

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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C	L	U	B,			I	N	C.																					

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

K	M.	2	7		A	G	U	I	N	A	L	D	O		H	I	G	H	W	A	Y,								
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Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, if Applicable

Investment Company/ With Certificate of Permit to Offer Securities for Sale
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COMPANY INFORMATION

Company's Email Address

togccofficial@gmail.com

Company's Telephone Number/s

(02) 8982-2000

Mobile Number

0917-578-5912

No. of Stockholders

1,856

Annual Meeting (Month/Day)

2nd SATURDAY OF OCT

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Irene G. Patricio

Email Address

togccofficial@gmail.com

Telephone Number/s

(02) 8982-2000

Mobile Number

0917-883-4749

CONTACT PERSON'S ADDRESS

Suite 1822, Tytana Center, Plaza Lorenzo Ruiz, Binondo, Manila

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.



Isla Lipana & Co.

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

**Financial Statements with Supplementary Schedules
for the Securities and Exchange Commission
December 31, 2025**



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

Financial Statements with Supplementary
Schedules for the Securities and Exchange Commission
December 31, 2025

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* Based on the Articles of Incorporation of the Club, no profit will inure to the exclusive benefit of any shareholders, hence, no dividends will be declared.

** The Club is not a listed company nor an investment house that is part of a conglomerate or group of Companies.

First Section

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **The Orchard Golf & Country Club, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

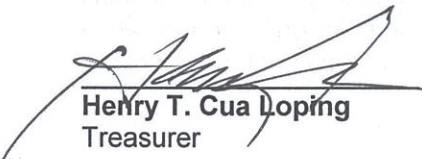
Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion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



Vicente R. Santos
Chairman of the Board of Directors



Tomas Julio A. Benitez
President



Henry T. Cua Loping
Treasurer



Jose Ernilo P. Famy
General Manager & Chief Operating Officer

Signed this 8th day of April 2026



Independent Auditor's Report

To the Board of Directors and Members of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Km 27 Aguinaldo Highway, Salitran,
Dasmariñas City, Cavite

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Orchard Golf & Country Club, Inc. (the "Club") as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Club comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total receipts and expenses for each of the three years in the period ended December 31, 2025;
- the statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (the "Code of Ethics"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information System) and SEC Form 17-A for the year ended December 31, 2025, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS, 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, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, 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 Accounting 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.



Catherine H. Santos

Partner

CPA Cert. No. 0110097

P.T.R. No. 0011422; issued on January 8, 2026 at Makati City

SEC A.N. (individual) as general auditors 110097-SEC, Category A;

valid to audit 2020 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 211-726-564

BIR A.N. 08-000745-132-2023, issued on May 9, 2023; effective until May 8, 2026

BOA/PRC Reg. No. 0142/P-016, effective until November 14, 2028

Makati City
April 8, 2026



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Members of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Km 27 Aguinaldo Highway, Salitran,
Dasmariñas City, Cavite

We have audited the accompanying financial statements of The Orchard Golf & Country Club, Inc. (the "Club") as at and for the year ended December 31, 2025 on which we have rendered the attached report dated April 8, 2026.

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary, the Club has two (2) shareholders each owning one hundred (100) shares or more as at December 31, 2025.

Isla Lipana & Co.

Catherine H. Santos
Partner

CPA Cert. No. 0110097

P.T.R. No. 0011422; issued on January 8, 2026 at Makati City

SEC A.N. (individual) as general auditors 110097-SEC, Category A;
valid to audit 2020 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 211-726-564

BIR A.N. 08-000745-132-2023, issued on May 9, 2023; effective until May 8, 2026

BOA/PRC Reg. No. 0142/P-016, effective until November 14, 2028

Makati City
April 8, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	128,429,159	136,693,866
Receivables, net	3	20,882,227	20,283,496
Inventories	4	3,772,050	3,872,214
Prepayments and other current assets	5	23,189,067	17,835,264
Total current assets		176,272,503	178,684,840
Non-current assets			
Property and equipment, net	6	460,716,174	467,039,353
Land at revalued amount	7	8,544,511,400	8,544,511,400
Other non-current assets		9,496,977	11,567,138
Total non-current assets		9,014,724,551	9,023,117,891
Total assets		9,190,997,054	9,201,802,731
Liabilities and Members' Equity			
Current liabilities			
Accounts payable and other current liabilities	8	83,829,519	86,007,971
Contract liabilities	9	10,049,489	5,119,235
Deposits from assignees and others	9	13,754,366	14,150,852
Total current liabilities		107,633,374	105,278,058
Non-current liabilities			
Deposits from assignees and others, net of current portion	9	2,170,000	1,855,000
Retirement benefit obligation	15	42,372,982	38,447,788
Deferred income tax liability	16	2,104,258,200	2,104,258,200
Total non-current liabilities		2,148,801,182	2,144,560,988
Total liabilities		2,256,434,556	2,249,839,046
Members' equity			
Share capital	10	1,083,103,341	1,083,103,341
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members	11	37,290,251	31,419,251
Shares of delinquent members acquired through auctions	11	(52,292,687)	(52,921,687)
Revaluation increments on land, net	7	6,312,774,600	6,312,774,600
Remeasurement on retirement benefits, net	15	(19,044,043)	(8,516,849)
Cumulative excess of expenses over receipts		(427,268,964)	(413,894,971)
Total members' equity		6,934,562,498	6,951,963,685
Total liabilities and members' equity		9,190,997,054	9,201,802,731

(The notes on pages 1 to 35 are an integral part of these financial statements.)

