobile Number

09178044462

CONTACT PERSON'S ADDRESS

Anvaya Cove, Morong, Bataan

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.



Independent Auditor's Report

To Board of Directors and Stockholders
Anvaya Cove Golf and Sports Club, Inc.
Anvaya Cove, Morong, Bataan

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Anvaya Cove Golf and Sports Club, Inc. (the "Club") as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2023;
- the statements of total comprehensive income for the years ended December 31, 2023;
- the statements of changes in equity for the years ended December 31, 2023;
- the statements of cash flows for the years ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit 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 Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Other Matter

The financial statements of the Club as at December 31, 2022 and for the years ended December 31, 2022 and 2021 were audited by another firm of auditors whose report, dated March 2, 2023, expressed an unmodified opinion on those statements.

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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Independent Auditor's Report
To Board of Directors and Stockholders
Anvaya Cove Golf and Sports Club, Inc.
Page 2

Other Information

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

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

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

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

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

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

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

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.



Independent Auditor's Report
To Board of Directors and Stockholders
Anvaya Cove Golf and Sports Club, Inc.
Page 3

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Independent Auditor's Report
To Board of Directors and Stockholders
Anvaya Cove Golf and Sports Club, Inc.
Page 4

Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 20 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 audit 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, reading "Dexter Toledaña".

Dexter DJ V. Toledaña
Partner

CPA Cert. No. 121827

P.T.R. No. 0032961; issued on January 12, 2024 at Makati City

T.I.N. 255-979-765

BIR A.N. 08-000745-241-2023, issued on January 30, 2023; effective until January 29, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 23, 2024



**Statement Required by Rule 68,
Securities Regulation Code (SRC)**

To Board of Directors and Shareholders
Anvaya Cove Golf and Sports Club, Inc.
Anvaya Cove, Morong, Bataan

We have audited the accompanying financial statements of Anvaya Cove Golf and Sports Club, Inc. (the "Company") for the year ended December 31, 2023, on which we have rendered the attached report dated February 23, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of the work we performed, the Club only has two (2) shareholders each owning one hundred (100) or more shares as at December 31, 2023.

Isla Lipana & Co.

A handwritten signature in black ink, reading "Dexter Toledaña".

Dexter DJ V. Toledaña
Partner

CPA Cert. No. 121827

P.T.R. No. 0032961; issued on January 12, 2024 at Makati City

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Makati City
February 23, 2024

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Statement Required by Rule 68, Securities Regulation Code (SRC)

To Board of Directors and Shareholders
Anvaya Cove Golf and Sports Club, Inc.
Anvaya Cove, Morong, Bataan

We have audited the financial statements of Anvaya Cove Golf and Sports Club, Inc. as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 23, 2024. The supplementary information shown in the Schedules A, B, C, D, E, F and G, as required by Part II, Section 7 of the Rule 68 of the SRC is presented for purposes of filing with the Securities and Exchange Commission 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 the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Dexter Toledaña".

Dexter DJ V. Toledaña
Partner

CPA Cert. No. 121827

P.T.R. No. 0032961; issued on January 12, 2024 at Makati City

T.I.N. 255-979-765

BIR A.N. 08-000745-241-2023, issued on January 30, 2023; effective until January 29, 2026

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Makati City
February 23, 2024

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Anvaya Cove Golf and Sports Club, Inc.

Statements of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Note	2023	2022
Assets			
Current Assets			
Cash	2	21,552,932	26,528,276
Financial assets at fair value through profit or loss	3	3,007,892	2,881,173
Accounts and other receivables	4	35,368,271	36,672,753
Receivables from related parties	15	75,663,211	62,826,742
Inventories	5	2,222,114	2,093,712
Other current assets	6	35,874,752	31,631,177
Total current assets		173,689,172	162,633,833
Noncurrent Assets			
Property and equipment - net	7	733,216,580	742,641,649
Advances and other noncurrent assets	6	2,828,245	3,186,096
Total noncurrent assets		736,044,825	745,827,745
Total Assets		909,733,997	908,461,578
Liabilities and Equity			
Current Liabilities			
Accounts and other payables	8	58,642,408	46,124,391
Contract liabilities	10	30,673,028	19,985,756
Payables to related parties	15	88,364,306	112,831,705
Total current liabilities		177,679,742	178,941,852
Noncurrent Liabilities			
Pension liability	13	1,584,112	1,101,634
Deferred tax liability	13,14	404,456	444,053
Total noncurrent liabilities		1,988,568	1,545,687
Total Liabilities		179,668,310	180,487,539
Equity			
Paid-in capital	9	213,627,000	213,627,000
Additional paid-in capital	9	763,883,400	763,883,400
Cumulative remeasurement gain on pension liability	13	1,213,368	1,332,158
Deficit	9	(248,658,081)	(250,868,519)
Total Equity		730,065,687	727,974,039
Total Liabilities and Equity		909,733,997	908,461,578

The notes on pages 1 to 33 are an integral part of these financial statements.

Anvaya Cove Golf and Sports Club, Inc.

Statements of Comprehensive Income
For the year December 31, 2023
(With comparative figures for the year ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Note	2023	2022	2021
Revenue	10			
Membership dues		91,615,000	86,780,000	80,895,000
Service income		61,450,665	55,425,925	13,620,801
Sale of goods		47,748,636	48,086,527	10,324,691
Transfer fees		10,388,393	9,410,714	7,897,322
		211,202,694	199,703,166	112,737,814
Costs and Expenses	12			
Cost of services		115,369,422	103,888,099	89,519,845
Cost of sales		38,606,323	32,022,766	10,325,560
General and administrative expenses		80,097,662	63,629,654	53,064,784
		234,073,407	199,540,519	152,910,189
Other Income				
Interest income	2,4,15,17	4,062,972	1,050,924	25,734
Miscellaneous income	11	21,023,700	5,074,785	14,383,870
		25,086,672	6,125,709	14,409,604
Income Before Income Tax		2,215,959	6,288,356	(25,762,771)
Provision For Income Tax	14	5,521	5,391	3,512
Net Income (Loss) for the Year		2,210,438	6,282,965	(25,766,283)
Other Comprehensive Income (Loss)				
Item that will not be reclassified to profit or loss:				
Remeasurement (loss) gain on pension liability - net of tax		(118,790)	463,565	329,775
Total Comprehensive Income		2,091,648	6,746,530	(25,436,508)

The notes on pages 1 to 33 are an integral part of these financial statements

Anvaya Cove Golf and Sports Club, Inc.

Statements of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Paid-in Capital (Note 9)	Additional Paid-in Capital (Note 9)	Deficit (Note 9)	Reserve for Remeasurement on Retirement Liability, Net of Tax (Note 13)	Total Equity
Balance at January 1, 2021	213,627,000	763,883,400	(231,385,201)	538,818	746,664,017
Comprehensive income					
Net income for the year	-	-	(25,766,283)	-	(25,766,283)
Other comprehensive loss	-	-	-	329,775	329,775
Total comprehensive loss	-	-	(25,766,283)	329,775	(25,436,508)
Balance at December 31, 2021	213,627,000	763,883,400	(257,151,484)	868,593	721,227,509
Comprehensive income					
Net income for the year	-	-	6,282,965	-	6,282,965
Other comprehensive loss	-	-	-	463,565	463,565
Total comprehensive income	-	-	6,282,965	463,565	6,746,530
Balance at December 31, 2022	213,627,000	763,883,400	(250,868,519)	1,332,158	727,974,039
Comprehensive income					
Net income for the year	-	-	2,210,438	-	2,210,438
Other comprehensive loss	-	-	-	(118,790)	(118,790)
Total comprehensive income	-	-	2,210,438	(118,790)	2,091,648
Balance at December 31, 2023	213,627,000	763,883,400	(248,658,081)	1,213,368	730,065,687

The notes on pages 1 to 33 are an integral part of these financial statements

Anvaya Cove Golf and Sports Club, Inc.

Statements of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Note	2023	2022	2021
Operating Activities				
Income (loss) before income tax		2,215,959	6,288,356	(25,762,771)
Adjustments for:				
Depreciation	7,12	39,461,217	36,956,238	36,997,483
Interest income	2,4,15,17	(4,062,972)	(1,050,924)	(25,734)
Net movement in pension liability	13	324,091	296,205	354,300
Unrealized gain on financial assets at FVPL	3,11	(126,719)	(34,452)	(258,381)
Net gain on disposal of property and equipment	7	(5,956,512)	(3,165)	-
Operating income before working capital changes		31,855,064	42,452,258	11,304,897
Decrease (increase) in:				
Accounts and other receivables		1,304,482	(1,637,707)	2,710,061
Receivables from related parties		(429,511)	(5,479,020)	(694,835)
Inventories		(128,402)	(385,220)	(512,119)
Other current assets		(4,243,575)	(4,573,986)	(3,873,235)
Advances and other noncurrent assets		357,851	(309,493)	(426,454)
Increase (decrease) in:				
Accounts and other payables		12,518,017	2,359,717	(6,064,494)
Contract liabilities		10,687,272	(1,050,921)	6,028,669
Payables to related parties		(24,467,399)	8,578,619	6,390,390
Net cash generated by operations		27,453,799	39,954,247	14,862,880
Interest received		1,656,014	640,879	25,734
Income tax paid		(5,521)	(5,391)	(3,512)
Net cash flows from operating activities		29,104,292	40,589,735	14,885,102
Investing Activities				
Additions to:				
Property and equipment	7	(30,046,188)	(11,559,655)	(2,099,946)
Proceeds from disposal of:				
Financial assets at FVPL	3	-	19,921,039	-
Property and equipment	7	5,966,552	-	-
Collection from related parties		640,000,000	80,000,000	-
Loans to related parties	17	(650,000,000)	(125,000,000)	-
Net cash flows used in from investing activities		(34,079,636)	(36,638,616)	(2,099,946)
Net (decrease) increase in cash		(4,975,344)	3,951,119	12,785,156
Cash				
At January 1		26,528,276	22,577,157	9,792,001
At December	2	21,552,932	26,528,276	22,577,157

The notes on pages 1 to 33 are an integral part of these financial statements

Anvaya Cove Golf and Sports Club, Inc.

