





## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Meeting of the Stockholders of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.** will be conducted virtually via Zoom on Monday, **September 30, 2024** at 8:30 in the morning with the following

### A G E N D A

1. Call to order
2. Certification of notice and quorum
3. Approval of minutes of previous meeting
4. Ratification of the acts of the Board of Directors and Management beginning October 2, 2023 until September 30, 2024.
5. President's report
6. Election of directors (including the independent directors)
7. Appointment of external auditor and fixing of its remuneration
8. Consideration of such other business that may properly come before the meeting
9. Adjournment

Only stockholders of record as of **August 14, 2024** are entitled to notice of, and to vote at, this meeting.

The Board of Directors, during its meeting on May 10, 2024, approved the holding of the annual stockholders' meeting in a fully virtual format. Stockholders may only attend the meeting by remote communication, by voting *in absentia*, or by appointing the Chairman of the meeting as their proxy. Stockholders intending to participate by remote communication should notify the Company on or before **September 19, 2024**.

Duly accomplished proxies shall be submitted on or before **September 20, 2024** to the Office of the Corporate Secretary by email to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com). Validation of proxies is set for **September 24, 2024** at 9:00 o'clock in the morning.

Stockholders may vote by remote communication, or *in absentia* subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes *in absentia* will be set forth in the Information Statement.

All communications should be sent to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) on or before the designated deadlines.

Makati City, August 22, 2024.

A handwritten signature in blue ink, appearing to read "M. Romero-Bautista", is written over the printed name and title.

**MARIA PAULA G. ROMERO-BAUTISTA**  
Assistant Corporate Secretary



## Certification

I, MARIA PAULA G. ROMERO-BAUTISTA, Assistant Corporate Secretary of Anvaya Cove Golf and Sports Club, Inc. (the "Corporation") with SEC Registration Number CS201014919 and with principal office at Anvaya Cove, Morong, Bataan, on oath state that:

- 1) On behalf of the Corporation, I have caused the preparation of the Definitive Information Statement (SEC Form 20-IS) for the 2024 Annual Stockholders' Meeting of the Corporation;
- 2) I read and understood its contents which are true and correct based on the records of the Corporation;
- 3) The Corporation will comply with the requirements set forth in SEC Notice dated May 12, 2021 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of the filing fee; and
- 5) The e-mail account designated by the Corporation pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Corporation in its online submission to SEC CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this SEP 04 2024 in Makati City.


  
MARIA PAULA G. ROMERO-BAUTISTA  
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this SEP 04 2024 at Makati City, the affiant exhibited to me, as competent evidence of identity, her Passport ID No. P7427296A issued on June 4, 2018 at Department of Foreign Affairs, Manila.

Doc No. 173 ;  
Page No. 36 ;  
Book No. 111 ;  
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



  
TRIXIE CARMELA J. GONZALES  
Notary Public - Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 385175 - 01/02/2024 - Manila IV  
PTR No. MKT10074003MN - 01/02/2024 - Makati City  
MCLE Compliance No. VII-0005431 - 12/10/2021  
27th Floor, Tower One and Exchange Plaza,  
Ayala Triangle, Ayala Avenue,  
Makati City, Phillionines

**PROXY**

**1. IDENTIFICATION**

This Proxy is being solicited by **ANVAYA COVE GOLF AND SPORTS CLUB, INC.**, on and in its behalf, in connection with the Annual Stockholders' Meeting of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.**, to be held on September 30, 2024, at 8:30 in the morning.

**2. INSTRUCTIONS**

The undersigned stockholder of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.** (the "Company") hereby appoints the Mr. Bernard Vincent O. Dy, Chairman of the meeting, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on **September 30, 2024** and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matters to be taken up during the meetings. If no specific direction as to voting is given, the votes will be cast for the election of all nominees and for the approval of the resolutions on the matters stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statement and as recommended by the Chairman.

**Annual Stockholders' Meeting**

- |   |   |
|---|---|
| <p>1. Approval of minutes of previous meeting<br/><input type="checkbox"/> Yes    <input type="checkbox"/> No    <input type="checkbox"/> Abstain</p> <p>2. Ratification of the acts of the Board of Directors and Management beginning October 2, 2023 until September 30, 2024<br/><input type="checkbox"/> Yes    <input type="checkbox"/> No    <input type="checkbox"/> Abstain</p> <p>3. President's Report<br/><input type="checkbox"/> Yes    <input type="checkbox"/> No    <input type="checkbox"/> Abstain</p> <p>4. Election of Directors</p> | <p>5. Appointment of PwC Isla Lipana &amp; Co. as the external auditor and fixing of its remuneration<br/><input type="checkbox"/> Yes    <input type="checkbox"/> No    <input type="checkbox"/> Abstain</p> <p>6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.<br/><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |
|---|---|

	No. of Votes
Bernard Vincent O. Dy	_____
Joseph Carmichael Z. Jugo	_____
Paullolindo A. Elauria	_____
Dante M. Abando	_____
Jocelyn F. de Leon	_____
Augusto D. Bengzon	_____
George Israel C. Aquino	_____
Paolo O. Viray	_____
<u>Independent Directors:</u>	
George Edwin T. Lee	_____
Agustin R. Montilla IV	_____
Bernadine T. Siy	_____

\_\_\_\_\_  
PRINTED NAME OF STOCKHOLDER

\_\_\_\_\_  
SIGNATURE OF STOCKHOLDER /  
AUTHORIZED SIGNATORY

\_\_\_\_\_  
NO. OF SHARES HELD

\_\_\_\_\_  
DATE

A scanned copy of this proxy must be submitted to the corporate secretary at [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) on or before **September 20, 2024**, the deadline for submission of proxies. For individual stockholders, please submit with this Proxy the appropriate Certification from your broker/trading participant as to your stock ownership as of Record Date and sign this form. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory to appoint the Proxy and sign this form, and the appropriate Certification from your broker/trading participant as to your stock ownership as of Record Date.

### **3. REVOCABILITY OF PROXY**

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the corporate secretary a written notice of revocation not later than the start of the meeting. A proxy is also considered revoked if the stockholder participates in the meeting and submits his/her/its ballot. This proxy shall be deemed revoked after the right granted is exercised during the Annual Stockholders' Meeting of the company on September 30, 2024. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

Stockholders participating by remote communication will not be able to vote unless they register through the Corporate Secretary at [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) or authorize the Chairman of the meeting to vote as Proxy, on or before **September 19, 2024**.

### **4. PERSON MAKING THE SOLICITATION**

The solicitation is made by the Company. No director of the Company has informed the former in writing that she/he intends to oppose an action intended to be taken up by the Company at the Annual Stockholders' Meeting. Solicitation of the proxies shall be made through the use of ordinary mail, electronic means of communication, or personal delivery.

### **5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon other than election of the Board of Directors for the ensuing year. The Company has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Company.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY THE CHAIRMAN.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT OF  
ANVAYA COVE GOLF AND SPORTS CLUB, INC.  
(the "Corporation" or "Club")

Pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box:

- Preliminary Information Statement  
 Definitive Information Statement

2. Name of Registrant as specified in this Charter:

ANVAYA COVE GOLF AND SPORTS CLUB, INC.

3. Province, country and other jurisdiction of incorporation or organization:

REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number: CS201014919

5. BIR Tax Identification Code: 007-875-261

6. Principal Office: Anvaya Cove  
Municipality of Morong, Bataan  
2108 Philippines

Postal Address: c/o Ayala Land, Inc.  
2/F Tower One and Exchange Plaza  
Ayala Triangle  
Ayala Avenue, Makati City 1226

7. Registrant's telephone number, including area code: Tel No. (632) 7943-4400  
Fax No. (632) 7759-4411

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

Date	September 30, 2024
Time	8:30 A.M.
Place	To be conducted virtually through Zoom
<i>Place of Meeting per By-Laws</i>	Anvaya Cove, Morong, Bataan, 2108

**9. Approximate date of which the Information Statement is first to be sent or given to security holders:**

September 9, 2024

**10. Proxy solicitation**

**Name of Person:** Bernard Vincent O. Dy  
**Address and Telephone Number:** 1318 Gloriosa Street, Dasmariñas Village,  
Makati City  
(+639)175206831

**11. Securities registered pursuant to Section 8 of the SRC**

**a. Shares of Stock**

<u>Title of Each Class</u>	Number of Registered Shares
Common – Class A	5,420
Common – Class B	2,846
Common – Class C	154
Common – Class D	<u>80</u>
TOTAL	<u>8,500</u>

**Amount of Debt Outstanding as of July 31, 2024** Not Applicable

**11. Are any or all of the registrant's securities listed in a Stock Exchange?**

[ ] Yes [ ✓ ] No

**A. GENERAL INFORMATION**

**Item 1. Date, time and place of meeting of security holders (hereafter, the “annual stockholders’ meeting” or “meeting”)**

(a) Date, time and place of meeting of security holders:

Date	September 30, 2024
Time	8:30 a.m.
Place	To be conducted virtually through Zoom
<i>Place of Meeting per By-Laws</i>	Anvaya Cove, Morong, Bataan, 2108

(b) Approximate date on which the Information Statement is to be first sent or given to security holders at least fifteen (15) business days prior to meeting date:

September 9, 2024

Electronic copies of the meeting materials, including this Information Statement (SEC 20-IS), Management Report, and Annual Report (SEC Form 17-A) may be accessed by the stockholders in the Club’s website, <https://anvayacove.com/golf-sports-club/>.

**Item 2. Dissenters’ Right of Appraisal**

Under Section 80, Title X of the Revised Corporation Code of the Philippines (the “RCC”), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose for which the Corporation was organized.

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

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

- (a) No current director or officer of the Corporation, or nominee for election as director of the Corporation nor any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) No director has informed the Corporation in writing that he intends to oppose any action to be taken at the meeting.



**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

(a) Number of Shares Outstanding as of July 31, 2024:

<u>Title of Each Class</u>	Number of Outstanding Shares
Common – Class A	5,420
Common – Class B	2,846
Common – Class C	<u>154</u>
TOTAL	<u>8,420</u>

Number of Votes Entitled: One (1) vote per Class A, Class B and Class C shares

(b) Record Date

All stockholders of record as of August 14, 2024 are entitled to notice and to vote at the annual stockholders' meeting.

(c) Manner of Voting

Section A (1) of the Seventh Article of the Articles of Incorporation states that Class A shares, when initially issued to the original subscribers of the Corporation shall have the status of Founders' Shares. Within a period of five (5) years from the date of incorporation of the Corporation, the holders of Founders' Shares shall have the sole and exclusive right to the exclusion of holders of Class B, Class C and Class D Shares: (i) to nominate and vote for persons who shall serve as directors of the Corporation, (ii) to vote on any other matter requiring the vote of stockholders, and (iii) in case of natural persons, to be voted as directors of the Corporation, provided that, the expiry of such five (5)-year period shall automatically cause the shares to lose their character as Founders' Shares and the holder shall, for all intents and purposes, be deemed to be a holder of a regular Class A share, in which event, the voting rights of the holders of the Class A shares shall be equal in all respects to the voting rights of all the other classes of shares and, provided further, that these rights shall at all times be exercised in accordance with the By-Laws.

Section 23 of the RCC states in part, "xxx stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as he may be seen fit."

The Board of Directors of the Club, in the exercise of its authority under the By-Laws, approved on May 10, 2024, the holding of the annual stockholders' meeting for the year 2024 in a fully virtual format, including all the necessary and related arrangements thereto, subject to applicable rules and regulations of the Securities and Exchange Commission. The stockholders may only attend the meeting by remote communication, by voting in absentia or by appointing the Chairman as proxy.

For the convenience of its shareholders, the Club issued and is making available to the shareholders internal rules of procedure embodying the mechanisms for registration of shareholders and their participation in the meeting through remote communication and voting *in absentia* or by proxy, a copy of which is attached hereto as **Annex A**.

(d) Security Ownership of Certain Record and Beneficial Owners and Management as of July 31, 2024:

(1) Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of July 31, 2024:

<b>Title of Class</b>	<b>Name &amp; Address of Record Owner &amp; Relationship w/ Issuer</b>	<b>Name of Beneficial Owner &amp; Relationship w/ Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares</b>	<b>Percentage</b>
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 1,907 106	75.2375%
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	1,082 113 3	14.2280%

- The Board of Directors of ALI has the power to decide how ALI's shares in the Club are to be voted. Messrs. Joseph Carmichael Z. Jugo and Paolo O. Viray 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.

(2) Security Ownership of Directors and Officers as of July 31, 2024:

Title of Class	Name	Position	Amount & Nature of Ownership	Citizen-ship	Percentage
Class B	Bernard Vincent O. Dy	Chairman of the Board of Directors	1 (record and beneficial owner)	Filipino	0.0119%
Class A	Joseph Carmichael Z. Jugo	Director & President	1 (record owner)	Filipino	0.0119%
Class A	Paullolindo A. Elauria	Director	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 B	Augusto D. Bengzon	Director	1 (record owner)	Filipino	0.0119%
Class A	George Israel C. Aquino*	Director	1 (record owner)	Filipino	0.0119%
Class A	Paolo O. Viray	Director & Vice President	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-Miranda	Treasurer	0	Filipino	N/A
-	Maria Franchette M. Acosta	Corporate Secretary	0	Filipino	N/A
-	Maria Paula G. Romero-Bautista	Assistant Corporate Secretary	0	Filipino	N/A
-	Roscoe M. Pineda	Data Protection Officer	0	Filipino	N/A
-	Jose P. Dagdagan	General Manager	0	Filipino	N/A
-	Neal C. Perez	Chief Risk Officer, Compliance Officer and Finance Director	0	Filipino	N/A
<b>Security Ownership of all Directors and Officers</b>			<b>11</b>		<b>0.1306%</b>

\*Elected on August 9, 2024 replacing Mr. Javier D. Hernandez

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

(e) Voting Trust Holders of 5% or More

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

(f) Change in Control

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

**Item 5. Directors and Executive Officers**

(a) Directors and Executive Officers

(1) Directors, Independent Directors and Executive Officers

The following, who constitute the final list of candidates presented and approved by the Corporate Governance and Nomination Committee (composed of Agustin R. Montilla IV, Chairman, and Mr. George Edwin T. Lee and Ms. Bernadine T. Siy, Members) have been nominated to the Board of Directors for the ensuing year and have accepted their nominations:

Bernard Vincent O. Dy  
Dante M. Abando  
Augusto D. Bengzon  
Jocelyn F. de Leon  
Paulloindo A. Elauria  
George Israel C. Aquino

Paolo O. Viray  
Joseph Carmichael Z. Jugo  
George Edwin T. Lee  
Agustin R. Montilla IV  
Bernadine T. Siy

Messrs. Dy, Abando, Bengzon, Aquino, Jugo, and Viray were nominated by ALI. Mr. Elauria and Ms. de Leon were nominated by SUDECO. Messrs. George Edwin T. Lee and Agustin R. Montilla IV, and Ms. Bernadine T. Siy were nominated as independent directors of the Corporation for the ensuing year by ALI and SUDECO, who are both not related to the nominees for independent directors.

The Corporate Governance and Nomination Committee of the Corporation evaluated the qualifications of the nominees and prepared the final list of nominees in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) of the Securities Regulation Code and the By-Laws of the Corporation. The Corporation has adopted the SRC Rule 38 and compliance therewith has been made.

Only nominees whose names appear in the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

The above-named nominees are expected to attend the annual stockholders' meeting.

A summary of the qualifications of the incumbent directors, nominees for directors for election at the annual stockholders' meeting and incumbent officers is set forth in Annex B. The certifications on the qualifications of independent directors are attached hereto as Annex B-1.

The officers of the Corporation are elected annually by the Board at its organizational meeting.

(2) 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.

(3) Family Relationships

None of the directors and executive officers of the Corporation nor the nominees for election as director is related up to the fourth civil degree either by consanguinity or affinity.

(4) Involvement in Legal Proceedings

There are no material pending legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five (5) years to which the Corporation or any of its directors, executive officers and nominees for election as director is a party or of which any of its material properties is subject in any court or administrative agency of the Government.