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

Statements of Total Receipts and Expenses
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Members' dues and fees				
Membership dues		155,120,709	156,762,697	151,337,066
Transfer and assignment fees		46,439,583	41,008,000	47,898,750
Total members' dues and fees		201,560,292	197,770,697	199,235,816
Revenues from club operations				
Green fees		68,349,131	64,130,686	61,602,473
Golf cart fees		42,751,516	40,671,573	40,282,581
Tournament fees		21,292,103	16,747,205	17,208,828
Concessionaire's fees		11,229,564	10,510,899	10,506,198
Grand raffle event		9,275,536	7,953,570	8,429,155
Facilities rental		6,302,802	5,919,705	5,092,332
Recreational facilities fees		6,085,497	6,020,824	5,804,937
Alcoholic drink sales		4,585,189	4,667,359	4,866,585
Practice range fees		2,915,019	3,054,952	3,130,621
Pro-shop commission		2,509,928	2,552,280	2,855,752
Pro-shop sales		1,549,050	1,800,262	1,699,421
Others		1,821,033	3,287,265	2,642,668
Total revenue from club operations		178,666,368	167,316,580	164,121,551
Total receipts		380,226,660	365,087,277	363,357,367
Cost of goods sold and services	12	(154,508,869)	(155,137,029)	(143,086,678)
Excess of receipts over cost before operating expenses, other income and depreciation expense		225,717,791	209,950,248	220,270,689
Operating expenses other than depreciation	13	(187,488,822)	(191,089,272)	(152,887,231)
Interest income	2	6,343,180	6,768,034	5,699,098
(Provision) Reversal for doubtful accounts, net	3	(4,022,080)	(1,736,750)	58,533
Other income, net	14	4,448,406	5,875,891	13,501,129
Excess of receipts and other income over costs and operating expenses other than depreciation expense		44,998,475	29,768,151	86,642,218
Depreciation expense	6	(56,736,825)	(52,656,102)	(46,439,826)
Excess (Deficiency) of receipts over expenses before income tax		(11,738,350)	(22,887,951)	40,202,392
Income tax expense	16	(1,635,643)	(1,643,032)	(4,785,840)
Excess (Deficiency) of receipts over expenses after income tax for the year		(13,373,993)	(24,530,983)	35,416,552
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss				
Remeasurement (loss) gain on retirement benefit obligation	15	(10,527,194)	2,074,966	(4,725,434)
Revaluation increment on land, net	7	-	206,722,050	-
Other comprehensive income (loss) for the year		(10,527,194)	208,797,016	(4,725,434)
Total comprehensive income (loss) for the year		(23,901,187)	184,266,033	30,691,118
Basic and diluted earnings (loss) per share	10	(5,017)	(9,208)	13,330

(The notes on pages 1 to 35 are an integral part of these financial statements.)

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

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Share capital (Note 10)	Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members (Note 11)	Shares of delinquent members acquired through auctions (Note 11)	Revaluation increments on land, net (Note 7)	Remeasurement on retirement benefits, net (Note 15)	Cumulative excess of expenses over receipts	Total
Balances as at January 1, 2023	1,083,103,341	4,567,528	(57,869,964)	6,106,052,550	(5,866,381)	(424,780,540)	6,705,206,534
Comprehensive income							
Excess of receipts over expenses	-	-	-	-	-	35,416,552	35,416,552
Other comprehensive income	-	-	-	-	(4,725,434)	-	(4,725,434)
Total comprehensive income	-	-	-	-	(4,725,434)	35,416,552	30,691,118
Transaction with members							
Re-issuance of shares of delinquent members	-	12,476,723	3,423,277	-	-	-	15,900,000
Balances as at December 31, 2023	1,083,103,341	17,044,251	(54,446,687)	6,106,052,550	(10,591,815)	(389,363,988)	6,751,797,652
Comprehensive income							
Excess of expenses over receipts	-	-	-	-	-	(24,530,983)	(24,530,983)
Other comprehensive income	-	-	-	206,722,050	2,074,966	-	208,797,016
Total comprehensive income	-	-	-	206,722,050	2,074,966	(24,530,983)	184,266,033
Transactions with members							
Re-issuance of shares of delinquent members	-	14,375,000	1,525,000	-	-	-	15,900,000
Balances as at December 31, 2024	1,083,103,341	31,419,251	(52,921,687)	6,312,774,600	(8,516,849)	(413,894,971)	6,951,963,685
Comprehensive loss							
Excess of expenses over receipts	-	-	-	-	-	(13,373,993)	(13,373,993)
Other comprehensive loss	-	-	-	-	(10,527,194)	-	(10,527,194)
Total comprehensive loss	-	-	-	-	(10,527,194)	(13,373,993)	(23,901,187)
Transactions with members							
Re-issuance of shares of delinquent members	-	5,871,000	629,000	-	-	-	6,500,000
Balances as at December 31, 2025	1,083,103,341	37,290,251	(52,292,687)	6,312,774,600	(19,044,043)	(427,268,964)	6,934,562,498