Notes to the Financial Statements

As at and for the year ended December 31, 2023

(With comparative figures and notes as at December 31, 2022 and for the years ended December 31, 2022 and 2021)

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

1 Corporate Information

Anvaya Cove Golf and Sports Club, Inc. (the Club) was incorporated in the Republic of the Philippines and was registered with the Philippine Securities and Exchange Commission (SEC) on September 21, 2010.

The primary purpose of the Club is to purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop or otherwise dispose of real property, such as but not limited to clubhouses, lands and buildings, hotels, condominium units, with all the facilities, equipment and apparatus relative thereto, and to offer and issue proprietary shares.

The Club is a public interest entity, and is 75.32% owned by Ayala Land, Inc. (ALI). ALI's parent company is Ayala Corporation (AC), a publicly-listed company. Both ALI and AC are publicly-listed companies incorporated in the Republic of the Philippines.

Prior to 2012, the Club is exempt from payment of income tax on income received from social, recreational, and athletic activities on a nonprofit basis provided that no part of the Club's income shall inure to the benefit of any of its members, trustees and officers. Under Section 30 (E) of the Tax Reform Act of 1997, an organization organized for recreational, sports and athletic activities shall be exempt from payment of income tax on income received from aforementioned activities. On August 3, 2012, the Bureau of Internal Revenue (BIR) has issued Revenue Memorandum Circular (RMC) No. 35-2012 clarifying that clubs organized and operated exclusively for pleasure, recreation and other non-profit purposes are subject to income tax and value-added tax (VAT) on their income from whatever source, including but not limited to membership fees, assessment dues, rental income, and service fees.

On August 13, 2019, the Supreme Court (SC) declared that membership fees, assessment dues, and fees of similar nature collected by Clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as: (a) "the income of recreational clubs from whatever source" that are "subject to income tax"; and (b) part of the "gross receipts of recreational clubs" that are "subject to VAT". Starting January 1, 2020, the Club no longer collect output VAT on membership fees and fees of similar nature.

The registered office address of the Club is Anvaya Cove, Morong, Bataan.

Status of Operations

The Club has a deficit amounting to P248,658,081 (2022 - P250,868,519) as at December 31, 2023. Also, the Club's current liabilities exceeded its total current assets by P3,990,570 (2022 - P16,308,019) as at December 31, 2023.

Management has assessed that the Club is still able to maintain sufficient liquidity through the collection of membership dues and revenue from sale of goods and services, as well as the support from its Parent Company, to enable the Club to continue as a going concern at least for the next 12 months from the date of these financial statements.

Approval and Authorization for Issuance of the Financial Statements

The accompanying financial statements of the Club were approved and authorized for issuance by the Board of Directors (BOD) on February 23, 2024.

2 Cash

The account as at December 31 consists of:

	Note	2023	2022
Cash on hand		86,175	661,246
Cash in banks	15	21,466,757	25,867,030
		21,552,932	26,528,276

Cash on hand are funds readily available into cash. Cash in banks is stated at face amount and earns interest at the prevailing bank deposit rates.

Interest income earned on cash in banks amounted to P27,604 (2022 - P26,955) (2021 - P17,559) gross of final tax for the year ended December 31, 2023.

3 Financial Assets at FVPL

Details of the account are as follows:

	Note	2023	2022
At January 1		2,881,173	22,767,760
Redemptions	11	-	(19,921,039)
Unrealized gain	11,15	126,719	34,452
At December 31		3,007,892	2,881,173

Financial assets at FVPL pertains to investments in the Bank of the Philippine Islands Money Market Fund (the Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by being invested in a diversified portfolio of primarily short-term fixed income instruments. It has no minimum holding period. As at December 31, 2023, the Club has 10,766 (2022 - 10,766) units with total Net asset Value of P3,007,892 (2022 - P2,881,173).

The fair value of the Club's investment is determined by using the net asset value per unit, which is considered the market value per unit of an investment fund. The fair value measurement of the financial assets at FVPL is categorized under Level 1.

4 Accounts and Other Receivables

The account as at December 31 consists of:

	2023	2022
Trade receivables	35,009,723	36,839,060
Allowance for credit losses	(1,948,530)	(1,948,530)
	33,061,193	34,890,530
Receivable from employees	79,810	105,118
Insurance claims	47,467	47,467
Other receivables	2,179,801	1,629,638
	35,368,271	36,672,753

Trade receivables pertain to unpaid charges from members for use of facilities and sale of food, beverage and merchandise from shop. These are non-interest bearing and are due and demandable. The receivables from members are collateralized by a preferential lien on the Club shares owned by the said members. Provision for ECL amounted to nil and P1,948,530 (2022 - P1,948,530; 2021 - nil) as at December 31, 2023 (Note 12).

Receivable from employees are salary loans granted to the Club's employees. These are collected through salary deduction. Interest income earned from loans to employees amounted to P33,178 in 2023 (2022 - P11,396; 2021 - P8,175).

Other receivables include nontrade receivables such as receivables from the Club's service providers which are non-interest bearing and are to be settled within one year.

5 Inventories

The account as at December 31 consists of:

	2023	2022
At cost:		
Food and beverage	2,203,517	2,054,585
Merchandise	18,597	39,127
	2,222,114	2,093,712

Food and beverage consist of goods in the form of ingredients and supplies consumed in the production of food and beverages sold at the Club's cafes and bars. Costs of food and beverages recognized as part of cost of sales and cost of services are as follows (Note 12):

	2023	2022	2021
Cost of sales	14,915,489	13,270,373	2,981,832
Cost of services	7,523	406,068	27,875
	14,923,012	13,676,441	3,009,707

Merchandise pertains to items for sale at the Club's golf pro-shop. For the year ended December 31, 2023, cost of merchandise recognized as part of cost of sales amounted to P111,492 (2022 - P330,249) (2021 - P95,137) (Note 12).

6 Other Assets

The account as at December 31 consists of:

	2023	2022
Deferred input VAT	22,356,671	18,909,022
Creditable withholding taxes	5,176,415	4,003,981
Prepaid expenses	4,946,158	6,585,551
Supplies	3,234,322	2,512,937
Advances to suppliers	2,989,431	2,805,782
	38,702,997	34,817,273
Less: Non-current portion		
Deferred input VAT	221,509	1,349,624
Advances to suppliers	2,606,736	1,836,472
	2,828,245	3,186,096
Current portion	35,874,752	31,631,177

Deferred input VAT pertains to purchases for which the invoice is not yet paid and those arising from purchases of capital goods.

Creditable withholding taxes are available for application against income tax payable in future periods.

Prepaid expenses mainly include prepayments for maintenance, taxes and licenses, and insurance which will be amortized for three to 12 months at the end of the financial reporting period.

Supplies include medical supplies, general storeroom, clearing inventories and china and crockery.

Advances to suppliers include advances made by the Club to vendors and applied against invoices from the vendor upon delivery of goods and payments made in advance to suppliers intended for purchase of property and equipment.

7 Property and Equipment

Details of the account are as follows:

	Land and Land Improvements	Building and Improvements	Furniture, Fixtures and Equipment	Project in Progress	Total
Cost					
At January 1, 2022	615,768,698	399,976,273	85,389,795	59,113	1,101,193,879
Additions	4,081,352	496,307	6,980,066	1,930	11,559,655
Reclassifications	-	-	61,043	(61,043)	-
Disposal	-	-	(28,259)	-	(28,259)
At December 31, 2022	619,850,050	400,472,580	92,402,645	-	1,112,725,275
Additions	-	2,079,503	27,810,373	156,312	30,046,188
Disposal	-	-	(2,259,354)	-	(2,259,354)
At December 31, 2023	619,850,050	402,552,083	117,953,664	156,312	1,140,512,109
Accumulated Depreciation					
At January 1, 2022	168,903,273	86,320,644	77,931,730	-	333,155,647
Depreciation	22,457,976	11,448,518	3,049,744	-	36,956,238
Disposal	-	-	(28,259)	-	(28,259)
At December 31, 2022	191,361,249	97,769,162	80,953,215	-	370,083,626
Depreciation	22,493,802	11,454,186	5,513,229	-	39,461,217
Disposal	-	-	(2,249,314)	-	(2,249,314)
At December 31, 2023	213,855,051	109,223,348	84,217,130	-	407,295,529
Net Book Value					
December 31, 2022	428,488,801	302,703,418	11,449,430	-	742,641,649
December 31, 2023	405,995,000	293,330,236	33,735,032	156,312	733,216,580

The Club's project in progress pertains to renovations of the golf course car paths, drainages and trenches.