(b) Certain Relationships and Related Transactions

**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	
<b>Immediate Parent Company</b>					
ALI (a)(i)	-	3,571,429	8,309,125	7,384,093	<ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>
ALI (a)(ii)	-	6,598,065	-	3,571,429	<ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>
ALI (Loans)	40,000,000	-	35,000,000	-	

ALI (Interest)	209,263	-	98,787	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.26% to 7.54%</li> <li>• Collectible in cash with 2 to 35 days term</li> </ul>
<b>Entities Under Common Control</b>					
Amaia Land Corp.	95,000,000	-	45,000,000	45,000,000	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.72% to 7.05%</li> <li>• Collectible in cash with 10 to 27 days term</li> </ul>
Amaia Land Corp. (Interest)	325,282	-	417,411	410,045	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.80% interest rate</li> <li>• Collectible in cash with 5 days term</li> </ul>
Avida Land Corp. (loans)	3,000,000	-	45,000,000	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.80% interest rate</li> <li>• Collectible in cash with 5 days term</li> </ul>
Avida Land Corp. (interest)	2,496	-	496,375	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.85% to 7.02%</li> <li>• Collectible in cash with 3 to 33 days term</li> </ul>
ALI Commercial Center (loans)	30,000,000	-	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.85% to 7.02%</li> <li>• Collectible in cash with 3 to 33 days term</li> </ul>
ALI Commercial Center (interest)	90,714	-	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.54%</li> <li>• Collectible in cash with 31 to 60 days term</li> </ul>
Arca South Hotel Ventures Inc. (loans)	30,000,000	5,000,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.54%</li> <li>• Collectible in cash with 31 to 60 days term</li> </ul>
Arca South Hotel Ventures Inc. (interest)	253,796	86,173	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.70% to 7.30%</li> <li>• Collectible in cash with 15 to 59 days term</li> </ul>
Ayalaland Estates Inc. (loans)	12,000,000	-	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.54%</li> <li>• Collectible in cash with 30 to 62 days term</li> </ul>
Ayalaland Estates Inc. (interest)	90,935	-	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.84%</li> <li>• Collectible in cash with 17 to 33 days term</li> </ul>
Airswift Transport Inc. (loans)	360,000,000	45,000,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.54%</li> <li>• Collectible in cash with 30 to 62 days term</li> </ul>
Airswift Transport Inc. (interest)	2,459,699	2,395,631	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.84%</li> <li>• Collectible in cash with 17 to 33 days term</li> </ul>
Soltea Commercial Inc. (loans)	18,000,000	3,000,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.57%</li> <li>• Collectible in cash with 12 to 62 days term</li> </ul>
Soltea Commercial Inc. (interest)	145,385	37,971	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.69% interest rate</li> <li>• Collectible in cash with 19 days term</li> </ul>
Cebu District Prop. Ent. (loans)	60,000,000	-	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Cebu District Prop. Ent. (interest)	418,400	319,588	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Laguna Techno Park Inc. (loans)	2,000,000	2,000,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Laguna Techno Park Inc. (interest)	6,220	6,220	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Anvaya Cove Beach and Nature Club, Inc. (ACBNCI) (b)	11,108,163	956,092	14,562,297	6,424,046	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Makati Development Corporation (MDC) (c)	5,996,596	6,685,956	64,236	4,502	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Ayala Property Management Corporation (APMC) (d)	-	6,086	1,504	6,087	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Alviera Country Club (Alviera) (e)	-	-	-	26,540	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Total</b>		<b>75,663,211</b>		<b>62,826,742</b>	

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 Alviaera 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	
<b>Immediate Parent Company</b>					
ALI (a)(i)	-	80,000,000	10,433,947	90,433,949	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
ALI (a)(ii)	25,732,295	853,551	22,363,705	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
ALI (a)(iii)	2,475,136	-	1,364,500	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Entities Under Common Control</b>					
ACBNCI (b)	56,820,320	6,348,295	50,702,793	19,106,358	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
MDC	21,910,108	-	19,726,741	2,624,717	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Ayala Land Club Management, Inc. (ACMI) (c) (d)	5,189,553	-	4,014,467	666,681	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Ayalaland Premier, Inc. (ALP) (d)	2,688,600	1,162,460	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Associates of Ayala Corporation (AC)</b>					
Globe Telecom, Inc. (Globe) (e)	169,128	-	76,005	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>

Innove Communications, Inc. (Innove) (f)	3,550,100	-	2,829,576	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Manila Water Philippine Venture, Inc. (Manila Water) (g)	17,978,710	-	15,108,986	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Total</b>		<b>88,364,306</b>		<b>112,831,705</b>	

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 realproperty 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
Realized and	Realized and



	Note	Balance	Income Earned	Unrealized Gain	Balance	Income Earned	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

## Item 6. Compensation of Directors and Executive Officers

### (a) Executive Compensation

ALPI, 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. ALPI took over the management of the Club from ACMI by virtue of the approval of the merger of ACMI, ALPI, and Ayala Land Sales, Inc. by the SEC on October 17, 2023 wherein ALPI was the surviving entity. Compensation paid to key management personnel amounted to Php3,754,225 in 2023 and Php3,584,345 in 2022.

### (b) 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.

### (c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The employment of the executive officers is covered by letters of appointment executed by the Corporation stating therein their respective job functionalities, among others.

### (d) Warrants and Options Outstanding

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

## Item 7. Independent Public Accountants

### (a) Independent Public Accountant

The accounting firm of SyCip Gorres Velayo & Co. (SGV & Co.) served as the principal accountant and external auditor of the Club from incorporation to audit year 2022. Mr. Jose Pepito E. Zabat served as the Partner-in-Charge for audit years 2019 to 2022.

Pursuant to the Revised SRC Rule 68, Part 1 3(B)(ix) on Rotation of External Auditor, the Club's Board of Directors, upon the recommendation of its Audit and Risk Oversight Committee (with Ms. Bernadine T. Siy as Chairman, and Messrs. Paullolindo A. Elauria and

George Edwin T. Lee as members) approved the appointment of PwC Isla Lipana & Co. (“Isla Lipana) as the Club’s independent accountant for 2023, and fixed its remuneration amounting to One Hundred Seventy- Nine Thousand Nine Hundred Pesos (Php179,900.00), exclusive of value-added tax. Mr. Dexter DJ Toledana was the Partner-in-Charge for the audit year 2023. The change in external auditor is pursuant to the Independent Auditor Tenure policy adopted by Ayala Land, Inc.’s Group to align with the 2014 European Union Audit Regulation standard on mandatory audit firm rotation. The policy prescribes that an Independent Auditor shall be replaced after a maximum duration of 10 years, extendable to a maximum of 24 years, subject to meeting certain conditions.

The election of Isla Lipana, and the fixing of its remuneration were presented to the stockholders and approved in the last year’s Annual Stockholders Meeting.

Representatives of Isla Lipana for the most recently completed fiscal year are expected to be present at the upcoming annual stockholders’ meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

(b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Club engaged the services of SGV & Co. from 2019-2022 and Isla Lipana & Co. in 2023. There were no disagreements with SGV & Co. and Isla Lipana & Co. on any matter of accounting and financial disclosure.

(c) Audit and Audit-Related Fees

The Corporation paid its external auditor the following fees (exclusive of value-added tax and out-of-pocket expenses):

	<b>Audit &amp; Audit-related Fees*</b>	<b>Tax Fees**</b>
2023	PhP179,900***	N/A
2022	PhP170,100	PhP56,000
2021	Php162,000	Php60,000

\* Pertains to audit fees; no fees for other assurance and related services

\*\* Pertains to preparation Information Return on Transactions with Related Party (BIR Form No. 1709).

\*\*\*Pertains to audit and tax fees; no fees for other assurance and related services.

The external auditors were engaged by the Club to audit its financial statement, and to prepare Information Return on Transactions with Related Party (BIR Form No. 1709) and Annual Income Tax Return.

No other fees paid to the external auditors for the past two (2) years.

**Item 8. Compensation Plans**

There is no action to be taken up during the meeting pertaining to compensation plans.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **Item 9. Authorization or Issuance of Securities Otherwise than for Exchange**

No matter or action concerning authorization or issuance of securities will be taken up during the meeting.

### **Item 10. Modification or Exchange of Securities**

The Corporation will not be presenting any matter or act involving the modification of any class of the Corporation's securities or the issuance or authorization for issuance of one (1) class of the Corporation's securities in exchange for outstanding securities of another class during the meeting.

### **Item 11. Financial and Other Information**

The Management's Discussion and Analysis, audited financial statements as of December 31, 2023, SEC Forms 17-Q for the quarters ending March 2024 and June 2024, and other data related to the Corporation's financial information are attached hereto as Annex C.

### **Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There is no proposed merger, consolidation, acquisition of securities or assets, sale or transfer of assets, or liquidation of the Corporation that will be presented during the meeting.

### **Item 13. Acquisition or Disposition of Property**

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition by the Corporation of any property requiring stockholders' approval under the Revised Corporation Code.

### **Item 14. Restatement of Accounts**

The changes in accounting policies have no impact on the statement of accounts as shown in Note 2 of the 2023 audited financial statements and neither do such changes result to a restatement of the 2022 audited financial statements.

## **D. OTHER MATTERS**

### **Item 15. Action with Respect to Reports**

- (a) Approval of the minutes of the 2023 Annual Stockholders' Meeting held on October 2, 2023 covering the following matters:
  - (i) Approval of the minutes of the 2022 Annual Stockholders' Meeting held on September 30, 2022;
  - (ii) Ratification of the acts of the Board of Directors and Management beginning September 30, 2022 until October 2, 2023;
  - (iii) Noting of the President's report and approval of the audited financial statements as of December 31, 2022;
  - (iv) Election of Directors, including independent directors; and
  - (v) Appointment of PwC Isla Lipana & Co. as the external auditor and fixing of its remuneration.

The Minutes of the 2023 Annual Stockholders' Meeting is uploaded to the Corporation's website or may be viewed through the following link:

<https://anvayacove.com/golf-sports-club/wp-content/uploads/2023/10/Anvaya-Golf-Minutes-ASM-2-October-2023.pdf>

- (b) Noting of the President’s report for the year ending December 31, 2023, including the 2023 audited financial statements.

#### **Item 16. Matters Not Required to be Submitted**

All matters or actions to be taken up in the meeting will require the vote of the stockholders as of the record date.

#### **Item 17. Amendment of Charter, By-Laws or Other Documents**

There are no matters or actions to be submitted in the meeting that will not require the vote of common stockholders as of the record date.

#### **Item 18. Other Proposed Actions**

- (a) Ratification of the acts of the Board of Directors and Management beginning October 2, 2023 until September 30, 2024.

The resolutions of the Board of Directors and the Executive Committee include –

- (i) Election of officers
- (ii) Appointment of Chairmen and members of the Board Committees
- (iii) Designation of Lead Independent Director
- (iv) Approval of the 2023 third quarter results of operation and audit findings
- (v) Approval of the external audit plan
- (vi) Approval of the 2023 and 2024 internal audit plan
- (vii) Approval of the 2024 operating budget and capital expenditure budgets
- (viii) Approval of the Christmas fund special assessment
- (ix) Approval of the pet policy
- (x) Approval of the management representation letter
- (xi) Approval of the full year 2023 financial audit and operating results
- (xii) Approval of the report of the Audit and Risk Oversight Committee to the Board
- (xiii) Approval of the 2023 performance bonus and cash incentive
- (xiv) Approval of the green fees and golf cart rental rates
- (xv) Approval of the updating of Attorneys-in-Facts
- (xvi) Approval of the appointment of the new Corporate Secretary
- (xvii) Approval of the 2024 first quarter financial and operating results
- (xviii) Approval of the appointment of the external auditor for 2024 and fixing of its remuneration
- (xix) Approval of the revised 2024 internal audit plan
- (xx) Approval of the auction of shares
- (xxi) Approval of the setting of the annual stockholders’ meeting
- (xxii) Appointment of the independent auditor for 2024 and fixing of its remuneration
- (xxiii) Approval of the schedule of 2024 Annual Stockholders’ Meeting and relevant dates
- (xxiv) Approval of the participation and voting by remote communication in all meetings of the Board of Directors and stockholders
- (xxv) Delegation of authority to the Corporate Governance and Nomination Committee to approve the final list of nominees to the Board
- (xxvi) Approval of the first half 2024 financial and operating results
- (xxvii) Approval of the 2024 external audit plan

- (b) Election of the members of the Board of Directors, including independent directors, for the ensuing calendar year; and
- (c) Appointment of external auditor and fixing of its remuneration.

#### **Item 19. Voting Procedures**

(a) Vote Required

The majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of all matters presented to the stockholders for decision. The election of directors is by plurality of votes.

For the first five (5) years from the date of incorporation of the Club, the right to vote in all matters requiring stockholders' approval, including the right to nominate and vote for the persons who shall serve as directors of the Club, shall rest solely and exclusively with the holders of Founders' Shares. In addition, the right to be voted for as member in the Board of Directors of the Club during such five (5)-year period shall rest solely and exclusively with the holders of Founders' Shares who are natural persons.

On the fifth anniversary of the incorporation of the Club (September 21, 2015), all stockholders of record, regardless of the class of share held by a stockholder, shall have the right to vote in all matters requiring stockholders' approval, including the right to nominate and vote for the persons who shall serve as directors of the Club, provided that, in all matters regarding the construction or improvement of the golf course and structures within the Club parcels, the prior written approval of ALI as developer and its successors shall further be required. However, only stockholders who are members in good standing shall have the right to be voted for as member of the Board of Directors of the Club. Nominations for membership in the Board of Directors shall be submitted to the Corporate Governance and Nomination Committee by the qualified stockholder in accordance with the rules prescribed by the Corporate Governance and Nomination Committee.

(b) Method of Voting

Straight and cumulative voting.

Each share of stock entitles its registered owner as of the Record Date to one (1) vote.

Subject to Seventh Article of the Articles of Incorporation and Article II, Section 2(c) of the By-Laws, a stockholder shall be allowed to vote in person or by proxy at all meetings of stockholders.

For this year's Meeting, stockholders shall be allowed to vote by proxy (by appointment of the Chairman as such) and by sending the ballots via electronic mail to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) prior to the meeting or until the end of the Meeting. The ballot/s submitted by the stockholders shall be considered as votes made *in absentia*. Stockholders who participate through remote communication or who vote *in absentia* or by appointing the Chairman as proxy shall likewise be deemed present for purposes of quorum subject to the guidelines attached as Annex A (I).

Proxies shall be in writing, signed and filed by the stockholders, in the form provided in this DIS, and shall be received by the Corporate Secretary at [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) on or before September 20, 2024, 5:00 p.m. or the original proxy forms containing the wet signature/s of the signatory/ies may be submitted to the Administration Office, Anvaya Cove Golf and Sports Club Clubhouse, Morong, Bataan on

or before the said date. Information required in the proxy form are specified in Annex A (III) below.

All votes will be counted and tabulated by the Office of the Corporate Secretary.

#### **Item 20. Participation of Shareholders by Remote Communication**

The Board of Directors of the Club approved the holding of the annual stockholders' meeting in a fully virtual format on May 10, 2024. Stockholders may attend the meeting only by remote communication and by appointment of the Chairman as proxy, as set forth below, and by voting *in absentia*, as provided in Item 19 above.

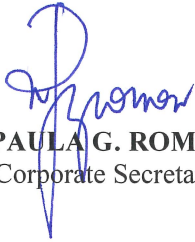
To enable the Corporation to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Corporation by email to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) on or before September 19, 2024, of their intention to participate in the meeting by remote communication.

Stockholders may send in their questions to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) not later than fifteen (15) minutes from the start of the Annual Stockholders' Meeting. The detailed instructions for participation through remote communication are attached as Annex A (II).

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on September 4, 2024.

**ANVAYA COVE GOLF AND SPORTS CLUB, INC.**

By:



**MARIA PAULA G. ROMERO-BAUTISTA**  
Assistant Corporate Secretary

## ANNEX “A”

### 2024 ANNUAL STOCKHOLDERS’ MEETING OF ANVAYA COVE GOLF COVE AND SPORTS CLUB, INC. (the “Meeting”)

#### REQUIREMENTS AND PROCEDURES FOR VOTING IN ABSENTIA AND PARTICIPATION BY REMOTE COMMUNICATION

##### **I. VOTING IN ABSENTIA**

1. Stockholders, as of August 14, 2024, may attend the meeting via remote communication by submitting the ballots prior to the Meeting or until the end of the Meeting via electronic mail to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com).
2. Stockholders shall notify the Chairman of the Board and the Corporate Secretary by email to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) of his/her/its intention to exercise his/her/its right to vote in absentia by September 19, 2024.
3. Subject to validation procedures, the stockholders shall receive the official ballot which shall be used to elect members of the Board and vote on the agenda items.
4. Only ballots received from the registered e-mail addresses of the stockholders shall be accepted as valid votes and included in the tabulation.
5. Only one (1) ballot shall be accepted from each stockholder. In case of multiple e-mails from a single registered e-mail address of a member is received, the earliest ballot received shall be considered as valid and tabulated.
6. The ballots will be collected and the votes cast will be tabulated by the Office of the Corporate Secretary and the Corporate Secretary shall present the results to the stockholders during the Meeting.

##### **II. PARTICIPATION BY REMOTE COMMUNICATION**

1. Stockholders, as of August 14, 2024, are encouraged to attend the Meeting via the video conference platform Zoom.
2. Stockholders shall notify the Chairman of the Board and the Corporate Secretary by email to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) of his/her/its intention to attend the Meeting via remote communication by September 19, 2024.
3. Only notifications received from the registered e-mail addresses of the stockholders shall be accepted as valid registration.
4. Subject to validation procedures, the stockholders shall receive from [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) the Zoom Meeting Link and official ballot



within three (3) days from registration.

5. Stockholders attending the Meeting via remote communication, but failed to submit their ballots before the meeting, may still exercise their right to vote by sending their ballots via electronic mail to [corporatesecretary.gsc@anvayacove.com](mailto:corporatesecretary.gsc@anvayacove.com) during the meeting.
6. Only those stockholders who have notified the Company of their intention to participate in the Meeting by remote communication will be included in determining quorum, together with the Stockholders who voted *in absentia* and by proxy.

### **III. INFORMATION REQUIRED IN A PROXY FORM**

#### 1. Identification

The Proxy form is being solicited by the Club, on and in its behalf, in connection with the Annual Stockholders' Meeting to be held on September 30, 2024, at 8:30 in the morning.