The following table sets forth the allocation of depreciation expense (Note 12):

	2023	2022	2021
Cost of services	36,819,998	35,491,939	35,534,920
Cost of sales	840,900	585,133	568,620
General and administrative expenses	1,800,319	879,166	893,943
	39,461,217	36,956,238	36,997,483

Fully depreciated property and equipment are retained in the books until these are no longer in use. The cost of fully depreciated property and equipment still in use as at December 31, 2023 amounted to P73,696,259 (2022 - P72,586,944).

The Club disposed fully depreciated property and equipment item with an aggregate cost amounting to P2,259,354 (2022 - P28,259). In 2023, the Club recorded a net gain amounting to P5,956,512 (2022 - P3,165).

8 Accounts and Other Payables

The account as at December 31 consists of:

	2023	2022
Trade payables	8,240,072	8,716,913
Accrued expenses:		
Rental	13,540,819	9,207,805
Utilities	10,440,330	4,332,785
Management fee	3,349,135	2,018,419
Payroll	3,309,175	4,115,930
Repairs and maintenance	2,625,708	2,089,095
Professional fees	399,714	286,511
Contract services	312,307	838,596
Others	138,374	1,729,385
Funds held for environmental activities	11,864,314	10,031,914
Service charge payable	618,775	816,984
Due to employees	502,194	477,220
Other payables	3,301,491	1,462,834
	58,642,408	46,124,391

Trade payables represent operational costs incurred and amount due to supplier for purchases of goods and services. These are non-interest bearing and are normally settled within 30 to 60 days.

Accrued expenses consist mainly of accruals for professional fees, utilities, salaries, wages and employee benefits. These are noninterest-bearing and are normally settled within one year.

Funds held for environmental activities pertain to restricted collections from members set aside for the environmental activities of the Club. These are utilized upon commencement of actual environmental activities.

Service charge payable pertains to service charge income due to employees on top of their regular salaries. These are non-interest bearing and are due to be settled within one year.

Due to employees pertains to collections from members set aside for the employee welfare fund to be used for employees' trainings, seminars and events.

Other payables pertain to net proceeds from the auction of shares that will be used for paying incidental expenses related to transfer of shares' ownership, taxes payable and other employee benefits which are non-interest bearing and are normally settled within one year.

9 Equity

The details of the number of authorized and issued shares of the Club as at December 31, 2023 and 2022 follow:

	Stated Value	Authorized	Issued	Amount
Class A	No par	5,420	5,420	137,793,900
Class B	No par	2,846	2,846	71,993,500
Class C	No par	154	154	3,839,600
Class D	No par	80	-	-
		8,500	8,420	213,627,000

The details of the Club's registered capital stock with the SEC as at December 31, 2023 and 2022 follow:

	Number of Shares Registered	Issue Price	Date of Approval
Class B	2,846	From P800,000 to P1,950,000	January 5, 2011
Class C	154	From P1,600,000 to P2,450,000	January 5, 2011

As at December 31, 2023, the total number of shareholders are 795 (2022 - 774).

Class A shares

Class A shares are issued to the original subscribers of the Club and shall have the status of Founders' Shares with all the rights and privileges ascribed to Founders' shares. Founder's shares are subjected to the rights and restrictions within a period of five years from date of incorporation: (a) has sole and exclusive right to nominate persons who shall serve as director of the Club; (b) are prohibited from selling or transferring founder's share to third persons within a period of five years from the date of incorporation of the Club; (c) usage right without the need for activation fee; and (d) application and qualification of its nominee for membership to the Club.

Class B shares

Each class B shares shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the by-laws of the Club. Holders of Class B shares shall not enjoy preemptive rights to subscribe to any or all original issues of Class A shares, Class C shares, and Class D shares of the Club.

Class C shares

Each Class C share shall be entitled to two usage rights which shall be exercised by its nominees in the manner set forth in the by-laws of the Club.

Holders of Class C shares shall not enjoy preemptive rights to subscribe to any or all original issues of Class A shares, Class B shares, and Class D shares of the Club.

Class D shares

Each Class D share shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the by-laws of the Club.

Holders of Class D shares shall not enjoy preemptive rights to subscribe to any or all original issues of Class A shares, Class B shares, and Class C shares of the Club.

In view of the issuance of Founders' shares, the voting rights pertaining to the Class B, C and D shares shall be suspended for the period commencing from the date of incorporation of the Club up to and including the date prior to the fifth anniversary of such date of incorporation. On the fifth anniversary of the date of incorporation of the Club, the voting rights of all Class B, C and D shares shall be automatically reinstated and shall be equal in all respects to those of the holders of all the other classes of shares.

Shareholders shall only be entitled to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation thereof.

Additional paid-in capital

ALI contributed to the Club, by way of additional paid-in capital on its Class B and Class C shareholding, all the project development costs and expenses that the Club shall require in relation to the planning, development and construction of its facilities and amenities amounting to P763,883,400.

Capital Management

The primary objectives of the Club's capital management policies are to afford the financial flexibility to support its business initiatives and to maximize stakeholder value. The Club manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for the years ended December 31, 2023 and 2022. The Club considers equity, excluding remeasurement gain on pension liability, as its capital as follows:

	2023	2022
Paid-in capital	213,627,000	213,627,000
Additional paid-in capital	763,883,400	763,883,400
Deficit	(248,658,081)	(250,868,519)
	728,852,319	726,641,881

The Club is not subjected to any externally imposed capital requirements.

10 Revenue from Contracts with Customers

Disaggregated Revenue Information

The table shows the disaggregation of revenues of the Club by major sources.

	2023	2022	2021
Membership dues	91,615,000	86,780,000	80,895,000
Service income:			
Golf course revenue	35,609,499	25,254,059	8,319,668
Room accommodation	18,519,966	24,669,818	3,998,534
Guest fees	5,043,967	3,669,643	1,138,393
Sports complex revenue	2,277,233	1,832,405	164,206
Sale of goods:			
Food and beverages	45,358,866	45,814,200	9,455,236
Merchandise	2,389,770	2,272,327	869,455
Transfer fees	10,388,393	9,410,714	7,897,322
	211,202,694	199,703,166	112,737,814

The Club has recognized revenues recognized over time amounting to P153,065,665 (2022 - P142,205,925) (2021 - P94,515,801) for the year ended December 31, 2023.

Revenues recognized from sale of goods and transfer fees recognized at a point in time amounted to P58,137,029 (2022 - P57,497,241) (2021 - P18,222,013) for the year ended December 31, 2023.

Contract Balances

As at December 31, contract balances are as follows:

	Note	2023	2022
Trade receivables	4	33,061,193	34,890,530
Contract liabilities		30,673,028	19,985,756

The Club identified unearned membership dues as contract liabilities as at December 31, 2023 and 2022. These represent payments received in advance from members who usually settle their dues annually. Contract liabilities also include advances received for membership dues, consumables and booked functions and events.

The movements in the contract liabilities are as follows:

	2023	2022
Balance at beginning of year	19,985,756	21,036,677
Additions	122,489,336	72,887,163
Recognized as revenue	(111,802,064)	(73,938,084)
Balance at end of year	30,673,028	19,985,756

Other income includes laundry, room cleaning and storage services for golf equipment.

11 Miscellaneous Income

The account for the years ended consists of:

	Note	2023	2022	2021
Surcharge revenue	15	12,366,066	2,948,811	2,795,315
Gain on disposal of property and equipment		5,966,552		
Unrealized gain on financial assets at FVPL	3	126,719	34,452	258,381
Reversal of property insurance accrual		-	-	9,463,736
Other income		2,564,363	2,091,522	1,866,438
		21,023,700	5,074,785	14,383,870

Other income includes laundry, room cleaning and storage services for golf equipment.

12 Costs and Expenses

Cost of services consists of:

	Notes	2023	2022	2021
Depreciation	7	36,819,998	35,491,939	35,534,920
Heat, light and water		26,077,643	21,356,545	15,302,594
Contract services		21,482,914	20,637,197	18,847,697
Salaries, wages and employee benefits		13,528,915	12,385,225	8,239,025
Tournament expenses		5,669,566	2,579,965	-
Cleaning and other supplies		2,221,875	2,014,199	549,331
Communications		1,713,391	1,736,373	1,623,490
Laundry		1,100,573	1,079,842	173,414
Repairs and maintenance		828,461	1,074,099	4,303,136
Office supplies		550,061	610,773	854,402
Transportation		322,815	251,796	124,581
Representation		100,630	40,989	12,661
Food and beverage	5	7,523	406,068	27,875
Others		4,945,057	4,223,089	3,926,719
		115,369,422	103,888,099	89,519,845

Other cost of services includes expenses such as linen, signages, and uniforms.