#### 2. Instructions

The participating stockholder of the Club appoints Mr. Bernard Vincent O. Dy or in his absence, the Chairman of the meeting as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company and at any of the adjournments thereof for the purpose of acting on the matters stated below. The Office of the Corporate Secretary will tabulate all votes received and will validate the results. The Corporate Secretary shall report the results of voting during the meeting.

On the attached proxy form, the stockholder will place an "X" in the box on how he/she/it wishes his/her/its votes to be cast in respect of the matters to be taken up during the meeting. If no specific direction as to voting is given, the votes will be cast for the election of all nominees and for the approval of the resolutions on the matters stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statement and as recommended by the Chairman.

#### 3. Revocability of Proxy

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. A proxy is also considered revoked if the stockholder participates in the meeting and submits his/her/its ballot. This proxy shall be deemed revoked after the right granted is exercised during the Meeting. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

#### 4. Person Making the Solicitation

The solicitation is made by the Company. No director of the Company has informed the former in writing that she/he/it intends to oppose an action intended to be taken up by the Company at the Meeting. Solicitation of the proxies shall be made through the use of ordinary mail, electronic means of communication, or personal delivery. The total estimated amount to be spent in connection with the release and sending of the

proxy forms is approximately PhP20,000.00. Costs for solicitation will be shouldered by the Company.

5. Interest of Certain Persons in Matters to be Acted Upon

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon other than election of the Board of Directors for the ensuing year. The Company has not received any written information from anyone seeking to oppose any action to be taken up in the Meeting.

## ANNEX B

### BOARD OF DIRECTORS AND CORPORATE OFFICERS

The information below includes positions held as of July 31, 2024 and in the past five years and personal data as of July 31, 2024, of the directors and executive officers of the Club, unless specified herein.

#### **Incumbent Board of Directors**

Bernard Vincent O. Dy  
Joseph Carmichael Z. Jugo  
Paulloindo A. Elauria  
Dante M. Abando  
Jocelyn F. de Leon  
George Israel C. Aquino

Augusto D. Bengzon  
Paolo O. Viray  
George Edwin T. Lee (Independent)  
Agustin R. Montilla IV (Independent)  
Bernadine T. Siy (Independent)

**Bernard Vincent O. Dy**, 60, Filipino, has served as the Chairman of the Board of the Club since February 23, 2024. He was the 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. Currently, he is a Director of AyalaLand Holdings Corp., a publicly-listed company; Chairman of Anvaya Cove Beach and Nature Club; Vice Chairman of Alviera Country Club, Inc.; Director, Altaraza Development Corporation, Ayala Greenfield Development Corporation, AyalaLand-Tagle Properties, Inc., Berkshires Holdings, Inc., BGWest Properties, Inc., Fort Bonifacio Development Corporation, Serendra, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc. and Station Square East Commercial Corporation. He is also the President of Bonifacio Art Foundation, Inc.; member of the Board of Trustees of Ayala Foundation, Inc. Mr. Dy earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1997, and Masters in International Relations in 1989 from the University of Chicago.

**Augusto D. Bengzon**, 61, Filipino, has served as Director of the Club since incorporation and was the former Chairman of the Board from September 2021 to February 2024. He is currently the Senior Vice President, Treasurer and Chief Finance Officer of Ayala Land, Inc. 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.; 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., AyalaLand Premier Inc., Alveo Land Corporation and Vesta Property Holdings Inc.; Director of Amicassa Process Solutions, Inc., Makati Development Corporation and Station Square East Commercial Corp.; Comptroller of Nuevocentro, Inc.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Amaia Land Corp., Amaia Southern Properties, Inc., Avida Land Corp., Ayala Property Management Corporation, Bellavita Land Corp., BGWest Properties, Inc., Serendra Inc. 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.

**Joseph Carmichael Z. Jugo**, 50, Filipino, has served as a Director and President of the Club since July 6, 2017. He is currently a Senior Vice President of Ayala Land, Inc. He is concurrently President & Director of Ayalaland Premier, Inc., Alveo Land Corp., and BGSouth Properties, Inc.; Chairman & President of Roxas Land Corp., OLC Development Corp., Southportal Properties, Inc.; Garden Towers Condo Corp., & Serendra, Inc.; Chairman of Ayala Hotels Inc., Collines Du Capitole Clubholdings,

Inc., and Verde Golf Development Corp.; President of AyalaLand-Tagle Properties, Inc.; President & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; President of Anvaya Cove Golf & Sports Club, Inc.; Vice President of Anvaya Cove Beach & Nature Club, Inc.; Director of Amicassa Process Solutions, Inc.; Ayala Center Estate Association, and Algofil, Inc. In his 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.

**Paullolindo A. Elauria**, 58, Filipino, has served as Director of the Club since its incorporation. He also served as Vice President of the Club since incorporation until February 2024. He is also the President of Anvaya Cove Beach and Nature Club. He has been the President of SUDECO since 2002. He is also the President of the Philippine Petrochemical Products, Inc., Seaport Development and Industrial Corporation, Leungs Holdings, Inc., Subic West Integrated Development Corporation, Sideli International Trading Corporation, Zambales Farms and Forest, Inc., Shining Star Corporation, and Subic West Development Corporation. He holds a Bachelor of Laws Degree from the Manuel L. Quezon University and passed the bar in 1992. Atty. Elauria is also a Professor of Commercial, Civil, and Labor Laws, having taught at De La Salle University, Lyceum of the Philippines University and Manuel L. Quezon University. He graduated with a Bachelor's degree in Mathematics for Teachers from the Philippine Normal University in 1986 and Bachelor of Laws at the Manuel L. Quezon University in 1992. He is the Founder, President and Commissioner of the Professional Chess Association of the Philippines, the first and only government-licensed professional chess league in the world.

**Dante M. Abando**, 60, Filipino, 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, Alveo Land Corporation, Serendra, Inc. and Avaland Berhad (Malaysia). He is currently a member of the Board of Trustees of the University of the Philippines Alumni Association. 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 Business.

**Jocelyn F. De Leon**, 63, Filipino, has served as Director of the Club since 2011. She is also a Director in Anvaya Cove Beach and Nature Club. She is the Chairman of the Board and a Director of Subic Bay Development & Industrial Estate Corporation (SUDECO). She also holds similar positions in the various companies spearheaded by the De Leon Family, such as Seaport Development and Industrial Corporation, Philippine Petrochemical Products, Inc., Leungs Holding, Inc., Subic West Integrated Development Corporation, Zambales Farms and Forest, Inc., Shining Star Farms and Forest Development Corporation, Fort West Realty and Development Corporation, Sampaloc Point Agro-Forestry and Development Corporation, and Solar Plastics Corporation. Graduating from De La Salle University in 1986 with a degree in Bachelor of Science, majoring in Marketing and reinforcing this with a Master's degree in Business Administration from the same university, Ms. De Leon has competently held managerial positions with companies based locally and abroad.

**George Israel C. Aquino**, 60, Filipino, has served as a director of the Club since August 9, 2024. He is a Vice President of Ayala Land, Inc. since May 2024. He is currently the President and CEO of the Ayala Land Hospitality Group. He is a seasoned executive with over 35 years of experience in the hospitality business. Under his leadership, AHC Hospitality grew to multiple properties with additional 5 in development. He oversees all aspect of the business including financial, management, operational efficiency, guest experience, and brand positioning. He also developed and implemented strategies to drive revenue growth, enhance profitability, and ensured highest standards of service and hospitality. He used to be the Vice President and Managing Director of AHC Hospitality, General Manager of JW Marriott Grand Rapids, Michigan, and General Manager of Peter Island Resort & Spa, among others. Mr. Aquino took up journalism and creative writing at University of Iowa in 1986, and interior design at Columbia College in Chicago in 1990. He obtained his Advance Management Program Certificate in 1996 and Accounting and Finance Certificate in 1995 at Cornell University – School of Hotel Administration.

**Paolo O. Viray**, 44, Filipino, is a Vice President of Ayala Land, Inc. and has served as director of the Club since March 17, 2017. He is currently the Chief Operating Officer of AyalaLand Premier Inc., Director and Vice President of Ayala Greenfield Golf and Leisure Club, Inc.; Director, Vice Chairman and President of Ayala Hotels, Inc., Director of Anvaya Cove Beach and Nature Club, Inc., Amicassa Process Solutions, Inc., AKL Properties, Inc. and Verde Golf Development Corporation. He served as General Manager for Ayala Land International Marketing, USA, and General Manager for Ayala Greenfield Development Corporation, and Project Development Manager for Ayala Land Premier. He joined Ayala Land in 2004 and has been involved in various residential and special projects handling business development, project development, marketing and sales. 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**, 61, Filipino, 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**, 54, Filipino, 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**, 65, Filipino, 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.

**Nominees to the Board of Directors for election at the stockholders’ meeting:**

All incumbent directors.

**Incumbent Corporate Officers**

Bernard Vincent O. Dy*	Chairman
Joseph Carmichael Z. Jugo*	President
Paolo O. Viray*	Vice President
Desiree Joy S. Miranda	Treasurer
Jose P. Dagdagan	General Manager
Neal C. Perez	Chief Risk Officer, Compliance Officer & Finance Director
Maria Franchette M. Acosta	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Jenny Vie H. Julia	Chief Audit Executive
Roscoe M. Pineda	Data Protection Officer

*\*Members of the Board of Directors*

**Desiree Joy S. Miranda**, 40, Filipino, 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 Ayala Land, Inc., 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.

**Jose P. Dagdagan**, 70, Filipino, 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.

**Neal C. Perez**, 51, Filipino, has served as the Compliance Officer and Finance Director of the Club since November 11, 2021. He was also appointed as Chief Risk Officer of the Club effective April 28, 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) and Certification in Risk Management Assurance (CRMA). He has an impeccable professional track record as Finance and Compliance Director, Financial Controller, Finance Manager and Internal Auditor in various sectors including hospitality, gaming, real estate, utilities, consumer electronics and government services. 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.

**Maria Franchette M. Acosta**, 51, Filipino, is the Corporate Secretary of the Club since March 15, 2024. She is also the Corporate Secretary, Chief Legal Officer, Compliance Officer, Data Protection Officer and Corporate Governance Group Head and Managing Director of Ayala Corporation. She is also the Corporate Secretary of ACEN CORPORATION, Globe Telecom, Inc, Integrated Micro-Electronics, Inc. and AREIT, Inc; and Group General Counsel and Corporate Secretary of ALI. She is a practicing lawyer for 24 years, with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she served from 2001 to 2003. She is recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is a consistent Asia Business Law Journal's top 100 lawyers of the Philippines. Ms. Acosta graduated from New York University with a Master of Laws in 2003. She ranked 3rd in the Philippine Bar Examination and earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

**Maria Paula G. Romero-Bautista**, 40, Filipino, 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 2, 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 & Tenefrancia 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.

**Roscoe M. Pineda**, 52, Filipino, is the appointed Chief Information Officer (CIO) of Ayala Land, Inc. (ALI) since October 1, 2023. He is also the Data Protection Officer of the ALI group since January 1, 2024. Prior to his appointment as CIO, he was the IT Director of the Residential Business Group. He joined ALI on March 1, 2023. Previously, Mr. Pineda was with ANZ as Chief Operating Officer & Technology Service Center Lead of its Manila Global Services Center. Prior to ANZ, he was with Sun Life of Canada as Chief Shared Services Officer, and AIG Shared Services in various IT leadership roles. Mr. Pineda has a BS degree in Mathematics, major in Computer Science from the University of Santo Tomas.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **GEORGE EDWIN T. LEE**, Filipino, of legal age and a resident of 358 G. Araneta Avenue, Barangay Doña Imelda, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on September 30, 2024 and have been its Independent Director since January 2020.
2. I am affiliated with the following companies or organizations:

<b>Company /Organization</b>	<b>Position/Relationship</b>	<b>Period of Service</b>
Armstrong Realty Investments, Inc.	President	1990 to present
Sta. Elena Golf & Country Club	Director Member, Membership Committee	2008 to present
Ortigas Center Association, Inc.	Director	2005 to present
Greenhills West Association, Inc.	Director	2018 to present
Solana Resorts	Chairman of the Board	2021 to present

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

<b>Name of Director/Officer/ Substantial Shareholder</b>	<b>Company</b>	<b>Nature of Relationship</b>
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.



7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 22 2024 at Makati City.



**GEORGE EDWIN T. LEE**  
Affiant 

SUBSCRIBED AND SWORN to before me this AUG 22 2024 at Makati City, affiant personally appeared before me and exhibited to me his Passport ID No. P6063008B issued on January 8, 2021, by the Department of Foreign Affairs, National Capital Region Central.

Doc No. 522 ;  
Page No. 106 ;  
Book No. 11 ;  
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.



**TRIXIE CARMELA J. GONZALES**  
Notary Public - Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 385175 - 01/02/2024 - Manila IV  
PTR No. MKT10074003MN - 01/02/2024 - Makati City  
MCLE Compliance No. VII-0005431 - 12/10/2021  
27th Floor, Tower One and Exchange Plaza,  
Ayala Triangle, Ayala Avenue,  
Makati City, Philippines

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **BERNADINE T. SIY**, Filipino, of legal age and a resident of No. 5 San Ignacio St., Urdaneta Village, Makati City 1225, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on September 30, 2024 and have been its Independent Director since September 2021.
2. I am affiliated with the following companies or organizations:

<b>Company /Organization</b>	<b>Position/Relationship</b>	<b>Period of Service</b>
Fil- Pacific Apparel Corporation (FPAC)	Director	1987 to present
Authentic American Apparel Corporation (AAA)	Director	1993 to present
Epicurean Partners Exchange, Inc.	Director	1994 to present
Coffee Masters, Inc.	Director	2000 to present
Cebu Air, Inc.	Independent Director	February 2021 to present
PLDT, Inc.	Independent Director	June 2021 to present
Ateneo de Manila University Board of Trustees	Chairperson Trustee/Member	February 2020 to present May 2014 to Present
Foundation for Economic Freedom	Board Member	July 2020 to Present
Management Association of the Philippines	Member	
JG Summit Holdings, Inc.	Independent Director	June 2024 to Present

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

<b>Name of Director/Officer/ Substantial Shareholder</b>	<b>Company</b>	<b>Nature of Relationship</b>
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 22 2024 at Makati City


  
**BERNADINE T. SIY**  
Affiant

SUBSCRIBED AND SWORN to before me this AUG 22 2024 at Makati City, affiant personally appeared before me and exhibited to me her Passport ID No. P5789993A issued on January 27, 2018, by the Department of Foreign Affairs, Manila.

Doc No. 523 ;  
Page No. 106 ;  
Book No. 11 ;  
Series of 2024.

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



  
**TRIXIE CARMELA J. GONZALES**  
Notary Public - Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 385175 - 01/02/2024 - Manila IV  
PTR No. MKT10074003MN - 01/02/2024 - Makati City  
MCLE Compliance No. VII-0005431 - 12/10/2021  
27th Floor, Tower One and Exchange Plaza,  
Ayala Triangle, Ayala Avenue,  
Makati City, Philippines

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **AGUSTIN R. MONTILLA IV**, Filipino, of legal age and a resident of 42 Magdalena Street, Magallanes Village, Makati City after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on September 30, 2024 and have been its Independent Director since September 2021.
2. I am affiliated with the following companies or organizations:

<b>Company /Organization</b>	<b>Position/Relationship</b>	<b>Period of Service</b>
Romulo Mabanta Buenaventura Sayoc & De Los Angeles	Senior Partner	2016 to present
Lex Mundi	Director	2019 to present
Beacon International School Foundation, Inc.	Member of the Board of Trustees	2009 to present
Manila Polo Club, Inc.	Member of the Board of Trustees	2020 to present
Cancer Resource and Wellness (Carewell) Community Foundation, Inc.	Member of the Board of Trustees and Secretary	2005 to present
The Asia Society Foundation Philippines	Corporate Secretary	2016 to present
BF Jade E-Services Philippines, Inc.	Corporate Secretary	
Montivar, Inc.	Corporate Secretary	
Dueno Alegre, Inc.	President/ Shareholder	
ETM Philippines Holdings, Inc.	President	
SAL Buendia Holding Corp.	Director/Corporate Secretary	

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

<b>Name of Director/Officer/ Substantial Shareholder</b>	<b>Company</b>	<b>Nature of Relationship</b>
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 04 SEPTEMBER 2024 .

  
AGUSTIN R. MONTILLA IV  
Affiant

**AFFIDAVIT OF UNDERTAKING**

I, **MARIA PAULA G. ROMERO-BAUTISTA**, of legal age, Filipino, and with office address at Anvaya Cove, Morong, Bataan, after being duly sworn to, under oath and in accordance with law, do hereby depose and state that:

1. I am the Assistant Corporate Secretary of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.** (the “Company”).
2. I have caused the preparation and accomplished the Definitive Information Statement (DIS) of the Company for the Annual Stockholders’ Meeting on September 30, 2024.
3. One of the attachments to the DIS is the Certification of Independent Director to be signed by the duly nominated independent directors and notarized afterwards. However, one of the nominated independent directors, Mr. Agustin R. Montilla IV, signed his Certification through the use of his e-signature since he is currently overseas and is unable to have his Certification notarized while abroad.
4. In view thereof, the Company undertakes to submit the Certification of Mr. Montilla with his original and manual signature, and duly notarized afterwards, as soon as circumstances will favorably allow this filing.
5. I am executing this Undertaking to attest the truth of the foregoing and in line with the submission of the DIS of the Company.


  
**MARIA PAULA G. ROMERO-BAUTISTA**  
*Assistant Corporate Secretary*

**SUBSCRIBED AND SWORN TO** before me in Makati City on SEP 04 2024 by affiant who personally appeared before me and exhibited to me her competent evidence of identity consisting of Passport ID No. P7427296A issued on 4 June 2018 at Department of Foreign Affairs, Manila.

Doc No. 172 ;  
Page No. 3p ;  
Book No. 111 ;  
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



  
**TRIXIE CARMELA J. GONZALES**  
Notary Public - Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 385175 - 01/02/2024 - Manila IV  
PTR No. MKT10074003MN - 01/02/2024 - Makati City  
MCLE Compliance No. VII-0005431 - 12/10/2021  
27th Floor, Tower One and Exchange Plaza,  
Ayala Triangle, Ayala Avenue,  
Makati City, Philippines

## ANNEX C

### MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND PLAN OF OPERATION

#### I. Overview

##### Result of Operations

###### Overview

The Club was organized and registered with the Philippine Securities and Exchange Commission (SEC) on September 21, 2010 and has started its commercial operations on October 16, 2013. 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.

###### For the 2<sup>nd</sup> Quarter 2024

The Club posted Revenues of ₱125.05 million for the period ended June 30, 2024, higher by ₱14.91 million or 13.54% compared to same period last year.

- Membership Dues amounted to ₱55.11 million (44.07% of the Total Club Revenues), increased by ₱9.84 million or 21.74%.
- Service Income amounted to ₱38.14 million (30.50% of the Total Revenues), ₱3.60 million higher than the ₱34.53 million generated in the same period of 2023.
- Sale of Goods recorded at ₱26.60 million (21.27% of Total Revenues), higher by ₱1.95 million or 7.93% higher compared to same period last year.
- Transfer fee recorded at ₱5.21 million (4.17% of Total Revenues), ₱0.49 million or 8.54% lower compared to same period of previous year.

Total Cost and Expenses for the period registered at ₱133.24 million, an increase of ₱15.41 million or 13.08% against same period last year. The increase in cost attributed to the following:

- Cost of Services recorded at ₱64.21 million (48.19% of the Total Cost and Expenses), higher by ₱3.73 million or 6.16% compared to same period last year.
- Cost of Sales increased by 6.63%, recorded at ₱21.06 million (15.80% of the Total Cost and Expenses).
- General and Administrative Expenses amounted to ₱47.98 million (36.01% of Total Cost and Expenses), higher by 27.60% compared to the same period of prior year.

Interest Income for the period amounted to ₱1.70 million (1.36% of the Total Revenues) lower by ₱0.22 million compared to previous period. The decrease was due to lower interest on intercompany loan.

Miscellaneous income recorded at ₱2.34 million (1.87% of Total Revenues), 81.26% lower compared to same period last year.

Provision for Income Tax computed at ₱2,488.

### **Financial Condition – June 30,2024 versus December 31, 2023**

Total Assets amounted to ₱925.25 million as of June 30,2024, higher by ₱15.51 million or 1.71% compared to December 31, 2023.

- Cash amounted to ₱21.84 million (2.36% of Total Assets), from ₱21.55 million as of December 31, 2023.
- Financial asset at FVPL recorded at ₱1.01 million (0.11% of the Total Assets). A decrease of 66.27% compared to December 31,2023 due to transfer of fund to intercompany lending.
- Accounts and other receivables amounted to ₱37.33 million (4.03% of the Total Assets). An increase of ₱1.96 million or 5.53% compared to ₱35.37million of previous year.
- Receivables from related parties increased to ₱88.09 million (9.52% of the Total Assets), higher by ₱12.42 million or 16.42% from previous year of ₱75.66 million.
- Inventories recorded at ₱2.24 million (0.24% of Total Assets), higher by 0.80% compared to ₱2.22 million of previous year.
- Other current assets recorded at ₱46.76 million (5.05% of Total Assets), increased by ₱10.88 million or 30.33% compared to last year.
- Property and equipment, net of depreciation at ₱726.23 million (78.49% of Total Assets), lower by ₱6.99 million compared to December 31, 2023.
- Advances and other noncurrent assets amounted to ₱1.76 million (0.19% of Total Assets), lower by ₱1.07 million or 37.71% compared to previous year.

Total Liabilities of the Club increased to ₱199.33 million (21.54% of Total Liabilities and Member's Equity), ₱19.66 million or 10.94% higher compared to last year.

- Accounts and other payables amounted to ₱64.39 million (6.96 % of Total Liabilities and Member's Equity), increased by ₱5.74 million or 9.80% compared to last year of ₱58.64 million.
- Contract liabilities at ₱41.92 million (4.53% of Total Liabilities and Member's Equity), ₱ 11.24 million or 36.66% higher than previous year.
- Payables to related parties increased to ₱90.81 million (9.81% of Total Liabilities and Member's Equity), ₱2.45 million or 2.77% higher compared to previous period.
- Pension liability at ₱1.81 million, higher by ₱0.23 million or 14.36% compared to previous year.

### **Cash Flows – Period Ended June 30,2024 vs. June 30,2023**

- The Club generated ₱32.82 million net cash flows from operating activities at the end of June 30,2024.
- Net cash used investing activities amounted to ₱32.54 million.



- Cash at the end of the period recorded at ₱21.84 million.

### **Key Performance Indicators**

The Club monitors its performance and benchmarks itself to prior year's results in terms of the following indicators:

Current ratio stood at 1.00, while decrease in acid test ratio of 0.01 as compared to December 31,2023.

Debt-to-equity ratio at 0.27 higher by .02 compared to December 31,2023. While asset-to-equity ratio recorded an increase of 0.02

Solvency ratio slightly decrease by 0.05. Return on equity recorded at -0.01 and return on assets at 0.00 as of June 30,2024.

Net (loss) profit margin computed at (0.03) in June 30,2024.

<b>Ratio</b>	<b>Formula</b>	<b>June 30, 2024</b>	<b>December 31,2023</b>
Current ratio	Current assets / Current liabilities	1.00	0.98
Acid test ratio	Quick assets / Current liabilities	0.75	0.76
Debt-to-equity ratio	Total debt / Total stockholders' equity	0.27	0.25
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.27	1.25
		<b>June 30,2024</b>	<b>June 30,2023</b>
Solvency ratio	EBITDA / Total debt	0.09	0.14
Return on equity	Net income after tax/ Average total stockholders' equity	-0.01	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	-0.03	0.06

### **Discussion and Analysis of Material Events and Uncertainties Known to Management**

We confirm that there have been no events, including events related to COVID-19 pandemic, subsequent to the period end, which require adjustment of or disclosure in the financial statements that would address the past and would have impact on the future operations on the following:

1. Any trends, demands, commitments, events or uncertainties that will have a material impact of the Club's liquidity;
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
3. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with other entities/persons created during the reporting period;

4. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.
6. Any significant elements of income or loss that did not arise from the Club's continuing operations;
7. Any seasonal aspects that had a material effect on the financial condition and results of operations.

### **Plan of Operation for the 3rd Quarter 2024**

The second quarter of 2024 saw continued strong operational performance once again offset by exorbitant irrigation costs due to no rains going back to December of 2023. By mid-June fortunately there was some relief from the drought conditions. 2nd Quarter EBITDA was Php10 million, as compared to Php7.8 million 1st Quarter, and NIAT was trimmed to a loss of <Php1.1 million> from a loss of <Php3million> in the first quarter. Of note, the cost of irrigation water in 2nd quarter remained extremely high at Php7.7 million, Php500K higher than in first quarter. However, due to some rains by mid-June, irrigation costs for that month were at Php525K. As the onset of seasonal rains is likely to continue in the 3rd Quarter, we can expect irrigations costs to be mitigated considerably.

Total rounds played in Q2 2024 was 5832, a decrease over the same period in 2023 which saw 6030 rounds played. The likely cause of the YoY decrease in the number of rounds was the extreme heat of April and May. Additionally, however, total club functions increased to 16 from 7 as compared to 2nd Quarter 2023. And function revenues grew to nearly Php4.2 million from Php2.16 million in the same period of 2023.

The only thing standing in the way of a robust second quarter financial performance was again the cost of irrigation. NIAT of <Php1.5 million> as compared to quarterly irrigation costs of Php7.9 million. Best practices to mitigate this issue need to be implemented ASAP as temperatures continue to rise, demands on water increase, and supplies are dwindling.

Looking forward to 3rd Quarter, forecasts are for 2-3 tropical cyclones per month to affect the region. As it is peak rainy season, the number of rounds and revenues will be reduced as well for the quarter. Correspondingly however, irrigation costs will certainly be much lower and may serve to offset the reduction in revenues.

Regarding golf activities, we plan to hold the annual Molave Storm golf tournament on 20 July, and will be preparing for the next Club event which will take place on 26 October.

In addition, management is taking steps now to prepare for the end of season 11th President's Cup and Anniversary event in December, and reviewing schedules for the 2025 Golf Season.

#### **A. Satisfaction of cash requirements and fund-raising plans**

##### Operating Cash Requirement

The key sources of liquidity of the Club are the revenues generated from green fees, membership dues, guests' fees, room accommodations, sale of food and beverage, banquets and other Club-related activities. Given the current cash position of the Club, the Corporation will not need additional funding for its operation in the 3<sup>rd</sup> quarter of the current year.

## **B. Product research and development**

No product research and developments are planned. Architectural design planning for the golf course, structures and facilities of the Club have been substantially completed.

## **C. Purchase or sale of plant and significant equipment**

All necessary and significant equipment of the Corporation for its full operation have been purchased.

## **D. Significant changes in the number of employees**

The Club has already hired 132 employees as of June 30,2024.

2023 vs 2022

### **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:

<b>Ratio</b>	<b>Formula</b>	<b>2023</b>	<b>2022</b>
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.

**2022 vs 2021**

**Results of Operations**

Total Club revenues were recorded at ₱199.70 million for the year ended 2022, higher by ₱86.97 million or 77.14% as compared to previous year.

- Membership dues recorded at ₱86.78 million or 43.45% of the total revenues, higher by ₱5.89 million or 7.27% as compared to last year.
- Service income amounted to ₱55.43 million or 27.75 % of total revenues, increased by 41.81 million or 306.92% as compared to last year.
- Sale of goods totaled ₱48.09 million or 24.08% of total club revenues, higher by ₱37.76 million or 365.74% as compared to last year.

- Transfer fee for the period reached ₱9.41 million or 4.71% of the total revenues, higher by ₱1.51 million or 19.16%. This refers to required fee for the processing of change of ownership and nominees.

Total cost and expenses for the year was recorded at ₱199.54 million which was ₱46.63 million or 30.50% higher as compared last year.

- Cost of services recorded at P103.89 million or 52.06% of the total cost and expenses. Higher by ₱14.37 million or 16.05% compared to previous year of P89.52 million.
- Cost of sales recorded at P32.02 million or 16.05% of total cost and expenses. Higher by ₱21.70 million or 210.13% compared to prior year of ₱10.33 million.
- General and administrative expenses amounted to ₱63.63 million or 31.89% of total cost and expenses. Higher by ₱10.56 million or 19.91% as compared to previous year of ₱53.06 million.

Other Income, 3.07% of total revenues, recorded at ₱6.13 million. Lower by ₱8.23 million or 57.49%.

- Interest income for the year ended 2022 recorded at ₱1.05 million or 0.53% of total club revenues, higher by ₱1.03 million as compared to last year.
- Miscellaneous income recorded at ₱5.07 million or 2.54% of the total club revenues, decreased by ₱9.31 million or 64.72% compared to previous year

Provision for income tax computed at ₱5,391, higher by ₱1,879 as compared to the previous year. Other comprehensive gain recorded at ₱463,565 in 2022.

### **Financial Condition**

Total assets amounted to ₱908.46 million which was lower by ₱16.47 million or 1.85% as compared to previous year. The changes were attributed to the following major components:

- Cash and cash equivalent which amounted to ₱26.53 million or 2.93% of the total assets. Recorded an increase of ₱3.95 million or 17.50% compared to previous year.
- Financial asset at fair value was recorded at ₱2.88 million or 0.32% of the total assets, lower by ₱19.89 million or 87.35% as compared to previous year.
- Accounts and other receivables recorded at ₱36.67 million or 4.04% of the total assets, increased by ₱1.64 million or 4.68% compared to last year.
- Receivables from related parties computed at ₱62.83 million, 6.92% of the total assets, recorded an increase of ₱50.89 million or 426.29% compared to previous year.
- Inventories recorded at ₱2.09 million or 0.23% of total asset, increased of ₱0.39 million or 22.55% from ₱1.71 million of previous year.
- Other current asset of ₱31.63 million, 3.48% of total sales, higher by ₱4.57 million or 16.90% as compared to prior year.
- Property and equipment recorded at ₱742.64 million or 81.75% of the total assets.

There was a decrease of ₱25.40 million or 3.31% as compared to previous year.

- As of the year ended 2022, advances and other noncurrent asset recorded at ₱3.19 million, higher by ₱0.31 million or 10.76% compared to previous year.

Total liabilities of the Club amounted to ₱ 180.49 million or 19.87% of Total Liabilities and Member's Equity. There was an increase of ₱9.72 million or 5.69% as compared to last year's ₱170.77 million. The changes were attributed to the following major components:

- A increase of ₱2.36 million in accounts and other payables or 5.39% as compared to previous year.
- Contract liabilities, 2.20% of total liabilities and equity, amounted to ₱19.99 million, lower by 5% as compared to CY 2021.
- Recorded an increase of ₱8.57 million or 8.23% as of December 31,2022 on payable to related parties compared to previous year.

### **Statement of Cash Flow**

- Cash provided by operating and investing activities for the year ended 2022 was recorded at ₱40.59 million and ₱8.36 million respectively.
- Cash used and financing activities for year ended 2022 recorded at ₱45.00 million.
- At the end of the year 2022, the cash balance amounted to ₱26.53 million.

### **Key Performance Indicators**

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

	<b>2022</b>	<b>2021</b>
1. Current Ratios	<b>90.89%</b>	<b>71.62%</b>
2. Quick Ratios	<b>72.04%</b>	<b>54.61%</b>
3. Asset-to-Equity Ratio	<b>124.79%</b>	<b>123.68%</b>
4. Net Income Margin	<b>3.15%</b>	<b>(22.86%)</b>
5. Return on Total Assets	<b>0.70%</b>	<b>(2.86%)</b>
6. Return on Equity	<b>0.87%</b>	<b>(3.51%)</b>

#### *Current ratio*

Current ratio indicates the ability of the Club to pay its current liabilities using its current assets. It is calculated by dividing *total* current assets over current liabilities.

	<b>2022</b>	<b>2021</b>
<b>Current Ratios</b>		
Current Assets	₱162,633,833	₱121,080,158
Current Liabilities	178,941,852	169,054,437
	<b>90.89%</b>	<b>71.62%</b>

#### *Quick ratio*

Quick ratio is an indicator of the Club's short-term liquidity. It measures the Club's ability to meet its short-term obligations with its most liquid assets. The quick ratio compares the total current assets after excluding inventories to the amount of current liabilities.



	2022	2021
<b>Quick Ratios</b>		
Quick Assets	₱128,908,944	₱92,314,475
Current Liabilities	178,941,852	169,054,437
	<b>72.04%</b>	<b>54.61%</b>

#### *Asset to Equity*

Asset-to-equity ratio shows the relationship of the total assets to the portion owned by shareholders. It is the ratio of total assets divided by stockholders' equity.

	2022	2021
<b>Asset-to-Equity Ratio</b>		
Total Assets	₱908,461,578	₱891,994,993
Total Equity	727,974,039	721,227,509
	<b>124.79%</b>	<b>123.68%</b>

#### *Net Income (loss) Margin*

Net margin is a measure of the Club's profitability. It is calculated by finding the net profit (loss) as a percentage of revenue.

	2022	2021
Net Income (Loss) Margin		
Net income (loss) after tax	₱6,282,965	(₱25,766,283)
Revenue	199,703,166	112,737,814
	<b>3.15%</b>	<b>(22.86%)</b>

#### *Return on Total Assets*

Return on total assets is a ratio that measures the Club's earnings before interest and taxes (EBIT) against its total net assets. The ratio is considered the indicator of how effectively the Club is using its assets to generate earnings before contractual obligations must be paid. The return on assets ratio formula is calculated by dividing net income by average total assets.

	2022	2021
<b>Return on Total Assets</b>		
Net income (loss) after tax	₱6,282,965	(₱25,766,283)
Total Assets - Current year	908,461,578	891,994,993
Total Assets - Prior year	891,994,993	911,052,411
Average Total Assets	900,228,286	901,523,702
	<b>0.70%</b>	<b>(2.86%)</b>

#### *Return on Equity*

Return on equity tests the productivity of the owner's investments. The return on equity ratio formula is calculated by dividing net income by shareholder's equity.