Cost of sales consists of:

	Notes	2023	2022	2021
Food and beverage	5	14,915,489	13,270,373	2,981,832
Salaries, wages and employee benefits		12,808,637	10,250,919	3,574,945
Heat, light and water		6,588,243	5,147,259	1,275,003
Cleaning and other supplies		1,225,170	1,143,046	377,887
Depreciation	7	840,900	585,133	568,620
Communication		749,729	592,221	566,900
Merchandise	5	111,492	330,249	95,137
Equipment rental		101,786	35,714	-
Office supplies		49,873	79,167	45,650
Transportation		26,401	23,294	1,168
Representation		120	14,176	24,408
Others		1,188,483	551,215	814,010
		38,606,323	32,022,766	10,325,560

Other cost of sales includes expenses incurred in food and beverage operations such as repairs and maintenance and laundry.

General and administrative expenses consist of:

	Notes	2023	2022	2021
Heat, light and water		15,933,537	1,380,495	483,614
Salaries, wages and employee benefits		12,673,557	11,150,318	8,377,219
Professional and management fees		12,366,219	9,614,854	10,127,770
Security		6,800,910	6,580,836	5,279,508
Taxes and licenses		6,724,744	3,319,953	4,510,027
Corporate expense		4,557,521	3,923,809	2,858,878
Collection charges		3,980,595	2,993,010	1,418,601
Repairs and maintenance		3,326,365	3,550,253	1,269,572
Insurance		3,083,533	2,492,851	1,528,800
Depreciation	7	1,800,319	879,166	893,943
Contract services		1,377,670	11,424,168	11,008,040
Uniforms		164,019	542,145	95,077
Office supplies		336,053	346,934	251,127
Representation		74,524	29,520	5,220
Provision for ECL	4	-	-	1,948,530
Others		6,898,096	5,401,342	3,008,858
		80,097,662	63,629,654	53,064,784

Other general and administrative expenses include miscellaneous incurred such as cleaning and other supplies, transportation, and communications.

13 Pension Cost

The Club engaged an independent actuary to calculate the amount of retirement benefits obligation based on the provisions of PAS 19, Employee Benefits. The Club's liability for retirement benefits is based solely on the requirements under Republic Act (RA) No. 7641, otherwise known as The Philippine Retirement Pay Law of the Philippines, as the Club does not have a formal retirement plan. The latest valuation report of the retirement plan was made as at December 31, 2022.

The following tables summarize the components of pension expenses recognized in the statements of comprehensive income and the liability amounts recognized in the statements of financial position.

The components of pension expense (included in cost of sales, cost of services and general and administrative expenses under salaries, wages and employee benefits) in Note 12 to the financial statements below:

	2023	2022	2021
Current service cost	243,672	241,317	296,000
Net interest cost on defined benefits obligation	80,419	54,888	58,300
Total retirement expense	324,091	296,205	354,300

Cumulative remeasurement effect recognized in OCI included in equity under "Cumulative remeasurement gain on pension liability" in the statements of financial position:

	Note	2023	2022
Balances at beginning of year		1,776,211	1,209,440
Remeasurement gain(loss) on DBO		(158,387)	566,771
		1,617,824	1,776,211
Income tax effect	14	(404,456)	(444,053)
Total amount recognized in OCI at end of year		1,213,368	1,332,158

The remeasurement effects recognized in other comprehensive income in the statement of comprehensive income follow:

	2023	2022	2021
Actuarial (loss) gain due to:			
Changes in demographic assumptions	(55,733)	914,044	286,900
Experience adjustment	(102,654)	(347,273)	152,800
	(158,387)	566,771	439,700
Income tax effect	39,597	(103,206)	(109,925)
Remeasurement (loss) gain in OCI	(118,790)	463,565	329,775

Changes in the present value of the DBO are as follows:

	2023	2022
Balance at January 1	1,101,634	1,372,200
Current service cost	243,672	241,317
Net interest cost	80,419	54,888
Remeasurement loss (gain) in OCI	158,387	(566,771)
	1,584,112	1,101,634

The cost of defined benefit pension plans and other post-employment benefits as well as the present value of defined benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plans are as follows:

	2023	2022
Discount rate	6.10%	7.30%
Salary increase rate	6.00%	7.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the DBO as at the end of the reporting period, assuming if all other assumptions were held constant:

	Increase (Decrease) in Rates	Effect on DEO	
		2023	2022
Discount rate	+1.00%	(235,696)	(173,222)
	-1.00%	288,220	212,634
Salary rate	+1.00%	278,777	205,858
	-1.00%	(233,083)	(171,486)

The defined benefits obligation typically exposes the Club to a number of risks such as interest rate risk, longevity and salary risk.

Interest rate risk

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement liability. An increase in government bond yields will decrease the defined benefit obligation. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the Club.

Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimates of: (1) the mortality of the plan participants, and (2) the future salaries of the plan participants. Consequently, increases in life expectancy and salary of the plan participants will result in an increase in the defined benefit obligation.

Shown below is the maturity analysis of the DBO based on undiscounted benefit payments as at December 31, 2023 and 2022.

	2023	2022
Year 1 to 5	105,640	-
Year 6 to 10	834,012	-
Year 11 to 15	2,856,891	2,753,060
Year 15 to 20	32,546,099	38,148,081
	36,342,642	40,901,141

The weighted average duration of the defined benefit obligation at the end of the reporting period is 14 years (2022 -15 years) as at December 31, 2023.

14 Income Tax

The account for the years ended December 31 consists of:

	2023	2022	2021
Current	-	-	-
Final	5,521	5,391	3,512
	5,521	5,391	3,512

The reconciliation of the benefit from income tax computed at statutory tax rate to the provision for income tax shown in profit or loss follows:

	2023	2022	2021
Benefit from income tax at statutory income tax rate of 25%	553,990	1,572,089	(6,440,693)
Tax effect of:			
Non-taxable membership dues	(13,471,135)	(13,165,852)	(10,703,267)
Changes in unrecognized deferred tax assets	12,924,046	4,286,767	6,484,982
Interest income subjected to final tax	(1,380)	(1,348)	(878)
Non-deductible expenses	-	6,250	-
Expired NOLCO and MCIT	-	7,307,485	8,934,325
Effect of change in tax rate	-	-	1,729,043
Provision for income tax	5,521	5,391	3,512

Deferred tax assets are recognized only to the extent that taxable profits will be available against which the deferred tax assets can be used or when there are sufficient taxable temporary differences which are expected to reverse in the same period as the expected reversal of the deductible temporary differences. The Club assesses the unrecognized deferred tax assets and will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will allow all or part of the deferred tax assets to be recovered.

The Club has deductible temporary differences, NOLCO and MCIT, for which no deferred tax assets were recognized follows:

	2023	2022
NOLCO	239,499,823	188,122,210
Pension liability	2,993,070	2,668,978
Allowance for ECL	1,948,530	1,948,530
MCIT	-	-
	244,441,423	192,739,718

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The Company is entitled to NOLCO benefit which can be applied to its taxable income in the succeeding years from the year the loss was incurred. The details of the Club's NOLCO as at December 31 are as follows:

Year of Incurrence	Year of Expiry	2023	2022
2023	2026	51,377,613	-
2022	2025	46,080,803	46,080,803
2021	2026	66,290,569	66,290,569
2020	2025	75,750,838	75,750,838
		239,499,823	188,122,210
Applied during the year		-	-
Expired during the year		-	-
		239,499,823	188,122,210
Income tax rate		25%	25%
Unrecognized deferred tax assets on NOLCO		59,874,956	47,030,553

The excess of MCIT against RCIT recognized in 2019 amounting to 19,734 has subsequently expired in 2022.

As at December 31, 2023, the Club recognized deferred tax liability on remeasurement gain on pension liability amounting to P404,456 (2022 - P444,053) (Note 13).

In 2023, 2022 and 2021, the Club did not avail the optional standard deduction.

15 Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the Club, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Club. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Club that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Club and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Terms and Conditions of Transactions with Related Parties

The Club, in the normal course of business, entered into transactions with related parties consisting primarily of the construction of the Club's leisure and recreational facilities, and charges for the use of the Club's facilities and services. Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, noninterest bearing and are normally settled in cash.