	2022	2021
<b>Return on Equity</b>		
Net income (loss) after tax	₱6,282,965	(₱25,766,283)
Total Assets - Current year	727,974,039	721,227,509
Total Assets - Prior year	721,227,509	746,664,017
Average Total Assets	724,600,774	733,945,763
	<b>0.87%</b>	<b>(3.51%)</b>

**(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 129 hired employees as of December 2022.

**Others**

As of the year ended December 31, 2022, 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.

## 2021 vs 2020

### Results of Operations

Total club revenues were recorded at ₱112.74 million for the year ended 2021, higher by ₱3.90 million or 3.58% as compared to previous year.

- Membership dues recorded at ₱80.90 million or 71.75% of the total revenues, higher by ₱0.98 million or 1.23% as compared to last year.
- Service income amounted to ₱13.62 million or 12.08% of total revenues, decreased by ₱1.00 million or 6.82% as compared to last year.
- Sale of goods totaled ₱10.32 million or 9.16% of total club revenues, higher by ₱2.61 million or 33.84% as compared to last year.
- Transfer fee for the period reached ₱7.90 million or 7.01% of the total revenues, higher by ₱1.30 million. This refers to required fee for the processing of change of ownership and nominees.

Total cost and expenses for the year was recorded at ₱152.91 million which was ₱6.15 million higher as compared last year.

- Cost of services recorded at ₱89.52 million or 58.54% of the total cost and expenses. Higher by ₱1.02 million or 1.15% compared to previous year of ₱88.50 million.
- Cost of sales recorded at ₱10.33 million or 6.75% of total cost and expenses, almost in line with prior year of ₱10.43 million.
- General and administrative expenses amounted to ₱53.06 million or 34.70% of total cost and expenses. Higher by ₱5.24 million or 10.95% as compared to previous year.

Other Income, 12.78% of total revenues, recorded at ₱14.41 million. Higher by ₱11.02 million or 329.43%

- A decrease in the interest income for the year ended 2021, recorded at ₱25,734 or 0.02% of total club revenues, lower by ₱0.14million or 84.38% as compared to last year.
- Miscellaneous income recorded at ₱14.38 million or 12.76 % of the total club revenues, increased by ₱11.16 million or 346.27% compared to previous year

Provision for income tax computed at ₱3,512, lower by ₱12,818 as compared to the previous year. Other comprehensive gain recorded at ₱329,775.

### Financial Condition

Total assets amounted to ₱892.0 million which was lower by ₱19.06 million or 2.09 % as compared to previous year. The changes were attributed to the following major components:

- Cash and cash equivalent which amounted to ₱22.58 million or 2.53% of the total assets. Recorded an increase of ₱12.79 million or 130.57% compared to previous year.
- Financial asset at fair value was recorded at ₱22.77 million or 2.55% of the total assets,

higher by ₱0.26 million or 1.15% as compared to previous year.

- Accounts and other receivables recorded at ₱35.03 million or 3.93% of the total assets, decreased by ₱2.71 million or 7.18% compared to last year.

Receivables from related parties computed at ₱11.94 million, 1.34% of the total assets, recorded an increase of ₱0.69 million or 6.18% compared to previous year.

- Inventories recorded at ₱1.71 million or 0.19% of total asset, increased of ₱0.51 million or 42.81% from ₱1.20 million of previous year.
- Other current asset of ₱27.06 million, 3.03% of total sales, higher by ₱3.87 million or 16.71% as compared to 2020.
- Property and equipment recorded at ₱768.04 million or 86.10% of the total assets. There was a decrease of ₱34.90 million or 4.35% as compared to previous year.

As of the year ended 2021, advances and other noncurrent asset recorded at ₱2.88 million, higher by ₱0.43 million or 17.41% compared to previous year.

Total liabilities of the club amounted to ₱ 70.77 million or 19.14% of Total Liabilities and Member's Equity. There was an increase of ₱6.38 million or 3.88% as compared to last year's ₱ 64.39 million. The changes were attributed to the following major components:

- A decrease of ₱6.06 million in accounts and other payables or 12.17% as compared to previous year.
- Contract liabilities, 2.36% of total liabilities and equity, amounted to ₱21.04 million, higher by 40.17% as compared to CY 2020.
- Recorded an increase of ₱6.39 million or 6.53% as of December 31, 2021 on payable to related parties compared to previous year.

### **Statement of Cash Flow**

- Cash provided by operating activities for the year ended 2021 was recorded at ₱15.31 million.
- At the end of the year 2021, the cash balance amounted to ₱22.60 million.

### **Key Performance Indicators**

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

	<b>2021</b>	<b>2020</b>
1. Current Ratios	<b>71.62%</b>	64.95%
2. Quick Ratios	<b>54.61%</b>	49.96%
3. Asset-to-Equity Ratio	<b>123.68%</b>	122.02%
4. Net Income Margin	<b>(22.86%)</b>	(31.74%)
5. Return on Total Assets	<b>(2.86%)</b>	(3.71%)
6. Return on Equity	<b>(3.51%)</b>	(4.52%)

#### *Current ratio*

Current ratio indicates the ability of the Club to pay its current liabilities using its current assets. It is calculated by dividing *total* current assets over current liabilities.

	2021	2020
<b>Current Ratios</b>		
Current Assets	₱121,080,158	₱105,666,493
Current Liabilities	169,054,437	162,699,872
	<b>71.62%</b>	<b>64.95%</b>

#### *Quick ratio*

Quick ratio is an indicator of the Club's short-term liquidity. It measures the Club's ability to meet its short-term obligations with its most liquid assets. The quick ratio compares the total current assets after excluding inventories to the amount of current liabilities.

	2021	2020
<b>Quick Ratios</b>		
Quick Assets	₱92,314,475	₱81,286,164
Current Liabilities	169,054,437	162,699,872
	<b>54.61%</b>	<b>49.96%</b>

#### *Asset to Equity*

Asset-to-equity ratio shows the relationship of the total assets to the portion owned by shareholders. It is the ratio of total assets divided by stockholders' equity.

	2021	2020
<b>Asset-to-Equity Ratio</b>		
Total Assets	₱891,994,993	₱911,052,411
Total Equity	721,227,509	746,664,017
	<b>123.68%</b>	<b>122.02%</b>

#### *Net Income (loss) Margin*

Net margin is a measure of the Club's profitability. It is calculated by finding the net profit (loss) as a percentage of revenue.

	2021	2020
<b>Net Income (Loss) Margin</b>		
Net income (loss) after tax	(₱25,766,283)	(₱34,546,379)
Revenue	112,737,814	108,840,555
	<b>(22.86%)</b>	<b>(31.74%)</b>

#### *Return on Total Assets*

Return on total assets is a ratio that measures the Club's earnings before interest and taxes (EBIT) against its total net assets. The ratio is considered the indicator of how effectively the Club is using its assets to generate earnings before contractual obligations must be paid. The return on assets ratio formula is calculated by dividing net income by average total assets.

	2021	2020
<b>Return on Total Assets</b>		
Net income (loss) after tax	(₱25,766,283)	(₱34,546,379)
Total Assets - Current year	891,994,993	911,052,411
Total Assets - Prior year	911,052,411	951,920,038
Average Total Assets	901,523,702	931,486,225
	<b>(2.86%)</b>	<b>(3.71%)</b>

### *Return on Equity*

Return on equity tests the productivity of the owner's investments. The return on equity ratio formula is calculated by dividing net income by shareholder's equity.

	<b>2021</b>	<b>2020</b>
<b>Return on Equity</b>		
Net income (loss) after tax	(P25 766 283)	(P34,546,379)
Total Assets - Current year	721,227,509	746,664,017
Total Assets - Prior year	746,664,017	781,256,596
Average Total Assets	733,945,763	763,960,307
	<b>(3.51%)</b>	<b>(4.52%)</b>

**(e) 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 P763.88 million for the complete development of the Club.

**(f) 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.

**(g) 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.

**(h) Significant changes in the number of employees**

The Club already has 130 hired employees as of December 2021.

**Others**

As of the year ended December 31, 2021, there are no material events and uncertainties known to management that would have an impact on future operations except on item C:

- (g) Known trends, demands, commitments, events, or uncertainties that would have an impact on the Club;
- (h) Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
- (i) 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.
- (j) Significant elements of income or loss that did not arise from the Club's continuing

operations;

- (k) Causes for any material changes from period to period in one or more line item of the Club's financial operations;
- (l) 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.

**Upon the written request of the stockholder, the Corporation undertakes to furnish said stockholder with a copy of the SEC Form 17-A for the year 2023, and quarter reports for the period March 31, 2024 and June 30, 2024 free of charge. Any written request for a copy of the reports shall be addressed to the following:**

**Anvaya Cove Golf and Sports Club, Inc.  
Anvaya Cove, Municipality of Morong, Bataan  
2108 Philippines**

**Attention: Mr. Neal C. Perez  
Chief Risk Officer, Compliance Officer & Finance Director**

## PART II – MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT’S COMMON EQUITY

### (a) Market 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, 2023 and 2024:

<u>Quarter of Fiscal Year</u>	<u>Class A Share Price</u>	<u>Class B Share Price</u>	<u>Class C Share Price</u>	<u>Class D Share Price</u>
Q1 2022	N.A.	₱1,950,000	₱2,450,000	N.A.
Q2 2022	N.A.	₱2,300,000	₱2,800,000	N.A.
Q3 2022	N.A.	₱2,300,000	₱2,800,000	N.A.
Q4 2022	N.A.	₱2,900,000	₱3,800,000	N.A.
Q1 2023	N.A.	₱2,900,000	₱3,800,000	N.A.
Q2 2023	N.A.	₱3,300,000	₱4,200,000	N.A.
Q3 2023	N.A.	₱3,300,000	₱4,200,000	N.A.
Q4 2023	N.A.	₱3,500,000	₱4,400,000	N.A.
Q1 2024	N.A.	₱3,500,000	₱4,400,000	N.A.
Q2 2024	N.A.	₱3,500,000	₱4,400,000	N.A.

As July 31, 2024, the Club has sold the following number of shares:

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

### (b) Holders

The following are the top 20 registered holders of the Corporation’s securities:

#### Class A Shares

There were 18 registered holders of Class A shares of the Corporation as of July 31, 2024.

	<u>Stockholder Name</u>	<u>No. of Class A shares</u>	<u>Percentage of Class A shares</u>
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	0.0184%
4.	Bernardine T. Siy	1	0.0184%
5.	Jaime E. Ysmael	1	0.0184%
6.	Paolo O. Viray	1	0.0184%
7.	Joseph Carmichael Z. Jugo	1	0.0184%
8.	Emilio Lolito J. Tumbocon	1	0.0184%



9.	George Edwin T. Lee	1	0.0184%
10.	Robert S. Lao	1	0.0184%
11.	Augusto D. Bengzon	1	0.0184%
12.	Jocelyn F. de Leon	1	0.0184%
13.	Agustin R. Montilla IV	1	0.0184%
14.	Paullolindo A. Elauria	1	0.0184%
15.	Dante M. Abando	1	0.0184%
16.	George Bernard L. Cadhit	1	0.0184%
17.	Javier D. Hernandez	1	0.0184%
18.	Jose Emmanuel H. Jalandoni	1	0.0184%

### **Class B Shares**

There were 916 registered holders of Class B shares of the Corporation as of July 31, 2024.

	Stockholder Name	No. of Class B shares	Percentage of Class B shares
1.	Ayala Land, Inc.	1,907	67.0063%
2.	Subic Bay Development and Industrial Estate Corp.	113	3.9705%
3.	Others	826	29.0232%

### **Class C Shares**

There were 49 registered holders of Class C shares of the Corporation as of July 31, 2024.

	Stockholder Name	No. of Class C shares	Percentage of Class C shares
1.	Ayala Land, Inc.	106	68.8312%
2.	Subic Bay Development and Industrial Estate Corp.	3	1.9481%
3.	Others	45	29.2208%

#### **(c) Dividends**

Article Seventh, Paragraph B (2) of the Club's Amended 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."

#### **(d) Recent Sale of Unregistered Securities**

There was no sale of unregistered securities of the Club nor the issuance of securities of the Club constituting an exempt transaction since the date of incorporation of the Club up to the present.

#### **(e) Corporate Governance**

The Club amended the 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 Securities and Exchange Commission ("SEC") so that improvements to its corporate governance policies may be faithfully adopted and implemented. On May 12, 2023, the Club further amended the Manual of Corporate Governance to reflect the include the risk oversight and review of related party transactions functions to the then Audit Committee and

thus forming the Audit and Risk Oversight Committee, and to merge the functions of the Corporate Governance Committee and Nomination Committee into a Corporate Governance and Nomination Committee. The changes were still in accordance with the provisions of SEC Memorandum Circular No. 24, Series of 2019.

The Club organized an Executive Committee that will exercise the powers of the Board in the day-to-day management of the business and affairs of the Club. The amendment of the By-laws to create the Executive Committee was approved by the Securities and Exchange Commission as of January 26, 2010.

There were no deviations from the Club's Manual of Corporate Governance.

# COVER SHEET

SEC Registration Number

C	S	2	0	1	0	1	4	9	1	9
---	---	---	---	---	---	---	---	---	---	---

**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 <table border="1" style="margin: auto;"><tr><td>1</td><td>7</td><td>Q</td></tr></table>	1	7	Q	Department requiring the report <table border="1" style="margin: auto;"><tr><td>S</td><td>E</td><td>C</td></tr></table>	S	E	C	Secondary License Type, If Applicable <table border="1" style="margin: auto;"><tr><td></td><td></td><td></td><td></td></tr></table>				
1	7	Q										
S	E	C										

**COMPANY INFORMATION**

Company's Email Address <table border="1" style="margin: auto;"><tr><td><b>financedept@anvayacove.com</b></td></tr></table>	<b>financedept@anvayacove.com</b>	Company's Telephone Number <table border="1" style="margin: auto;"><tr><td><b>9943-4400</b></td></tr></table>	<b>9943-4400</b>	Mobile Number <table border="1" style="margin: auto;"><tr><td><b>N/A</b></td></tr></table>	<b>N/A</b>
<b>financedept@anvayacove.com</b>					
<b>9943-4400</b>					
<b>N/A</b>					
No. of Stockholders <table border="1" style="margin: auto;"><tr><td> </td></tr></table>		Annual Meeting (Month / Day) <table border="1" style="margin: auto;"><tr><td> </td></tr></table>		Fiscal Year (Month / Day) <table border="1" style="margin: auto;"><tr><td><b>06/30/2024</b></td></tr></table>	<b>06/30/2024</b>
<b>06/30/2024</b>					

**CONTACT PERSON INFORMATION**

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

Name of Contact Person <table border="1" style="margin: auto;"><tr><td><b>Mr. Neal C. Perez</b></td></tr></table>	<b>Mr. Neal C. Perez</b>	Email Address <table border="1" style="margin: auto;"><tr><td><b>perez.neal@anvayacove.com</b></td></tr></table>	<b>perez.neal@anvayacove.com</b>	Telephone Number/s <table border="1" style="margin: auto;"><tr><td><b>9943-4400</b></td></tr></table>	<b>9943-4400</b>	Mobile Number <table border="1" style="margin: auto;"><tr><td><b>0917-804-4462</b></td></tr></table>	<b>0917-804-4462</b>
<b>Mr. Neal C. Perez</b>							
<b>perez.neal@anvayacove.com</b>							
<b>9943-4400</b>							
<b>0917-804-4462</b>							

**CONTACT PERSON'S ADDRESS**

<b>Anvaya Cove Golf &amp; Sports Club, Morong, Bataan</b>
---

**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-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended : June 30, 2024
2. Commission Identification No. : 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 : ANVAYA COVE, MORONG, BATAAN
6. Industry Classification Code :   (SEC Use Only)
7. Address of issuer's principal office: Anvaya Cove , Morong, Bataan
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

Title of Each Class	No. of Shares of Common Stock Registered	No. of Shares Registered & Sold
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:

N/A

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 there under, 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 [  ]

No [  ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [  ]

No [  ]

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

## **TABLE OF CONTENT**

<b>PART I</b>	<b>:</b>	<b>FINANCIAL INFORMATION</b>	<b>PAGE #</b>
ITEM 1.		Financial Statements	1
ITEM 2		Management Discussion and Analysis of Financial Conditions and Results of Operation	1-2
		Key Performance Indicator	3
		Plan of Operation for the 3 <sup>rd</sup> Quarter 2024	4-5
<b>PART II</b>	<b>:</b>	<b>OTHER INFORMATION</b>	
ITEM 3		2 <sup>nd</sup> Quarter 2024 Development	5
ITEM 4		Other Notes to 2 <sup>nd</sup> Quarter 2024	6-7
		Signatures	8
		Appendix 1	9
		Statements of Financial Position	10
		Statements of Comprehensive Income	11
		Statements of Changes in Equity	12
		Statements of Cash Flows	13
		Notes to the Financial Statements	14-39

## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

The unaudited financial statements as of June 30, 2024 and for the six-month ended June 30, 2023 and the audited balance sheet as of December 31, 2023 and the related notes to unaudited financial statements of Anvaya Cove Golf and Sports Club, Inc. (referred to as “the Club”) are filed as part of this Form 17-Q as Appendix I.

There are no other material events subsequent to the end of this interim period that had not been reflected in the unaudited financial statements filed as part of this report.

### **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

#### **Result of Operations**

##### **Overview**

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 and has started its commercial operations on October 16, 2013. 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.

##### **For the 2<sup>nd</sup> Quarter 2024**

The Club posted Revenues of ₱125.05 million for the period ended June 30, 2024, higher by ₱14.91 million or 13.54% compared to same period last year.

- Membership Dues amounted to ₱55.11 million (44.07% of the Total Club Revenues), increased by ₱9.84 million or 21.74%.
- Service Income amounted to ₱38.14 million (30.50% of the Total Revenues), ₱3.60 million higher than the ₱34.53 million generated in the same period of 2023.
- Sale of Goods recorded at ₱26.60 million (21.27% of Total Revenues), higher by ₱1.95 million or 7.93% higher compared to same period last year.
- Transfer fee recorded at ₱5.21 million (4.17% of Total Revenues), ₱0.49 million or 8.54% lower compared to same period of previous year.

Total Cost and Expenses for the period registered at ₱133.24 million, an increase of ₱15.41 million or 13.08% against same period last year. The increase in cost attributed to the following:

- Cost of Services recorded at ₱64.21 million (48.19% of the Total Cost and Expenses), higher by ₱3.73 million or 6.16% compared to same period last year.
- Cost of Sales increased by 6.63%, recorded at ₱21.06 million (15.80% of the Total Cost and

Expenses).

- General and Administrative Expenses amounted to ₱47.98 million (36.01% of Total Cost and Expenses), higher by 27.60% compared to the same period of prior year.

Interest Income for the period amounted to ₱1.70 million (1.36% of the Total Revenues) lower by ₱0.22 million compared to previous period. The decrease was due to lower interest on intercompany loan.

Miscellaneous income recorded at ₱2.34 million (1.87% of Total Revenues), 81.26% lower compared to same period last year.

Provision for Income Tax computed at ₱2,488.

### **Financial Condition – June 30,2024 versus December 31, 2023**

Total Assets amounted to ₱925.25 million as of June 30,2024, higher by ₱15.51 million or 1.71% compared to December 31, 2023.

- Cash amounted to ₱21.84 million (2.36% of Total Assets), from ₱21.55 million as of December 31, 2023.
- Financial asset at FVPL recorded at ₱1.01 million (0.11% of the Total Assets). A decrease of 66.27% compared to December 31,2023 due to transfer of fund to intercompany lending.
- Accounts and other receivables amounted to ₱37.33 million (4.03% of the Total Assets). An increase of ₱1.96 million or 5.53% compared to ₱35.37million of previous year.
- Receivables from related parties increased to ₱88.09 million (9.52% of the Total Assets), higher by ₱12.42 million or 16.42% from previous year of ₱75.66 million.
- Inventories recorded at ₱2.24 million (0.24% of Total Assets), higher by 0.80% compared to ₱2.22 million of previous year.
- Other current assets recorded at ₱46.76 million (5.05% of Total Assets), increased by ₱10.88 million or 30.33% compared to last year.
- Property and equipment, net of depreciation at ₱726.23 million (78.49% of Total Assets), lower by ₱6.99 million compared to December 31, 2023.
- Advances and other noncurrent assets amounted to ₱1.76 million (0.19% of Total Assets), lower by ₱1.07 million or 37.71% compared to previous year.

Total Liabilities of the Club increased to ₱199.33 million (21.54% of Total Liabilities and Member's Equity), ₱19.66 million or 10.94% higher compared to last year.

- Accounts and other payables amounted to ₱64.39 million (6.96 % of Total Liabilities and Member's Equity), increased by ₱5.74 million or 9.80% compared to last year of ₱58.64 million.
- Contract liabilities at ₱41.92 million (4.53% of Total Liabilities and Member's Equity), ₱11.24 million or 36.66% higher than previous year.



- Payables to related parties increased to ₱90.81 million (9.81% of Total Liabilities and Member's Equity), ₱2.45 million or 2.77% higher compared to previous period.
- Pension liability at ₱1.81 million, higher by ₱0.23 million or 14.36% compared to previous year.

### **Cash Flows – Period Ended June 30,2024 vs. June 30,2023**

- The Club generated ₱32.82 million net cash flows from operating activities at the end of June 30,2024.
- Net cash used investing activities amounted to ₱32.54 million.
- Cash at the end of the period recorded at ₱21.84 million.

### **Key Performance Indicators**

The Club monitors its performance and benchmarks itself to prior year's results in terms of the following indicators:

Current ratio stood at 1.00, while decrease in acid test ratio of 0.01 as compared to December 31,2023.

Debt-to-equity ratio at 0.27 higher by .02 compared to December 31,2023. While asset-to-equity ratio recorded an increase of 0.02

Solvency ratio slightly decrease by 0.05. Return on equity recorded at -0.01 and return on assets at 0.00 as of June 30,2024.

Net (loss) profit margin computed at (0.03) in June 30,2024.

<b>Ratio</b>	<b>Formula</b>	<b>June 30, 2024</b>	<b>December 31,2023</b>
Current ratio	Current assets / Current liabilities	1.00	0.98
Acid test ratio	Quick assets / Current liabilities	0.75	0.76
Debt-to-equity ratio	Total debt / Total stockholders' equity	0.27	0.25
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.27	1.25
		<b>June 30,2024</b>	<b>June 30,2023</b>
Solvency ratio	EBITDA / Total debt	0.09	0.14
Return on equity	Net income after tax/ Average total stockholders' equity	-0.01	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	-0.03	0.06

### **Discussion and Analysis of Material Events and Uncertainties Known to Management**

We confirm that there have been no events, including events related to COVID-19 pandemic, subsequent to the period end, which require adjustment of or disclosure in the financial statements

that would address the past and would have impact on the future operations on the following:

1. Any trends, demands, commitments, events or uncertainties that will have a material impact of the Club's liquidity;
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
3. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with other entities/persons created during the reporting period;
4. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.
6. Any significant elements of income or loss that did not arise from the Club's continuing operations;
7. Any seasonal aspects that had a material effect on the financial condition and results of operations.

### **Plan of Operation for the 3rd Quarter 2024**

The second quarter of 2024 saw continued strong operational performance once again offset by exorbitant irrigation costs due to no rains going back to December of 2023. By mid-June fortunately there was some relief from the drought conditions. 2nd Quarter EBITDA was Php10 million, as compared to Php7.8 million 1st Quarter, and NIAT was trimmed to a loss of <Php1.1 million> from a loss of <Php3million> in the first quarter. Of note, the cost of irrigation water in 2nd quarter remained extremely high at Php7.7 million, Php500K higher than in first quarter. However, due to some rains by mid-June, irrigation costs for that month were at Php525K. As the onset of seasonal rains is likely to continue in the 3rd Quarter, we can expect irrigations costs to be mitigated considerably.

Total rounds played in Q2 2024 was 5832, a decrease over the same period in 2023 which saw 6030 rounds played. The likely cause of the YoY decrease in the number of rounds was the extreme heat of April and May. Additionally, however, total club functions increased to 16 from 7 as compared to 2nd Quarter 2023. And function revenues grew to nearly Php4.2 million from Php2.16 million in the same period of 2023.

The only thing standing in the way of a robust second quarter financial performance was again the cost of irrigation. NIAT of <Php1.5 million> as compared to quarterly irrigation costs of Php7.9 million. Best practices to mitigate this issue need to be implemented ASAP as temperatures continue to rise, demands on water increase, and supplies are dwindling.

Looking forward to 3rd Quarter, forecasts are for 2-3 tropical cyclones per month to affect the region. As it is peak rainy season, the number of rounds and revenues will be reduced as well for the quarter. Correspondingly however, irrigation costs will certainly be much lower and may serve to offset the reduction in revenues.

Regarding golf activities, we plan to hold the annual Molave Storm golf tournament on 20 July, and

will be preparing for the next Club event which will take place on 26 October.

In addition, management is taking steps now to prepare for the end of season 11th President's Cup and Anniversary event in December, and reviewing schedules for the 2025 Golf Season.

#### **A. Satisfaction of cash requirements and fund-raising plans**

##### Operating Cash Requirement

The key sources of liquidity of the Club are the revenues generated from green fees, membership dues, guests' fees, room accommodations, sale of food and beverage, banquets and other Club-related activities. Given the current cash position of the Club, the Corporation will not need additional funding for its operation in the 3<sup>rd</sup> quarter of the current year.

#### **B. Product research and development**

No product research and developments are planned. Architectural design planning for the golf course, structures and facilities of the Club have been substantially completed.

#### **C. Purchase or sale of plant and significant equipment**

All necessary and significant equipment of the Corporation for its full operation have been purchased.

#### **D. Significant changes in the number of employees**

The Club has already hired 132 employees as of June 30,2024.

### **Part II – OTHER INFORMATION**

#### Item 3. 2<sup>nd</sup> Quarter 2024 Developments

A. New project or investments in another line of business or corporation

None.

B. Composition of Board of Directors  
(As of June 30,2024)

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

C. Performance of the corporation or result/progress of operations

Please see unaudited financial statements and management's

	discussion on results of operations.
D. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements	None.
E. Offering of rights, granting of Stock Options and corresponding plans therefore	None.
F. Acquisition of additional mining claims or other capital assets or patents, formula, real estate	None.
G. Other information, material events or happenings that may have affected or may affect market price of security	None.
H. Transferring of assets, except in normal course of business	None.

**Item 4. Other Notes to 2<sup>nd</sup> Quarter 2024 Operations and Financials**

I. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents	Please see Notes to Unaudited Financial Statements.
J. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period	None.
K. New financing through loans / Issuances, repurchases, and repayments of debt and equity securities	None.
L. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period	None.
M. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations	None.
N. Changes in contingent liabilities or contingent assets since the last annual balance sheet date	None.
O. Other material events or transactions during the interim period	None.
P. Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation	None.
Q. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other	None.


relationships of the company with unconsolidated entities or other persons created during the reporting period

- |  |   |
|--|---|
| R. Material commitments for capital expenditures, general purpose and expected sources of funds  | With respect to the cash requirement for project development, ALI had already infused additional paid-in capital in the amount of P763.88 million for the complete development of the Club in 2011. |
| S. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/ income from continuing operations | COVID-19 Pandemic   |
| T. Significant elements of income or loss that did not arise from continuing operations  | None.   |
| U. Causes for any material change/s from period to period in one or more-line items of the financial statements  | Please see Notes to Unaudited Financial Statements.   |
| V. Seasonal aspects that had material effect on the financial condition or results of operations   | COVID-19 Pandemic   |
| W. Disclosures not made under SEC Form 17-C  | None.   |

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **ANVAYA COVE GOLF AND SPORTS CLUB, INC.**

Signature and Title :  **BERNARD VINCENT O. DY**  
Chairman of the Board

Date : August 08,2024 

Signature and Title :  **DESIREE JOY C. SUAREZ-MIRANDA**  
Treasurer

Date : August 08,2024

## Appendix I

Unaudited Financial Statements  
June 30, 2024 and June 30, 2023  
and Audited Year Ended December 31, 2023

**Anvaya Cove Golf and Sports Club, Inc.**  
**Statements of Financial**  
**Position As at June 30, 2024**  
(With comparative figures as at December 31,  
2023) (All amounts in Philippine Peso)

	Note	June 30, 2024	December 31, 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash	2	21,837,946	21,552,932
Financial assets at fair value through profit or loss	3	1,014,536	3,007,892
Accounts and other receivables	4	37,325,504	35,368,271
Receivables from related parties	15	88,085,838	75,663,211
Inventories	5	2,239,796	2,222,114
Other current assets	6	46,755,231	35,874,752
<b>Total current assets</b>		<b>197,258,852</b>	<b>173,689,172</b>
<b>Noncurrent Assets</b>			
Property and equipment - net	7	726,226,904	733,216,580
Advances and other noncurrent assets	6	1,761,831	2,828,245
<b>Total noncurrent assets</b>		<b>727,988,735</b>	<b>736,044,825</b>
<b>Total Assets</b>		<b>925,247,587</b>	<b>909,733,997</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
Accounts and other payables	8	64,387,099	58,642,408
Contract liabilities	10	41,917,923	30,673,028
Payables to related parties	15	90,809,693	88,364,306
<b>Total current liabilities</b>		<b>197,114,716</b>	<b>177,679,742</b>
<b>Noncurrent Liabilities</b>			
Pension liability	13	1,811,641	1,584,112
Deferred tax liability	13,14	404,456	404,456
<b>Total noncurrent liabilities</b>		<b>2,216,097</b>	<b>1,988,568</b>
<b>Total Liabilities</b>		<b>199,330,813</b>	<b>179,668,310</b>
<b>Equity</b>			
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	1,213,368
Deficit	9	(252,806,995)	(248,658,081)
<b>Total Equity</b>		<b>725,916,774</b>	<b>730,065,687</b>
<b>Total Liabilities and Equity</b>		<b>925,247,587</b>	<b>909,733,997</b>



**Anvaya Cove Golf and Sports Club, Inc.**  
**Statements of Comprehensive Income**  
For the period ended June 30, 2024  
(With comparative figures for the year the period ended June 30, 2023)  
(All amounts in Philippine Peso)

	Note	Period Ended		Quarter Ended	
		June 30,2024	June 30,2023	June 30,2024	June 30,2023
<b>Revenue</b>	10				
Membership dues		55,107,000	45,265,000	28,242,000	22,870,000
Service income		38,135,619	34,532,654	17,697,414	15,775,339
Sale of goods		26,595,082	24,641,806	13,612,423	11,638,028
Transfer fees		5,214,286	5,700,893	2,299,107	3,611,607
		125,051,987	110,140,353	61,850,944	53,894,974
<b>Costs and Expenses</b>	12				
Cost of services		64,208,322	60,482,881	29,872,247	30,006,650
Cost of sales		21,056,899	19,747,435	10,624,210	9,947,742
General and administrative expenses		47,977,917	37,601,268	24,197,028	18,620,211
		133,243,137	117,831,584	64,693,484	58,574,603
<b>Other Income</b>					
Interest income	2,4,15,17	1,700,019	1,917,473	757,903	1,267,628
Miscellaneous income	11	2,344,705	12,512,003	971,031	1,023,197
		4,044,725	14,429,476	1,728,125	2,290,825
<b>Income Before Income Tax</b>		(4,146,426)	6,738,245	(1,114,416)	(2,388,804)
Provision For Income Tax	14	2,488	19,544	1,214	53,303
<b>Net Income (Loss) for the Year</b>		(4,148,913)	6,718,701	(1,115,630)	(2,335,501)
<b>Other Comprehensive Income (Loss)</b>					
Item that will not be reclassified to profit or loss:					
Remeasurement (loss) gain on pension liability - net of tax		-	-	-	-
<b>Total Comprehensive Income</b>		(4,148,913)	6,718,701	(1,115,630)	(2,335,501)

**Anvaya Cove Golf and Sports Club, Inc.**  
 Statements of Changes in Equity  
 For the period ended June 30, 2024  
 (With comparative figures for the period ended June 30, 2023)  
 (All amounts in Philippine Peso)

	<b>Paid-in Capital (Note 9)</b>	<b>Additional Paid-in Capital (Note 9)</b>	<b>Deficit (Note 9)</b>	<b>Reserve for Remeasurement on Retirement Liability, Net of Tax (Note 13)</b>	<b>Total Equity</b>
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 period	-	-	6,718,701	-	6,718,701
Other comprehensive loss	-	-	-	-	-
Total comprehensive income	-	-	6,718,701	-	6,718,701
Balance at June 30, 2023	213,627,000	763,883,400	(244,149,818)	1,332,158	730,692,740
<b>Balance at December 31, 2023</b>	<b>213,627,000</b>	<b>763,883,400</b>	<b>(248,658,081)</b>	<b>1,213,368</b>	<b>730,065,687</b>
Comprehensive income					
Net income for the period	-	-	(4,148,913)	-	(4,148,913)
Other comprehensive loss	-	-	-	-	-
Total comprehensive income(loss)	-	-	(4,148,913)	-	(4,148,913)
Balance at June 30, 2024	213,627,000	763,883,400	(252,806,994)	1,213,368	725,916,774

**Anvaya Cove Golf and Sports Club, Inc.**  
**Statements of Cash Flows**  
For the year period ended June 30, 2024  
(With comparative figures for the period ended June 30, 2023)  
(All amounts in Philippine Peso)

	Note	Period Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Operating Activities</b>					
Income (loss) before income tax		(4,146,426)	6,738,245	(1,114,416)	(2,388,804)
Adjustments for:					
Depreciation	7,12	22,036,364	19,156,460	11,133,544	9,658,801
Interest income	2,4,15,17	(1,700,019)	(1,917,473)	(757,093)	(1,267,628)
Net movement in pension liability	13	227,529	56,653	113,764	28,326
Unrealized gain on financial assets at FVPL	3,11	(14,536)	(45,326)	(12,104)	(30,038)
Operating income before working capital changes		16,402,911	23,988,558	9,363,695	6,000,658
Decrease (increase) in:					
Accounts and other receivables		(1,957,233)	7,704,128	622,133	690,992
Receivables from related parties		6,012,854	6,286,767	(445,470)	(377,227)
Inventories		(17,682)	(111,527)	(72,449)	18,971
Other current assets		(10,880,480)	(7,299,520)	1,784,501	1,081,321
Advances and other noncurrent assets		1,066,414	1,354,609	1,763,769	970,695
Increase (decrease) in:					
Accounts and other payables		5,744,690	10,884,664	2,585,774	(679,457)
Contract liabilities		11,244,896	15,118,724	(3,607,219)	(2,042,129)
Payables to related parties		2,445,388	(23,659,098)	(7,129,746)	(706,503)
Net cash generated by operations		30,061,759	34,267,304	4,864,987	4,957,320
Interest received		2,764,538	710,487	240,492	60,643
Income tax paid		(2,488)	(19,544)	(1,214)	53,303
Net cash flows from operating activities		32,823,809	34,958,247	5,104,265	5,071,266
<b>Investing Activities</b>					
Additions to:					
Financial assets at FVPL	3	(19,164)	-	-	-
Property and equipment	7	(15,046,688)	(10,981,259)	(7,377,959)	(9,273,176)
Proceeds from disposal of:					
Financial assets at FVPL	3	2,027,056	-	-	-
Property and equipment	7	-	-	-	-
Collection from related parties		261,000,000	368,000,000	47,000,000	263,000,000
Loans to related parties	17	(280,500,000)	(393,000,000)	(49,500,000)	(263,000,000)
Net cash flows used in from investing activities		(32,538,795)	(35,981,259)	(9,877,959)	(9,273,176)
Net (decrease) increase in cash		285,014	(1,023,012)	(4,773,694)	(4,201,910)
<b>Cash At January 1</b>		21,552,932	26,528,276	26,611,640	29,707,175
<b>At June 30</b>	2	21,837,946	25,505,264	21,837,946	25,505,264

## Anvaya Cove Golf and Sports Club, Inc.

### Notes to the Financial Statements

#### 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.

#### 2 Cash

The account consists of:

	Note	June 30,2024	December 31,2023
Cash on hand		199,796	86,175
Cash in banks	15	21,638,150	21,466,757
		21,837,946	21,552,932

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 P12,438 (2023 – P27,604) gross of final tax for the year ended June 30, 2024.