Outstanding balances owed by related parties:

	2023		2022		Terms and Conditions
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance	
Immediate Parent Company					
ALI (a)(i)	-	3,571,429	8,309,125	7,384,093	<ul style="list-style-type: none"> • Unsecured; • Non- interest bearing • Collectible in cash at gross amount on demand
ALI (a)(ii)	-	6,598,065	-	3,571,429	<ul style="list-style-type: none"> • Unsecured; • Non- interest bearing • Collectible in cash at gross amount on demand
ALI (Loans)	40,000,000	-	35,000,000	-	<ul style="list-style-type: none"> • Unsecured;
ALI (Interest)	209,263	-	98,787	-	<ul style="list-style-type: none"> • Interest bearing with rates ranging from 6.26% to 7.54% • Collectible in cash with 2 to 35 days term
Entities Under Common Control					
Amaia Land Corp.	95,000,000	-	45,000,000	45,000,000	<ul style="list-style-type: none"> • Unsecured;
Amaia Land Corp. (Interest)	325,282	-	417,411	410,045	<ul style="list-style-type: none"> • Interest bearing with rates ranging from from 6.72% to 7.05% • Collectible in cash with 10 to 27 days term
Avida Land Corp. (loans)	3,000,000	-	45,000,000	-	<ul style="list-style-type: none"> • Unsecured;
Avida Land Corp. (interest)	2,496	-	496,375	-	<ul style="list-style-type: none"> • Interest bearing; subject to 6.80% interest rate • Collectible in cash with 5 days term
ALI Commercial Center (loans)	30,000,000	-	-	-	<ul style="list-style-type: none"> • Unsecured; • Interest bearing with rates ranging from 6.85% to 7.02%
ALI Commercial Center (interest)	90,714	-	-	-	<ul style="list-style-type: none"> • Collectible in cash with 3 to 33 days term
Arca South Hotel Ventures Inc. (loans)	30,000,000	5,000,000	-	-	<ul style="list-style-type: none"> • Unsecured; • Interest bearing with rates ranging from 6.69% to 7.54%
Arca South Hotel Ventures Inc. (interest)	253,796	86,173	-	-	<ul style="list-style-type: none"> • Collectible in cash with 31 to 60 days term

forward

	2023		2022		Terms and Conditions
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance	
<i>continued</i>					
Ayalaland Estates Inc. (loans)	12,000,000	-	-	-	• Unsecured;
Ayalaland Estates Inc. (interest)	90,935	-	-	-	• Interest bearing with rates ranging from 6.70% to 7.30%
Airswift Transport Inc. (loans)	360,000,000	45,000,000	-	-	• Collectible in cash with 15 to 59 days term
Airswift Transport Inc. (interest)	2,459,699	2,395,631	-	-	• Unsecured;
Soltea Commercial Inc. (loans)	18,000,000	3,000,000	-	-	• Interest bearing with rates ranging from 6.69% to 7.54%
Soltea Commercial Inc. (interest)	145,385	37,971	-	-	• Collectible in cash with 30 to 62 days term
Cebu District Prop. Ent. (loans)	60,000,000	-	-	-	• Unsecured;
Cebu District Prop. Ent. (interest)	418,400	319,588	-	-	• Interest bearing with rates ranging from 6.69% to 7.57%
Laguna Techno Park Inc. (loans)	2,000,000	2,000,000	-	-	• Collectible in cash with 12 to 62 days term
Laguna Techno Park Inc. (interest)	6,220	6,220	-	-	• Unsecured;
Anvaya Cove Beach and Nature Club, Inc., (ACBNCI) (b)	11,108,163	956,092	14,562,297	6,424,046	• Interest bearing; subject to 6.69% interest rate
Makati Development Corporation (MDC) (c)	5,996,596	6,685,956	64,236	4,502	• Collectible in cash with 19 days term
Ayala Property Management Corporation (APMC) (d)	-	6,086	1,504	6,087	• Unsecured;
Alviera Country Club (Alviera) (e)	-	-	-	26,540	• Non-interest bearing
					• Collectible in cash at gross amount on demand
Total		75,663,211		62,826,742	

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

- a. Receivables from ALI consists of the following:
 - i. Trade receivables from ALI includes unsecured non-interest-bearing charges and unpaid membership dues from ALI nominees. Surcharge revenue amounting to P10,490,013 was collected in 2023 from ALI, for payment of surcharges of cancelled nominees accounts.
 - ii. Receivables from ALI-PPE pertains expenses reimbursement of the Club related to PPE transferred by ALI.
- b. Receivables from ACBNCI pertains to charges for the use of the Club's facilities and services by the members of ACBNCI.
- c. Receivable from MDC pertains to antigen test and meals purchased by the Club on behalf of the former for use of MDC personnel, including the gain on the furniture and fixtures transferred to MDC.
- d. Receivables from APMC pertains to the antigen test incurred by the Club on APMC employees.

e. Receivables from Alviera pertains to trade transactions recorded under the member's ledger.

Outstanding balances owed to related parties:

	2023		2022		Terms and Conditions
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance	
Immediate Parent Company					
ALI (a)(i)	-	80,000,000	10,433,947	90,433,949	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
ALI (a)(ii)	25,732,295	853,551	22,363,705	-	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
ALI (a)(iii)	2,475,136	-	1,364,500	-	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
Entities Under Common Control					
ACBNCI (b)	56,820,320	6,348,295	50,702,793	19,106,358	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
MDC	21,910,108	-	19,726,741	2,624,717	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
Ayala Land Club Management, Inc. (ACMI) (c) (d)	5,189,553	-	4,014,467	666,681	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
Ayalaland Premier, Inc. (ALP) (d)	2,688,600	1,162,460	-	-	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
Associates of Ayala Corporation (AC)					
Globe Telecom, Inc. (Globe) (e)	169,128	-	76,005	-	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
Innove Communications, Inc. (Innove) (f)	3,550,100	-	2,829,576	-	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
Manila Water Philippine Venture, Inc. (Manila Water) (g)	17,978,710	-	15,108,986	-	<ul style="list-style-type: none">• Unsecured;• Non-interest bearing• Collectible in cash at gross amount on demand
Total		88,364,306		112,831,705	

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

a. Payable to ALI consists of the following:

- i. Costs incurred for the construction of the Club's initial assets.
- ii. Costs incurred for electricity consumption, facilities management, share on common usage and real property taxes of the Club.
- iii. Cost incurred for property insurance recorded as part of insurance in general and administrative expenses.

- b. Payable to ACBNCI are charges for the use of facilities and services of ACBNCI by the members of the Club.
- c. Payable to ACMI pertains to the following:
 - i. Management fees, as agreed upon, include basic management fee amounting to P206,103.15 per month with an escalation clause of 7.50% per annum and incentive fee equivalent to 3.00% of gross operating profit per month included as part of total management fees in general and administrative expense.
 - ii. System cost at a monthly fixed amount of P312,852 for the year included as part of corporate expenses in general and administrative expenses.
- d. Payable to ALP pertains to the basic management fee, incentive fee and system cost which were previously billed by ACMI. All outstanding payables to ACMI were all transferred to AyalaLand Premier Inc. after the SEC approved the merger of ALSI, ACMI and AyalaLand Premier Inc. on October 17, 2023, with the latter as the surviving entity.
- e. Payable to Globe consists of cost incurred for the prepaid mobile line and text blast communication to all members as billed by Amber.
- f. Payable to Innove consists of cost incurred for the trunk line and direct internet of the Club.
- g. Payable to Manila Water consists of cost of water utilities incurred by the Club.

The amounts receivable from and payable to related parties are not offset because these differ in nature and are billed and paid separately rather than settled on a net basis.

Transactions with BPI

The Club maintains the following accounts with BPI (an associate of AC):

		2023			2022		
	Note	Balance	Income Earned	Realized and Unrealized Gain	Balance	Income Earned	Realized and Unrealized Gain
Cash in banks	2	21,466,757	27,604	-	25,867,030	26,955	-
Financial assets at FVPL	3	3,007,892	-	126,719	2,881,173	-	113,413
		24,474,649	27,604	126,719	28,748,203	26,955	113,413

Compensation of key management personnel

Ayala Land Club Management, Inc. (ACMI), a wholly owned subsidiary of ALI, manages the operation of the Club under a Management Agreement which was renewed on January 1, 2022 and shall be effective until January 1, 2025. By virtue of the approval of the merger of ACMI, AyalaLand Premier, Inc. (ALPI), and Ayala Land Sales, Inc. by the SEC on October 17, 2023 wherein ALPI was the surviving entity, contract has now been transferred to ALPI. Compensation paid to key management personnel amounted to P3,754,225 in 2023 (2022- 3,584,345).

16 Financial Instruments

Fair Value Information

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash, accounts and other receivables, receivables from related parties, accounts and other payables, contract liabilities and payables to related parties - Carrying amounts approximate fair values due to the relatively short-term nature of these amounts.

Financial assets at FVPL - These are investments in UITF. Fair value is based on net asset values as at each reporting date.

Fair Value Hierarchy

The Club classified financial assets at FVPL under Level 1 of the fair value hierarchy (Note 3). There have been no transfers between different categories.

Financial Risk Management Objectives and Policies

The Club's principal financial instruments comprise of cash, financial assets at FVPL, accounts and other receivables, receivables from related parties, accounts and other payables, contract liabilities and payables to related parties. The main purpose of the Club's financial instruments is to fund operational and capital expenditures.

The Club's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Club.

The main risks arising from the use of financial instruments are credit risk and liquidity risk. The management reviews and approves the policies for managing each of these risks and they are summarized as follows:

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Club's maximum exposure to credit risk as at December 31, 2023 and 2022 is the carrying amounts of the financial assets. The Club's maximum exposure for cash excludes the carrying amount of cash on hand.

The table below shows the maximum credit risk exposure of the Club:

	2023	2022
Cash in banks	21,466,757	25,867,030
Financial assets at FVPL	3,007,892	2,881,173
Accounts and other receivables:		
Trade receivables	33,061,193	34,890,530
Receivable from employees	79,810	105,118
Insurance claims	47,467	47,467
Others	2,179,801	1,629,638
Receivables from related parties	75,663,211	62,826,742
	135,506,131	128,247,698

Cash in banks and financial assets at FVPL

The investment of the Club's cash resource is managed so as to minimize risk while seeking to enhance yield. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing. The Club transacts only with bank which have demonstrated financial soundness for the past five years.

Receivables from related parties

The Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs 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.

Identified impairment losses for cash in banks and due from related parties are immaterial.

Accounts and other receivables

The Club is exposed to credit risk from its operating activities, primarily on its trade receivables. To manage credit risks, the Club maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

The Club's trade receivables generally pertain to membership dues and club charges. The Club bills and collects from members on a monthly basis. It is the Club's policy to impose surcharge fees on members for any delinquency in payment. Once an account is tagged as delinquent, appropriate actions are taken by the Club such as prohibition of the use of Club's facilities and services. The Club assesses long-outstanding member's receivable account periodically as to future collectability. Club shares of members with long-outstanding balances are placed to public auction for bidding at the management's own terms and minimum pricing to ensure that outstanding balances are delinquent members are recovered.

The Club defines a financial asset as in default when contractual payments are 120 days past due. However, in certain cases, the Club may also consider a receivable 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.

Below is the information about the credit risk exposure on the Club's trade receivables using a provision matrix:

December 31, 2023

	Current	< 30 Days	< 90 Days	< 90 Days but < 360 Days	Over 360 Days	Credit Impaired	Total
ECL rate	0.00%	0.00%	0.00%	0.00%	24.88%	100%	6%
Estimated total gross carrying amount of accounts receivable	10,943,546	4,657,124	3,845,116	5,776,294	7,829,112	1,948,530	35,009,723
ECL					1,948,530	1,948,530	1,948,530

December 31, 2022

	Current	< 30 Days	< 90 Days	< 90 Days but < 360 Days	Over 360 Days	Credit Impaired	Total
ECL rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	5%
Estimated total gross carrying amount of accounts receivable	8,398,595	5,474,266	4,152,464	5,618,132	11,247,073	1,948,530	36,839,060
ECL	-	-	-	-	-	1,948,530	1,948,530

Liquidity risk

Liquidity risk is defined by the Club as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Club that make it difficult for the Club to raise the necessary funds. This may result from either the inability to sell financial assets quickly at their fair values; or a counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

The Club employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Club applies a prudent approach to liquidity through the prudent management of cash.

The tables below summarize the aging analysis and maturity profile of the Club's financial assets and financial liabilities, respectively, based on undiscounted contractual cash flows:

2023

	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
Financial assets					
Cash	21,552,932	-	-	-	21,552,932
Financial assets at FVPL	3,007,892	-	-	-	3,007,892
Accounts and other receivables					
Trade receivables	8,995,016	7,105,010	7,173,524	9,787,643	33,061,193
Receivable from employees	79,810	-	-	-	79,810
Insurance claims	47,467	-	-	-	47,467
Others	2,179,801	-	-	-	2,179,801
Receivables from related parties	-	75,633,211	-	-	75,633,211
	35,862,918	82,738,221	7,173,524	9,787,643	135,562,306
Financial liabilities					
Accounts and other payables					
Trade payables	8,240,072	-	-	-	8,240,072
Accrued expenses	-	-	34,115,563	-	34,115,563
Funds held for environmental activities	11,864,314	-	-	-	11,864,314
Service charge payable	-	618,775	-	-	618,775
Due to employees	-	502,194	-	-	502,194
Other payables *	2,192,792	-	-	-	2,192,792
Contract liabilities	-	30,673,028	-	-	30,673,028
Payables to related parties	80,000,000	8,364,306	-	-	88,364,306
	102,297,178	40,158,303	34,115,563	-	176,571,044
Liquidity Position (Gap)	(66,434,260)	42,579,918	(26,942,039)	9,787,643	(41,008,738)

Liquidity Position (Gap) *Excluding statutory liabilities amounting to P613,882

2022

	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
Financial assets					
Cash	26,528,276	-	-	-	26,528,276
Financial assets at FVPL	2,881,173	-	-	-	2,881,173
Accounts and other receivables					
Trade receivables	6,450,065	8,120,780	7,124,080	13,195,605	34,890,530
Receivable from employees	105,118	-	-	-	105,118
Insurance claims	47,467	-	-	-	47,467
Others	1,629,638	-	-	-	1,629,638
Receivables from related parties	-	62,826,742	-	-	62,826,742
	37,641,737	70,947,522	7,124,080	13,195,605	128,908,944
Financial liabilities					
Accounts and other payables					
Trade payables	-	8,716,913	-	-	8,716,913
Accrued expenses	-	-	24,618,526	-	24,618,526
Funds held for environmental activities	10,031,914	-	-	-	10,031,914
Service charge payable	-	816,984	-	-	816,984
Due to employees	-	477,220	-	-	477,220
Other payables*	848,952	-	-	-	848,952
Contract liabilities	-	19,985,756	-	-	19,985,756
Payables to related parties	80,000,000	32,831,705	-	-	112,831,705
	90,880,866	62,828,578	24,618,526	-	178,327,970
Liquidity Position (Gap)	(53,239,129)	8,118,944	(17,494,446)	13,195,605	(49,419,026)

Liquidity Position (Gap) *Excluding statutory liabilities amounting to P613,882

17 Supplementary Note to the Statements of Cash Flows

In 2022, loan amounting to P35,000,000 was lent to ALI, which has 48 days term subject to interest rate of 2.57%. The loan was collected in 2022 and earned an interest income amounting to P98,787 in 2022. As agreed with ALI, the funds were subsequently transferred to the following subsidiaries for intercompany lending.

- Transactions from Avida Land Corp. pertains to loans which has 22 to 30 days term subject to interest rate ranging from 3.22% to 5.28%. The loan amounting to P45,000,000 was collected in 2022, interest income earned from the loan amounted to P496,375.
- Receivables from Amaia Land Corp. pertains to loans amounting to P45,000,000 which has 30 to 40 days term subject to interest rate ranging from 5.58% to 6.25%. Interest income earned from the loan amounted P417,411 in 2022.

In 2023, the Club maximized its cash and continued to invest the excess fund in intercompany lending which generated an interest income of P4,002,190 (2022- P1,012,573), with interest rate ranging from 6.25% to 7.84%.

Related parties who availed the intercompany lending includes Ayala Land Inc., Amaia Land Corp., Avida Land Corp., ALI Commercial Center. Inc., Arca South Hotel Ventures Inc., Ayalaland Estates Inc., Airswift Transport Inc., Soltea Commercial Inc., Cebu District Property Ent. and Laguna Techno Park Inc.

The Club recorded proceeds of P5,966,552 (2022- P3,165) for the gain on sale of property and equipment to MDC.

18 Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Disclosures and Material Accounting Policy Information

18.1 Basis of Preparation

The financial statements of the Club have been prepared using the historical cost basis, except for financial assets at FVPL that have been measured at fair value. The Club's functional currency is the Philippine Peso (P) and all amounts are rounded off to the nearest peso, unless otherwise indicated.

18.2 Statement of Compliance

The financial statements of the Club have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS).

18.3 Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Club has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Club.

- *Amendments to PFRS 3, Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine- IFRIC 21, Levies, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- *Amendments to PAS 16, Property, Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- *Amendments to PAS 37, Onerous Contracts - Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRS 2018-2020 Cycle*

- *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- *Amendments to PFRS 9, Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- *Amendments to PAS 41, Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Club does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Club intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies
- Amendments to PAS 8, Definition of Accounting Estimates
- Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current
- Amendments to PFRS 16, Lease Liability in a Sale and Leaseback

Deferred effectivity

Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

18.4 Material Accounting Policy Information

The material accounting policies that have been used in the preparation of the financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

18.4.1 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3 - Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Club determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Club has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

18.4.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a.) Financial Assets

i. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, or fair value through profit or loss (FVPL), as applicable.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient, the Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Club's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Club commits to purchase or sell the asset.

ii. Subsequent measurement

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Club's financial assets at amortized cost includes cash, accounts and other receivables and receivables from related parties.

Financial assets at FVPL

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income. This category includes investment in Unit Investment Trust Fund (UITF).

iii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Club has transferred substantially all the risks and rewards of the asset, or (b) the Club has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv. Impairment of Financial Assets

The Club recognizes an allowance for estimated credit losses (ECLs) for all debt instruments carried at amortized cost. ECLs 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.

For accounts and other receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs 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 receivable in default when contractual payments are 120 days past due. However, in certain cases, the Club may also consider a receivable 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.

The Club implements a policy on its receivables, wherein members in the delinquent list or those with accounts that are past due for more than 120 days are reported to the BOD. The respective shares of the members or of the juridical entities they represent shall be ordered sold by the BOD, through an auction, to satisfy the claims of the Club.