#### 3 Financial Assets at FVPL

Details of the account are as follows:

	Note	June 30,2024	December 31,2023
--	------	--------------	------------------

At January 1		<b>3,077,892</b>	2,881,173
Redemptions	11	<b>(2,027,056)</b>	-
Realized gain	11,15	<b>19,164</b>	-
Unrealized gain	11,15	<b>14,536</b>	126,719
		<b>1,014,537</b>	3,007,892

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

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:

	<b>June 30,2024</b>	December 31,2023
Trade receivables	<b>36,978,374</b>	35,009,723
Allowance for credit losses	<b>(1,948,530)</b>	(1,948,530)
	<b>35,029,844</b>	33,061,193
Receivable from employees	<b>49,996</b>	79,810
Insurance claims	<b>47,467</b>	47,467
Other receivables	<b>2,198,198</b>	2,179,801
	<b>37,325,504</b>	35,368,271

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 ₱1,948,530 (2023 - P1,948,530) as at June 30, 2024.

Receivable from employees are salary loans granted to the Club's employees. These are collected through salary deduction

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 consists of:

	<b>June 30,2024</b>	December 31,2023
At cost:		
Food and beverage	<b>2,223,552</b>	2,203,517
Merchandise	<b>16,245</b>	18,597
	<b>2,239,796</b>	2,222,114

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.

Merchandise pertains to items for sale at the Club's golf pro-shop.

#### 6 Other Assets

The account consists of:

	<b>June 30, 2024</b>	December 31, 2023
Deferred input VAT	<b>29,194,181</b>	22,356,671
Prepaid expenses	<b>7,969,338</b>	4,946,158
Creditable withholding taxes	<b>5,984,577</b>	5,176,415
Supplies	<b>3,114,906</b>	3,234,322
Advances to suppliers	<b>2,254,060</b>	2,989,431
	<b>48,517,063</b>	38,702,997
Less: Non-current portion		
Deferred input VAT	<b>522,762</b>	221,509
Advances to suppliers	<b>1,239,069</b>	2,606,736
	<b>1,761,831</b>	2,828,245
Current portion	<b>46,755,231</b>	35,874,752

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:

	<b>Land and Land Improvements</b>	<b>Building and Improvements</b>	<b>Furniture, Fixtures and Equipment</b>	<b>Project in Progress</b>	<b>Total</b>
<b>Cost</b>					
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
Additions	-	136,501	14,903,429	6,758	15,046,688
Disposal	-	-	(4,819,440)	-	(4,819,440)
At June 30, 2024	619,850,050	402,690,085	128,036,154	163,070	1,150,739,358
<b>Accumulated Depreciation</b>					
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
Depreciation	11,246,901	5,756,541	5,032,922	-	19,466,239
Disposal	-	-	(4,819,440)	-	4,819,440
At June 30, 2024	225,101,950	114,979,889	84,430,616	-	424,512,454
<b>Net Book Value</b>					
December 31, 2023	405,995,000	293,330,236	33,735,032	156,312	733,216,580
June 30, 2024	394,748,099	287,710,196	43,605,538	163,070	726,226,904

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):

	<b>June 30, 2024</b>	June 30, 2023
Cost of services	<b>18,758,993</b>	18,075,106
Cost of sales	<b>543,522</b>	409,657
General and administrative expenses	<b>2,733,849</b>	671,607
	<b>22,036,364</b>	19,156,460

Fully depreciated property and equipment are retained in the books until these are no longer in use.

## 8 Accounts and Other Payables

The account as at December 31 consists of:

	<b>June 30, 2024</b>	December 31, 2023
Trade payables	<b>6,258,752</b>	8,240,072
Accrued expenses:		
Rental	<b>13,781,266</b>	13,540,819
Utilities	<b>6,760,825</b>	10,440,330
Payroll	<b>3,620,031</b>	3,309,175
Management fee	<b>2,470,031</b>	3,349,135
Contract services	<b>1,141,795</b>	312,307
Repairs and maintenance	<b>695,363</b>	2,625,708
Professional fees	<b>458,895</b>	399,714
Others	<b>804</b>	138,374
Funds held for environmental activities	<b>12,803,914</b>	11,864,314
Service charge payable	<b>823,595</b>	618,775
Due to employees	<b>188,695</b>	502,194
Other payables	<b>7,619,725</b>	3,301,491
	<b>56,623,691</b>	58,642,408

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 June 30, 2024 and December 31, 2023 follow:

	<b>Stated Value</b>	<b>Authorized</b>	<b>Issued</b>	<b>Amount</b>
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

	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 June 30, 2024, the total number of shareholders are 795 (2023 - 795).

#### *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 pre-emptive 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.

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 period ended June 30,2024 and December 31, 2023. The Club considers equity, excluding remeasurement gain on pension liability, as its capital as follows:

	<b>June 30, 2024</b>	December 31, 2023
Paid-in capital	<b>213,627,000</b>	213,627,000
Additional paid-in capital	<b>763,883,400</b>	763,883,400
Deficit	<b>(252,806,995)</b>	(248,658,081)
	<b>724,703,405</b>	728,852,319

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.

	<b>June 30, 2024</b>	June 30, 2023
Membership dues	<b>55,107,000</b>	45,265,000
Service income:		
Golf course revenue	<b>23,074,312</b>	20,701,467
Room accommodation	<b>10,745,543</b>	9,864,901
Guest fees	<b>3,087,500</b>	2,860,528
Sports complex revenue	<b>1,228,264</b>	1,105,758
Sale of goods:		
Food and beverages	<b>25,264,470</b>	23,313,211
Merchandise	<b>1,330,612</b>	1,328,595
Transfer fees	<b>5,214,286</b>	5,700,893
	<b>125,051,987</b>	110,140,353

The Club has recognized revenues recognized over time amounting to ₱93,242,619 (June 30,2023-₱ 79,797,654) for the year period ended June 30, 2024.

Revenues recognized from sale of goods and transfer fees recognized at a point in time amounted to ₱31,809,368 (June 30,2023 - ₱30,342,699) for the period ended June 30, 2024.

### *Contract Balances*

Contract balances are as follows:

	<b>Note</b>	<b>June 30, 2024</b>	December 31, 2023
Trade receivables	4	<b>35,029,844</b>	33,061,193
Contract liabilities		<b>41,917,923</b>	30,673,028

The Club identified unearned membership dues as contract liabilities as at June 30,2024 and December 31, 2023. 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.

## 11 Miscellaneous Income

The account for the years ended consists of:

	<b>Note</b>	<b>June 30, 2024</b>	June 30, 2023
Surcharge revenue	15	<b>1,425,775</b>	11,573,355

Unrealized gain on financial assets at FVPL	3	14,536	45,326
Realized gain on financial assets at FVPL		19,164	–
Other income		885,230	893,322
		<b>2,344,705</b>	<b>12,512,003</b>

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

## 12 Costs and Expenses

Cost of services consists of:

	Notes	June 30, 2024	June 30, 2023
Depreciation	7	18,758,993	18,075,106
Heat, light and water		17,845,704	17,069,529
Contract services		11,099,211	10,442,632
Salaries, wages and employee benefits		8,287,482	6,479,080
Tournament expenses		2,317,701	3,639,122
Cleaning and other supplies		1,199,686	1,149,494
Laundry		699,535	593,767
Communications		669,476	1,034,651
Repairs and maintenance		341,110	228,576
Office supplies		304,066	315,524
Transportation		196,975	142,411
Representation		53,453	12,219
Others		2,434,929	1,300,771
		<b>64,208,322</b>	<b>60,482,881</b>

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

Cost of sales consists of:

	Notes	June 30, 2024	June 30, 2023
Food and beverage	5	8,376,751	7,957,240
Salaries, wages and employee benefits		6,874,085	6,147,320
Heat, light and water		3,251,097	3,423,399
Cleaning and other supplies		662,561	643,594
Depreciation	7	543,522	409,657
Communication		276,819	450,754
Equipment rental		50,893	50,893
Office supplies		34,495	27,506
Transportation		4,359	12,024
Merchandise	5	2,352	63,486
Representation		–	120
Others		979,966	561,442
		<b>21,056,899</b>	<b>19,747,435</b>

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	June 30, 2024	June 30, 2023
Heat, light and water		7,915,782	7,940,545
Corporate expense		6,211,922	2,228,228

Salaries, wages and employee benefits		<b>6,868,271</b>	6,369,157
Taxes and licenses		<b>4,713,344</b>	3,375,538
Professional and management fees		<b>4,747,121</b>	4,908,308
Security		<b>3,623,434</b>	3,316,529
Collection charges		<b>2,685,048</b>	2,175,397
Depreciation	7	<b>2,733,849</b>	671,697
Repairs and maintenance		<b>1,266,158</b>	1,238,766
Insurance		<b>1,857,102</b>	1,493,003
Contract services		<b>669,642</b>	-
Office supplies		<b>314,827</b>	170,625
Representation		<b>18,092</b>	14,744
Others		<b>4,353,323</b>	3,698,532
		<b>47,977,917</b>	37,601,268

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, 2023.

### 14 Income Tax

The account consists of:

	<b>June 30,2024</b>	June 30,2023
Current	-	16,325
Final	<b>2,488</b>	3,219
	<b>2,488</b>	19,544

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.

### 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:*

	June 30,2024		December 31,2023		Terms and Conditions
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance	
<b>Immediate Parent Company</b>					
ALI (a)(i)	-	3,571,429	-	3,571,429	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
ALI (a)(ii)	20,817	6,540,628	-	6,598,065	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
ALI (Loans)	8,000,000	-	40,000,000	-	• Unsecured;
ALI (Interest)	28,318	-	209,263	-	<ul style="list-style-type: none"> <li>• Interest bearing with rates ranging from 6.26% to 7.54%</li> <li>• Collectible in cash with 2 to 35 days term</li> </ul>
<b>Entities Under Common Control</b>					
Amaia Land Corp.	-	-	95,000,000	-	• Unsecured;
Amaia Land Corp. (Interest)	-	-	325,282	-	<ul style="list-style-type: none"> <li>• Interest bearing with rates ranging from from 6.72% to 7.05%</li> <li>• Collectible in cash with 10 to 27 days term</li> </ul>
Avida Land Corp. (loans)	-	-	3,000,000	-	• Unsecured;
Avida Land Corp. (interest)	-	-	2,496	-	<ul style="list-style-type: none"> <li>• Interest bearing; subject to 6.80% interest rate</li> <li>• Collectible in cash with 5 days term</li> </ul>
ALI Commercial Center (loans)	-	-	30,000,000	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.85% to 7.02%</li> </ul>
ALI Commercial Center (interest)	-	-	90,714	-	• Collectible in cash with 3 to 33 days term
Arca South Hotel Ventures Inc. (Loans)	20,000,000	-	30,000,000	5,000,000	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.70% to 7.30%</li> </ul>
Arca South Hotel Ventures Inc. (Interest)	136,652	76,185	253,796	86,173	• Collectible in cash with 3 to 33 days term
Ayalaland Estates Inc. (loans)	-	-	12,000,000	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.70% to 7.30%</li> </ul>
Ayalaland Estates Inc. (interest)	-	-	90,935	-	• Collectible in cash with 15 to 59 days term
Ayalaland Malls (loans)	5,000,000	-	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.70% to 7.30%</li> </ul>
Ayalaland Malls (Interest)	12,277	-	-	-	• Collectible in cash with 15 to 59 days term
Airswift Transport Inc. (loans)	180,000,000	45,000,000	360,000,000	45,000,000	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.54%</li> </ul>
Airswift Transport Inc. (interest)	1,073,672	588,743	2,459,699	2,395,631	• Collectible in cash with 30 to 62 days term
Soltea Commercial Inc. (loans)	3,000,000	-	18,000,000	3,000,000	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.84%</li> </ul>
Soltea Commercial Inc. (interest)	28,973	-	145,385	37,971	• Collectible in cash with 17 to 33 days term
Bay City Commercial Venture, Inc.(Loans)	26,000,000	13,000,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.84%</li> </ul>
Bay City Commercial Ventures, Inc.(Interest)	134,452	130,419	-	-	• Collectible in cash with 17 to 33 days term

Capitol Central Commercial Ventures, Inc. (Loans)	14,800,000	3,700,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.84%</li> <li>• Collectible in cash with 17 to 33 days term</li> </ul>
Capitol Central Commercial Ventures, Inc. (Interest)	97,340	53,883	-	-	
Cebu District Prop. Ent. (loans)	-	-	60,000,000	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from 6.69% to 7.57%</li> <li>• Collectible in cash with 12 to 62 days term</li> </ul>
Cebu District Prop. Ent. (interest)	-	319,588	418,400	319,588	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.69%.interest rate</li> <li>• Collectible in cash with 19 days term</li> </ul>
Laguna Techno Park Inc. (loans)	10,000,000	2,000,000	2,000,000	2,000,000	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.69%.interest rate</li> <li>• Collectible in cash with 19 days term</li> </ul>
Laguna Techno Park Inc. (interest)	53,714	52,103	6,220	6,220	
North Triangle Depot Commercial Corp. (Loans)	6,000,000	2,000,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.69%.interest rate</li> <li>• Collectible in cash with 19 days term</li> </ul>
North Triangle Depot Commercial Corp.(Interest)	39,969	35,860	-	-	
Unity Realty & Development Corp. (Loans)	5,200,000	1,300,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.69%.interest rate</li> <li>• Collectible in cash with 19 days term</li> </ul>
Unity Realty & Development Corp. (Interest)	35,339	34,279	-	-	
Cavite Commercial Town Center Inc. (Loans)	2,500,000	2,500,000	-	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing; subject to 6.69%.interest rate</li> <li>• Collectible in cash with 19 days term</li> </ul>
Cavite Commercial Town Center Inc. (Interest)	12,779	12,396	-	-	
Anvaya Cove Beach and Nature Club. Inc, (ACBNCI) (b)	6,097,380	1,709,216	11,108,163	956,092	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Makati Development Corporation (MDC) (c)	19,180	5,994	5,996,596	6,685,956	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Ayala Property Management Corporation (APMC) (d)	-	6,086	-	6,086	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Total</b>		<b>88,085,838</b>		<b>75,663,211</b>	

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 ₱10,490,013 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:

	June 30, 2024		December 31, 2023		Terms and Conditions
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance	
<b>Immediate Parent Company</b>					
ALI (a)(i)	-	80,000,000	-	80,000,000	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
ALI (a)(ii)	8,810,062	-	25,732,295	853,551	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
ALI (a)(iii)	1,115,091	1,239,959	2,475,136	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Entities Under Common Control</b>					
ACBNCI (b)	32,905,283	4,452,109	56,820,320	6,348,295	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
MDC	14,872,137	4,061,519	21,910,108	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Ayala Land Club Management, Inc. (ACMI) (c) (d)	-	-	5,189,553	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Ayalaland Premier, Inc. (ALP) (d)	8,866,948	1,056,107	2,688,600	1,162,460	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Associates of Ayala Corporation (AC)</b>					
Globe Telecom, Inc. (Globe) (e)	28,097	-	169,128	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Innove Communications, Inc. (Innove) (f)	1,298,891	-	3,550,100	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
Manila Water Philippine Venture, Inc. (Manila Water) (g)	15,752,746	-	17,978,710	-	<ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul>
<b>Total</b>		<b>90,809,693</b>		<b>88,364,306</b>	