(b.) Financial Liabilities at Amortized Cost

i. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Club's financial liabilities include accounts and other payables, except government payables, contract liabilities and payables to related parties and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

ii. Subsequent measurement

initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in the statement of income.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

iv. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

18.4.3 Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventories is determined using the moving average method.

An allowance for inventory losses is provided for slow-moving, obsolete and defective inventories based on management's physical inspection and evaluation.

18.4.4 Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position up to the extent of the recoverable amount.

Input VAT on goods purchased on or after January 1, 2022 will be fully recognized outright and claimed as input tax credits against output tax.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

18.4.5 Property and Equipment

Property and equipment, except for land, are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Projects in progress are also capitalized as part of property and equipment under separate account, projects in progress. These projects will form part of building and improvements and furniture, fixtures and equipment. Items under the account are not depreciated until completed and proper reclassification is made.

Depreciation of property and equipment commences once the following month after acquisition and is computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Building and improvements	35
Land improvements	25
Furniture, fixture and equipment	5

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

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated property and equipment are retained in the accounts while still in use although no further depreciation is charged to current operations.

18.4.6 Impairment of Nonfinancial Assets

(a.) Advances and other noncurrent assets

The Club provides allowance for impairment losses on advances and other noncurrent assets when these can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Club made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease advances and other noncurrent assets.

Recovery of impairment losses recognized in prior year is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased. The recovery is recorded in the statement of income. However, the increase in carrying amount of an asset due to recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined had there been no impairment loss recognized for that asset in prior year.

(b.) Property and equipment

The Club assesses at each reporting date whether there is an indication that property and equipment may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating unit's (CGU) fair value less costs of disposal and its value-in-use. It 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

18.4.7 Pension Costs

The liability recognized in the statements of financial position in respect of defined benefits pension plans is the present value of the defined benefits obligation (DBO) at the reporting date less fair value of the plan assets, if any. The present value of the DBO is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Pension costs of the DBO is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

Defined benefit costs include:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefits liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in statement of comprehensive income.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), if any, are recognized immediately in the statements of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

18.4.8 Equity

Paid-in Capital

Paid-in Capital is measured at stated value for all shares subscribed, issued and outstanding. When the shares are sold at premium, the difference between the proceeds and the stated value is credited to "Additional paid-in capital" account. Direct costs incurred related to original equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Club issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

18.4.9 Revenue from Contracts with Customers

The Club's revenue from contracts with customers primarily consist of membership dues, service income and sale of goods. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements.

The disclosures of critical accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 1.

The following are the Club's performance obligations:

(a.) *Membership dues*

Revenue from membership dues is recognized over the time the members are provided access to the Club's room accommodation, golf course, sports complex, game rooms, restaurants and other amenities. Transaction price is determined to be the BOD-approved rate for monthly membership dues. Each monthly membership dues are considered as a single performance obligation; therefore, it is not necessary to allocate the transaction price. Any advance payments are recorded under "Contract liabilities" account in the statements of financial position.

(b.) *Service income*

Service income includes revenue from providing room accommodation, guest fees and income from the use of the Club's facilities and amenities such as golf course, sports complex, game rooms and other Club amenities. Revenue is recognized over the time the services are rendered and/or facilities and amenities are used.

(c.) *Sale of goods*

Revenue from sale of food and beverages and merchandise are recognized when control of the goods is transferred to the customers, generally when goods are delivered to and accepted by the customers.

(d.) *Transfer fees*

Transfer fees pertain to earnings from transfer of member's ownership recorded upon initiation of transfer process. Revenue is recorded at point in time when the services are rendered.

18.4.10 Contract balances

(a.) *Trade receivables*

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

(b.) *Contract liabilities*

A contract liability is recognized if a payment is received or payment is due (whichever is earlier) from a customer before the Club transfers the related goods or services. Contract liabilities are recognized as revenue when the Club performs under the contract. Membership dues and consumables collected in advance are recognized as contract liabilities in the statements of financial position.

18.4.11 Leases

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Short term lease and leases of low-value assets

The Club applied the short-term lease recognition to its short-term leases of office equipment. It also applies the lease of low-value assets recognition exemption to its leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight- line basis over the lease term.

18.4.12 Taxes

(a.) Current income tax

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

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as income tax payable in the statements of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of other current assets in the statements of financial position.

(b.) Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

Income tax relating to items recognized directly in equity is recognized in equity and not in the statements of comprehensive income.

18.4.13 Provisions

Provisions are recognized when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Club expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

18.4.14 Events after the Reporting Period

Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Club's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

19 Critical Accounting Judgments and Estimates

The preparation of the accompanying financial statements in conformity with PFRS requires management to make estimates that affect the amounts reported in the financial statements and accompanying Notes. The estimates used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

19.1 Critical Accounting Judgments

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 effects on the amounts recognized in the financial statements:

Going concern assessment

The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. The underlying assumption in the preparation of financial statements is that the Club has neither the intention nor the need to liquidate. Management takes into account a whole range of factors which include, but not limited to, Parent Company's ability to provide financial support, expected operations and profitability and potential sources of additional financing. Management prepares the financial statements on a going concern basis as management has future plans regarding the Club, as discussed in Note 1.

Identification of contract with customers under PFRS 15

The Club applies PFRS 15 guidance to a portfolio of contracts with similar characteristics as the Club reasonably expects that the effects on the financial statements if applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio. Hence, the Club viewed each transaction receipt as one contract.

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.

Determining whether the Club is acting as a principal or agent

The Club assesses its revenue arrangements against specific criteria to determine if it's acting as principal or agent. The following criteria indicate whether the Club is acting as a principal or an agent:

- The Club has the primary responsibility for providing services to the customer;
- The Club has latitude in establishing price, either directly or indirectly, for example by providing additional services; and,
- The Club bears the customer's credit risk for the amount receivable from the customer. The Club has concluded that generally, it is acting as a principal in its revenue arrangements.

Determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates

The Club has assessed whether it has any uncertain tax treatments. The Club applies significant judgement in identifying uncertainties over its income tax treatments. The Club assessed whether the Interpretation had an impact on its financial statements. The Club determined, based on its tax assessment, in consultation with its tax counsel, that it has no uncertain tax treatments. Accordingly, the interpretation did not have significant impact on the financial statements.

19.2 Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of impact to the carrying amount of assets and liabilities are discussed below:

Estimating allowance for ECLs of receivables

The Club assesses long-outstanding member's receivable account periodically as to future collectability. Club shares of members with long-outstanding balances are placed to public auction for bidding at the management's own terms and minimum pricing to ensure that outstanding balances are delinquent members are recovered. The Club defines a financial asset as in default when contractual payments are 120 days past due. However, in certain cases, the Club may also consider a receivable 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.

The allowance for ECL on the Club's receivables amounted to P1,948,530 as at December 31, 2023 and 2022 (Note 4). The carrying value of the Club's receivables amounted to P35,368,271 (2022 - P36,672,753) December 31, 2023 (Note 4). The carrying value of the Club's receivables from related parties amounted to P75,663,211 (2022 - P62,826,742) December 31, 2023 (Note 15).

Evaluating asset impairment

The Club reviews property and equipment, and other nonfinancial current and noncurrent asset for impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends, taking into consideration the impact of COVID-19 Pandemic.

Internal and external sources of information are reviewed at each statement of financial position date to identify indications that the Club's nonfinancial asset may be impaired, or an impairment loss previously recognized no longer exists or may be decreased. If any such indication exists, the recoverable amount of the nonfinancial asset is estimated.

As described in the accounting policy, the Club estimates the recoverable amount as the higher of the fair value less cost of disposal and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Club is required to make estimates and assumptions that may affect other current and noncurrent assets, and property and equipment. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

No impairment losses were recognized for the Club's nonfinancial assets. As at December 31, 2023 and 2022, the carrying values of the nonfinancial assets follow:

	Note	2023	2022
Property and equipment	7	733,216,580	742,641,649
Other current assets	6	35,874,752	31,631,177
Other noncurrent assets	6	2,828,245	3,186,096

Estimating pension cost and liability

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These assumptions are described in Note 13, and include, among others, the determination of the discount rates, future salary increases, 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 date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

The Club's net pension liability as at December 31, 2023 amounted to P1,584,112 (2022 - P1,101,634) (Note 13).

Recognizing deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. These assets are periodically reviewed for realization. Periodic reviews cover the nature and amount of all deductible temporary differences, expected timing when assets will be used or liabilities will be required to be reported, reliability of historical profitability of businesses expected to provide future earnings and tax planning strategies which can be utilized to increase the likelihood that tax assets will be realized.

As at December 31, 2023 and 2022, the Club did not recognize deferred tax assets related on net operating loss carry-over (NOLCO), pension liability, allowance for ECL and minimum corporate income tax (MCIT) totalling to P244,441,423 (2022 - P192,739,718) because the management assessed that it is likely that future taxable profits will not be sufficient to realize the carry forward benefits of the NOLCO, pension liability, allowance for ECL and MCIT (Note 14).

20 Supplementary Tax Information Required Under Revenue Regulations (RR) No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Details of the Club's net sales/receipts, output VAT and input VAT accounts are as follows:

(i) Value added tax (VAT)

VAT Net Sales/Receipt and Output VAT declared in the Club's VAT returns for the year 2023:

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sale of services	130,113,307	15,613,597
Sale of goods	38,115,698	4,573,884
	168,229,005	20,187,481

Sale of services subject to VAT pertains to gross receipts/collections on revenues from room accommodation, guest fees, spa services and rental of recreational equipment. Sale of goods pertains to gross receipts/collections on revenues from sale of food, beverage and merchandise.

The Club has exempt sales amounting to P93,231,626 pursuant to SC Ruling G.R. No. 228539 [*Association of Non-Profit Clubs, Inc. (ANCP) vs. Bureau of Internal Revenue (BIR)*] dated August 13, 2019.

The amount of input VAT input taxes claimed are broken down as follows:

Beginning of the year	17,559,396
Input tax carried over	166,371
Current year's domestic purchases/payments for:	
Goods for resale/ manufacture for further processing	11,525,873
Capital goods subject to amortization	-
Capital goods not subject to amortization	3,519,841
Services lodged under accounts	12,592,385
Total input VAT available	45,363,866
Less input tax on capital goods subject to amortization, deferred for the succeeding period	86,334
Less input tax allocable to exempt sales	2,954,889
Input VAT applied during the current year	42,322,643
Less claims against output VAT	20,187,481
Balance at the end of the year	22,135,162

(ii) *Documentary Stamp*

Tax The Club did not incur any documentary stamp tax in 2023.

(iii) *Other Taxes and Licenses*

This includes all other taxes, local and national, included under the taxes and licenses account under general and administrative expenses. Details of other taxes and licenses in 2023 follow:

<i>Local</i>	
Real estate taxes	5,558,112
Licenses and permits	1,155,632
Community tax certificate	10,500
<i>National</i>	
BIR annual registration fee	500
	6,724,744

(iv) *Withholding Taxes*

Details of withholding taxes in 2023 follows:

	Paid	Accrued	Total
Expanded withholding taxes	5,425,124	947,574	6,372,698
Withholding taxes on compensation and benefits	543,611	-	543,611
Final withholding taxes	101,863	-	101,863
	6,070,598	947,574	7,018,172

(v) *Tax Contingencies*

The Club has no deficiency tax assessments or any tax cases, litigation, and/or prosecution in courts or bodies outside the Bureau of Internal Revenue as at December 31, 2023.

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules for the Securities and Exchange Commission
December 31, 2023

Supplementary Schedules

Schedule A - Financial assets

Schedule B - Amounts receivable from directors, officers, employees, related parties and principal stockholders

Schedule C - Amounts receivable from related parties which are eliminated during the consolidation of financial statements

Schedule D - Long-term debt

Schedule E - Indebtedness to a related party

Schedule F - Guarantees of securities and other issuers

Schedule G - Capital stock

Other requirements

Financial soundness indicators

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules Required Under Annex 68-J
As at December 31, 2023

Schedule A. Financial Asset

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Interest Income Received and Accrued	Unrealized Gain on Financial Asset at FVPL
A. Cash in banks				
Bank of the Philippine Islands (BPI)	Not applicable	21,466,757	27,604	-
B. Financial assets at FVPL				
BPI Money Market Fund	10,766	3,007,892	-	126,719
C. Accounts and other receivables				
Trade receivables	Not applicable	33,061,193	-	-
Insurance claims	Not applicable	47,467	-	-
Receivable from employees	Not applicable	79,810	33,178	-
Other receivables	Not applicable	2,179,801	-	-
D. Receivables from related parties	Not applicable	75,663,211	4,002,190	-
		135,506,131	4,062,972	126,719

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules Required Under Annex 68-J
As at December 31, 2023

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Not Current	Balance at End of Period
			Amounts Collected	Amounts Written Off			
Employees	105,118	280,174	305,482	-	-	-	79,810

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules Required Under Annex 68-J
As at December 31, 2023

Schedule C. Amounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Deductions Amounts Written Off	Current	Not Current	Balance at End of Period
Not applicable							

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules Required Under Annex 68-J
As at December 31, 2023

Schedule D. Long-term Debt

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption “Current Portion of Long-term Debt” in Related Statement of Financial Position	Amount Shown under “Long-Term Debt” in Related Statement of Financial Position
Not applicable			

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules Required Under Annex 68-J
As at December 31, 2023

Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Not applicable		

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules Required Under Annex 68-J
As at December 31, 2023

Schedule F. Guarantees of Securities Other Issuers

Name of Issuing Entity of Securities Guaranteed by the Club for which this Statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is filed	Nature of Guarantee
Not applicable				

Anvaya Cove Golf and Sports Club, Inc.

Supplementary Schedules Required Under Annex 68-J
As at December 31, 2023

Schedule G. Capital Stock

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown under Related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common Stock:						
Class A	5,420	5,420	-	4,322	11	1,087
Class B	2,846	2,846	-	1,914	-	932
Class C	154	154	-	106	-	48
Class D	80	-	-	-	-	-
Total	8,500	8,420	-	6,342	11	2,067

Anvaya Cove Golf and Sports Club, Inc.

Financial Soundness Indicators
As at December 31, 2023

Ratio	Formula	2023	2022
Current ratio	Current assets / Current liabilities	0.98	0.91
Acid test ratio	Quick assets (Total current assets excluding inventory) / Current liabilities	0.97	0.90
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long- term debt and current portion of long-term debt)	0.23	0.24
Debt-to-equity ratio	Total debt / Total stockholders' equity	0.25	0.25
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.25	1.25
Interest rate coverage ratio	EBITDA / Interest expense	0.00	0.01
Return on equity	Net income after tax/ Average total stockholders' equity	0.00	0.01
Return on assets	Net income after tax / Average total assets	0.00	0.01
Net profit margin	Net income after tax / Total revenue	0.01	0.03

Fwd: Your BIR AFS eSubmission uploads were received

ACGSC Esmael, Rio <rio.esmael@anvayacove.com>

Mon 15/04/2024 6:42 PM

To: ACBNC Hizola, Carol <carol.hizola@anvayacove.com>

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

Sent: Monday, April 15, 2024 6:41:22 PM

To: ACGSC Esmael, Rio <rio.esmael@anvayacove.com>

Cc: ACGSC Esmael, Rio <rio.esmael@anvayacove.com>

Subject: Your BIR AFS eSubmission uploads were received

Hi ANVAYA COVE GOLF AND SPORTS CLUB, INC.,

Valid files

- EAFS007875261ITRTY122023.pdf
- EAFS007875261AFSTY122023.pdf
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- EAFS007875261TCRTY122023-02.pdf
- EAFS007875261RPTTY122023.pdf
- EAFS007875261OTHTY122023.pdf
- EAFS007875261TCRTY122023-01.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-BJJK9KFD04NYQV3NMMQVTNPTY02NY2QMN1**

Submission Date/Time: **Apr 15, 2024 06:40 PM**

Company TIN: **007-875-261**

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

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Anvaya Cove Golf and Sports Club, Inc.** (the Club) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, in accordance with the Philippine Financial Reporting Standards, 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.

The Board of Directors (BOD) is responsible for overseeing the Club's financial reporting process.

The BOD reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

Isla Lipana & Co. (PricewaterhouseCoopers), the independent auditor, appointed by the members, has audited the financial statements of the Club in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.



BERNARD VINCENT O. DY
Chairman of the Board



JOSEPH CARMICHAEL Z. JUGO
President



DESIREE JOY S. MIRANDA
Treasurer



REPUBLIC OF THE PHILIPPINES)
Makati City) SS.

BEFORE ME, a Notary Public for and in the City of Makati, this APR 15 2024, personally appeared the following:

Anvaya Cove Golf and Sports Club, Inc.
represented by:

<u>Name</u>	<u>Passport/Driver's License No.</u>	<u>Date & Place of Issue</u>
Bernard Vincent O. Dy	Passport No. P7090535B	July 1, 2021/DFA Manila
Joseph Carmichael Z. Jugo	Passport No. P6459871A	Apr. 7, 2018/ DFA, Manila
Desiree Joy C. Suarez- Miranda	Passport No. P0497029C	June 15, 2022/DFA Manila


who are personally known to me and identified by me through competent evidence of identity to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed and that they have the authority to sign on behalf of their respective principals.

WITNESS MY HAND AND NOTARIAL SEAL affixed at the place and on the date first above written.

Doc. No. 198 ;
Page No. 41 ;
Book No. XLVIII ;
Series of 2024.

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (amending Sec. 188 of the NIRC)
affixed on Notary Public's copy.




MARIA PAULA G. ROMERO-BAUTISTA
Notary Public - Makati City
Appt. No. M-227 until December 31, 2025
Roll of Attorneys No. 58335
IBP No. 416399 - 01/11/2024 - Makati City
PTR No. MKT10083260 - 01/11/2024 - Makati City
MCLE Compliance No. VII-0020268 - 06/02/2022
6th Floor Makati Stock Exchange Building,
Ayala Avenue, Makati city, Philippines