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 ₱206,103.15 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 ₱312,852 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):

	June 30, 2024			December 31, 2023			
	Note	Balance	Income Earned	Realized and Unrealized Gain	Balance	Income Earned	Realized and Unrealized Gain
Cash in banks	2	21,638,150	12,438	-	21,466,757	27,604	-
Financial assets at FVPL	3	1,014,536	-	33,700	3,007,892	-	126,719
		<b>22,652,686</b>	<b>12,438</b>	<b>33,700</b>	<b>24,474,649</b>	<b>27,604</b>	<b>126,719</b>

#### 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 ₱4,328,349 in June 30, 2024 (2023- ₱3,754,225).

## 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 June 30,2024 and December 31, 2023 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:

	<b>June 30,2024</b>	December 31,2023
Cash in banks	<b>21,638,150</b>	21,466,757
Financial assets at FVPL	<b>1,014,536</b>	3,007,892
Accounts and other receivables:		
Trade receivables	<b>35,029,844</b>	33,061,193
Receivable from employees	<b>49,996</b>	79,810
Insurance claims	<b>47,467</b>	47,467
Others	<b>2,198,198</b>	2,179,801
Receivables from related parties	<b>88,085,838</b>	75,663,211
	<b>148,064,029</b>	135,506,131

#### *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:

### June 30, 2024

	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	7,712,039	5,571,695	7,060,032	6,507,074	8,179,004	1,948,530	36,978,374
ECL						1,948,530	1,948,530

### 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

### 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:

### June 30, 2024

	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
<b>Financial assets</b>					
Cash	21,837,946	-	-	-	21,837,946
Financial assets at FVPL	1,014,536	-	-	-	1,014,536
Accounts and other receivables					
Trade receivables	7,712,039	9,764,123	9,374,678	8,179,004	35,029,844
Receivable from employees	49,996	-	-	-	49,996
Insurance claims	47,467	-	-	-	47,467
Others	2,198,198	-	-	-	2,198,198
Receivables from related parties	-	88,085,838	-	-	88,085,838
	32,860,182	97,849,961	9,374,678	8,179,004	148,263,825
<b>Financial liabilities</b>					
Accounts and other payables					
Trade payables	6,258,752	-	-	-	6,258,752
Accrued expenses	-	-	36,692,417	-	36,692,417
Funds held for environmental activities	12,803,914	-	-	-	12,803,914
Service charge payable	-	823,595	-	-	823,595
Due to employees	-	188,695	-	-	188,695
Other payables *	925,722	-	-	-	925,722
Contract liabilities	-	41,917,923	-	-	41,917,923
Payables to related parties	80,000,000	10,809,693	-	-	90,809,693
	99,988,389	53,739,907	36,692,417	-	190,420,712
Liquidity Position (Gap)	(67,128,207)	44,110,054	(27,317,739)	8,179,004	(42,156,887)

\*Excluding statutory liabilities amounting to P6,694,003

## December 31,2023

	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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)

\*Excluding statutory liabilities amounting to P1,108,698

## 17 Supplementary Note to the Statements of Cash Flows

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.

In June 30,2024, additional related parties who availed the intercompany lending includes Unity Realty and Development Corp., Capitol Central Commercial Ventures Corp., Ayala Land Malls, North Triangle Depot Commercial Corp., Bay City Commercial Ventures Inc., and Cavite Commercial Town Center Inc.

## 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:

	<b>Years</b>
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 asset's 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 June 30,2024 and December 31, 2023. The carrying value of the Club's receivables amounted to P37,325,504 (December 31,2023 - P35,368,271) as of June 30,2024 (Note 4). The carrying value of the Club's receivables from related parties amounted to P88,085,838 (December 31,2023- P75,663,211) as of June 30,2024 (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 June 30, 2024 and December 31, 2023, the carrying values of the nonfinancial assets follow:

	Note	June 30, 2024	December 31,2023
Property and equipment	7	<b>726,226,904</b>	733,216,580
Other current assets	6	<b>46,755,231</b>	35,874,752
Other noncurrent assets	6	<b>1,761,831</b>	2,828,245

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 June 30, 2024 amounted to ₱1,811,641 (2023 - ₱1,584,112) (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 June 30, 2024 and December 31, 2023, 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) 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).

**CERTIFICATION**

I, **DESIREE JOY C. SUAREZ-MIRANDA**, Treasurer of **ANVAYA COVE GOLF AND SPORTS CLUB, INC.** with SEC Registration No. **CS201014919** and principal office at **Anvaya Cove, Morong, Bataan**, on oath state that:

- 1.) On behalf of **Anvaya Cove Golf and Sports Club, Inc.**, I have caused this **SEC Form 17-Q for 2<sup>nd</sup> quarter of 2024** to be prepared;
- 2.) I have read and understood its contents which are true and correct of my own personal knowledge and/or based on authentic records;
- 3.) The Company, **Anvaya Cove Golf & Sports Club, Inc.**, will comply with the requirements set forth in SEC Notice dated **12 May 2021** for a complete and official submission of reports and/or documents through electronic mail; and
- 4.) I am fully aware that documents filed online which require pre-evaluation and/or processing fees shall be considered complete and officially received only upon payment of a filing fee.
- 5.) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 9 day of August, 2024.

  
**DESIREE JOY C. SUAREZ-MIRANDA**  
*Affiant*

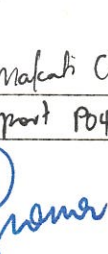
SUBSCRIBED AND SWORN to before this 9<sup>th</sup> day of August, 2024 at Makati City,  
 affiant exhibiting to me her Competent Evidence of Identity consisting of Passport P0497029C  
 issued at DFA Manila expiring on 12 JUNE 2032

Doc. No. 419 ;  
 Page No. 85 ;  
 Book No. XLIX ;

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.



Anvaya Cove Golf & Sports Club  
 Morong, Bataan, Philippines 2108  
 Tel: (02) 943-4400  
 Email: golfmembers@anvayacove.com

  
**MARIA PAULA G. ROMERO-BAUTIS**  
 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 Cit.  
 MCLE Compliance No. VII-0020268 - 06/02/2024  
 6th Floor Makati Stock Exchange Building  
 Ayala Avenue, Makati city, Philippines



# COVER SHEET

SEC Registration Number

C	S	2	0	1	0	1	4	9	1	9
---	---	---	---	---	---	---	---	---	---	---

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
---	---	---	---

Department requiring the report

S	E	C
---	---	---

Secondary License Type, If Applicable

--	--	--

## COMPANY INFORMATION

Company's Email Address <b>financedept@anvayacove.com</b>	Company's Telephone Number <b>9943-4400</b>	Mobile Number <b>N/A</b>
No. of Stockholders	Annual Meeting (Month / Day) <b>10/02</b>	Fiscal Year (Month / Day) <b>FTY 2023</b>

## CONTACT PERSON INFORMATION

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

Name of Contact Person <b>Neal C. Perez</b>	Email Address <b>perez.neal@anvayacove.com</b>	Telephone Number/s <b>9943-4400</b>	Mobile Number <b>0917-8044-462</b>
--	---	--	---------------------------------------

## CONTACT PERSON'S ADDRESS

<b>Anvaya Cove Golf &amp; Sports Club, Morong, Bataan</b>
---

**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

<b><u>Title of Each Class</u></b>	<b><u>No. of Shares of Common Stock Registered</u></b>	<b><u>No. of Shares Registered &amp; Sold</u></b>
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[]

No[  ]

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes[  ]

No[]

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 PRECEDING 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)

## TABLE OF CONTENTS

	<u>Page No.</u>
PART I – BUSINESS AND GENERAL INFORMATION	
Item 1. Business	1
Item 2. Properties	4
Item 3. Legal Proceedings	5
Item 4. Submission of Matters to a Vote of Security Holders	5
PART II – OPERATIONAL AND FINANCIAL INFORMATION	
Item 5. Market of Issuer’s Common Equity and Related Stockholder Matters	6
Item 6. Management’s Discussion and Analysis or Plan of Operation	8
Item 7. Financial Statements	11
Item 8. Changes in and disagreements with Accountants on Accounting and Financial Disclosure	12
PART III – CONTROL AND COMPENSATION INFORMATION	
Item 9. Directors and Executive Officers of the Issuer	12
Item 10. Executive Compensation	18
Item 11. Security Ownership of Certain Beneficial Owners and Management	19
Item 12. Certain Relationship and Related Transactions	20
PART IV – CORPORATE GOVERNANCE	
Item 13. Compliance with Leading Practice on Corporate Governance	21
PART V – EXHIBITS AND SCHEDULES	
Item 14. Exhibits and Reports on SEC 17-C (a) Exhibits (b) Reports on SEC Form 17-C	22
SIGNATURES	23
ACKNOWLEDGMENT	24
INDEX TO EXHIBITS	
INDEX TO SUPPLEMENTARY SCHEDULES	

## **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 7<sup>th</sup> 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 10<sup>th</sup> 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 21<sup>st</sup> 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:

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

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 Bord 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
<b>Total</b>	<b>8,420</b>	<b>₱213,627,000</b>

### 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
--	------------------	----------------	-----------------------

		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:

<b>Ratio</b>	<b>Formula</b>	<b>2023</b>	<b>2022</b>
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:

<b>Year</b>	<b>Audit Fee</b>
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:

<b>Director</b>	<b>Nationality</b>
Dante M. Abando	Filipino
Augusto D. Bengzon	Filipino
Jocelyn F. De Leon	Filipino
Bernard Vincent O. Dy <sup>1</sup>	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.

---

<sup>1</sup> 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 <sup>2</sup>
President	Joseph Carmichael Z. Jugo
Vice President	Paullolindo A. Elauria <sup>3</sup>
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 <sup>4</sup>
Assistant Corporate Secretary	Maria Paula G. Romero-Bautista
Data Protection Officer	Amelia Ann T. Alipao <sup>5</sup>

## 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

---

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

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

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

<sup>5</sup> 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.

**Paulloindo 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 3<sup>rd</sup> 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:

<b>Title of Class</b>	<b>Name &amp; Address of Record Owner &amp; Relationship w/ Issuer</b>	<b>Name of Beneficial Owner &amp; Relationship w/ Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares</b>	<b>Percentage</b>
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:

<b>Title of Class</b>	<b>Name</b>	<b>Position</b>	<b>Amount &amp; Nature of Ownership</b>	<b>Citizen-ship</b>	<b>Percent-age</b>
-----------------------	-------------	-----------------	---	---------------------	--------------------

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	Paullolindo 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
<b>Security Ownership of all Directors and Officers</b>			<b>11</b>		<b>0.1306%</b>

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 &amp; 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

<b>Schedule</b>	<b>Contents</b>
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
---	---	---	---	---	---	---	---	---	---	---

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)

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](http://www.pwc.com/ph)



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, appearing to read "Dexter Toledaña", written in a cursive style.

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 that reads "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

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.



## **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', is written over the printed name.

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

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

**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
<b>Assets</b>			
<b>Current Assets</b>			
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
<b>Total current assets</b>		<b>173,689,172</b>	<b>162,633,833</b>
<b>Noncurrent Assets</b>			
Property and equipment - net	7	733,216,580	742,641,649
Advances and other noncurrent assets	6	2,828,245	3,186,096
<b>Total noncurrent assets</b>		<b>736,044,825</b>	<b>745,827,745</b>
<b>Total Assets</b>		<b>909,733,997</b>	<b>908,461,578</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
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
<b>Total current liabilities</b>		<b>177,679,742</b>	<b>178,941,852</b>
<b>Noncurrent Liabilities</b>			
Pension liability	13	1,584,112	1,101,634
Deferred tax liability	13,14	404,456	444,053
<b>Total noncurrent liabilities</b>		<b>1,988,568</b>	<b>1,545,687</b>
<b>Total Liabilities</b>		<b>179,668,310</b>	<b>180,487,539</b>
<b>Equity</b>			
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)
<b>Total Equity</b>		<b>730,065,687</b>	<b>727,974,039</b>
<b>Total Liabilities and Equity</b>		<b>909,733,997</b>	<b>908,461,578</b>

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
<b>Revenue</b>	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
<b>Costs and Expenses</b>	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
<b>Other Income</b>				
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
<b>Income Before Income Tax</b>		2,215,959	6,288,356	(25,762,771)
Provision For Income Tax	14	5,521	5,391	3,512
<b>Net Income (Loss) for the Year</b>		2,210,438	6,282,965	(25,766,283)
<b>Other Comprehensive Income (Loss)</b>				
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
<b>Total Comprehensive Income</b>		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
<b>Balance at January 1, 2021</b>	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)
<b>Balance at December 31, 2021</b>	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
<b>Balance at December 31, 2022</b>	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
<b>Balance at December 31, 2023</b>	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
<b>Operating Activities</b>				
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
<b>Investing Activities</b>				
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
<b>Cash</b>				
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:

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

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):

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

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:

	<b>2023</b>	<b>2022</b>
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
	<b>38,702,997</b>	<b>34,817,273</b>
Less: Non-current portion		
Deferred input VAT	221,509	1,349,624
Advances to suppliers	2,606,736	1,836,472
	<b>2,828,245</b>	<b>3,186,096</b>
Current portion	<b>35,874,752</b>	<b>31,631,177</b>

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
<b>Cost</b>					
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
<b>Accumulated Depreciation</b>					
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
<b>Net Book Value</b>					
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:

	<b>Number of Shares Registered</b>	<b>Issue Price</b>	<b>Date of Approval</b>
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:

	<b>2023</b>	<b>2022</b>
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:

	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
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:

	<b>Notes</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
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:

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

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

	<b>Note</b>	<b>2023</b>	<b>2022</b>
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)
<b>Total amount recognized in OCI at end of year</b>		<b>1,213,368</b>	<b>1,332,158</b>

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

	<b>2023</b>	<b>2022</b>	<b>2021</b>
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)
<b>Remeasurement (loss) gain in OCI</b>	<b>(118,790)</b>	<b>463,565</b>	<b>329,775</b>

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

	<b>2023</b>	<b>2022</b>
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)
	<b>1,584,112</b>	<b>1,101,634</b>

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:

	<b>2023</b>	<b>2022</b>
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:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
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:

	<b>2023</b>	<b>2022</b>
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:

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

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
<b>Total</b>		<b>75,663,211</b>		<b>62,826,742</b>	

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

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):

	Note	2023			2022		
		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:

	<b>2023</b>	<b>2022</b>
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
	<b>135,506,131</b>	<b>128,247,698</b>

#### *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
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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:

	<b>Years</b>
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:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
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:

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

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

<b>Name of Issuing Entity and Association of Each Issue</b>	<b>Number of Shares or Principal Amount of Bonds and Notes</b>	<b>Amount Shown in the Statements of Financial Position</b>	<b>Interest Income Received and Accrued</b>	<b>Unrealized Gain on Financial Asset at FVPL</b>
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	-
		<u>135,506,131</u>	<u>4,062,972</u>	<u>126,719</u>

**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)

<b>Name and Designation of Debtor</b>	<b>Balance at Beginning of Period</b>	<b>Additions</b>	<b>Deductions</b>				<b>Balance at End of Period</b>
			<b>Amounts Collected</b>	<b>Amounts Written Off</b>	<b>Current</b>	<b>Not Current</b>	
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

<b>Name and Designation of Debtor</b>	<b>Balance at Beginning of Period</b>	<b>Additions</b>	<b>Amounts Collected</b>	<b>Deductions Amounts Written Off</b>	<b>Current</b>	<b>Not Current</b>	<b>Balance at End of Period</b>
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

<b>Title of Issue and Type of Obligation</b>	<b>Amount Authorized by Indenture</b>	<b>Amount Shown under Caption “Current Portion of Long-term Debt” in Related Statement of Financial Position</b>	<b>Amount Shown under “Long-Term Debt” in Related Statement of Financial Position</b>
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)

<b>Name of Related Party</b>	<b>Balance at Beginning of Period</b>	<b>Balance at End of Period</b>
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

<b>Name of Issuing Entity of Securities Guaranteed by the Club for which this Statement is filed</b>	<b>Title of Issue of Each Class of Securities Guaranteed</b>	<b>Total Amount Guaranteed and Outstanding</b>	<b>Amount Owned by Person for which Statement is filed</b>	<b>Nature of Guarantee</b>
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

<b>Title of Issue</b>	<b>Number of Shares Authorized</b>	<b>Number of Shares Issued and Outstanding as Shown under Related Statement of Financial Position Caption</b>	<b>Number of Shares Reserved for Options, Warrants, Conversion and Other Rights</b>	<b>Number of Shares Held by Related Parties</b>	<b>Directors, Officers and Employees</b>	<b>Others</b>
<b>Common Stock:</b>						
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	-	-	-	-	-
<b>Total</b>	<b>8,500</b>	<b>8,420</b>	<b>-</b>	<b>6,342</b>	<b>11</b>	<b>2,067</b>



**Anvaya Cove Golf and Sports Club, Inc.**

Financial Soundness Indicators  
As at December 31, 2023

<b>Ratio</b>	<b>Formula</b>	<b>2023</b>	<b>2022</b>
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
- EAFS007875261TCRTY122023-03.pdf
- 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 &amp; 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