(The notes on pages 1 to 35 are an integral part of these financial statements.)

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

Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Excess (Deficiency) of receipts over expenses before income tax		(11,738,350)	(22,887,951)	40,202,392
Adjustments for:				
Depreciation expense	6	56,736,825	52,656,102	46,439,826
Retirement benefit cost	15	6,105,712	37,342,167	2,734,867
Provision for (reversal of) impairment of receivables	3	4,022,080	1,736,750	(58,534)
Loss on retirement of property and equipment	14	3,438	-	-
Interest income	2	(6,343,180)	(6,768,034)	(5,699,098)
Excess of receipts over expenses before working capital changes		48,786,525	62,079,034	83,619,453
Decrease (increase) in:				
Receivables		(4,620,811)	(2,257,898)	(1,675,349)
Inventories		100,164	(363,446)	(631,613)
Prepayments and other current assets		(3,426,628)	(5,553,809)	3,833,377
Other non-current assets		2,070,161	(3,509,578)	(4,937,700)
Increase (decrease) in:				
Accounts payable and other current liabilities		(4,951,635)	(17,230,903)	36,022,611
Contract liabilities		4,930,254	(5,931,094)	2,006,512
Deposits from assignees and others		(81,486)	2,027,522	2,097,481
Cash generated from operations		42,806,544	29,259,828	120,334,772
Contribution made to the retirement fund	15	(10,000,000)	(7,500,000)	-
Retirement benefits paid	15	(2,707,712)	-	(1,055,102)
Income taxes paid		(2,778,466)	(1,643,032)	(4,785,840)
Interest received		6,343,180	6,768,034	5,699,098
Net cash provided by operating activities		33,663,546	26,884,830	120,192,928
Cash flows from investing activities				
Additions to property and equipment	6	(48,428,253)	(47,136,074)	(72,225,982)
Proceeds from sale of property and equipment		-	-	31,250
Net cash used in investing activities		(48,428,253)	(47,136,074)	(72,194,732)
Cash flow from financing activities				
Proceeds from reissuance of Club's shares	11	6,500,000	15,900,000	15,900,000
Net cash provided by financing activities		6,500,000	15,900,000	15,900,000
Net increase (decrease) in cash		(8,264,707)	(4,351,244)	63,898,196
Cash and cash equivalents at January 1		136,693,866	141,045,110	77,146,914
Cash and cash equivalents at December 31	2	128,429,159	136,693,866	141,045,110

(The notes on pages 1 to 35 are an integral part of these financial statements.)

The Orchard Golf & Country Club, Inc.

(A non-profit organization)

Notes to the Financial Statements

As at December 31, 2025 and 2024 and for each of the three years

in the period ended December 31, 2025

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

1 General information

1.1 Business information

The Orchard Golf & Country Club, Inc. (the "Club") was registered with the Philippine Securities and Exchange Commission (SEC) on February 5, 1992. The Club was established to promote social, educational, and athletic activities on a non-profit basis among its members, the main objective of which is the maintenance of golf courses and related sports and recreational facilities.

The Club has a permit from the Philippine SEC to offer its securities for sale to the public, consisting of 3,000 proprietary certificates, 7 shares of which are founders' certificates, while 2,993 shares are regular certificates.

The Club has 138 regular employees as at December 31, 2025 (2024 - 134; 2023 - 114).

The registered office address and principal place of business of the Club is Km. 27 Aguinaldo Highway, Salitran, Dasmariñas City, Cavite.

1.2 Approval of the Club's financial statements

These financial statements were authorized and approved for issue by the Club's Board of Directors (BOD) on April 8, 2026.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2025	2024
Cash on hand	500,000	500,000
Cash in banks	23,093,094	28,307,636
Short-term deposits	104,836,065	107,886,230
	128,429,159	136,693,866

Cash in banks earns interest at the respective bank deposit rates.

Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Club, and earn interest ranging from 1.40% to 4.60% (2024 and 2023 - 1.40% to 4.90%).

Interest income earned from cash in banks and short-term deposits for the year ended December 31, 2025, amounted to P6,227,814 (2024 - P6,619,124; 2023 - P5,478,177). In 2025, other interest income amounting to P115,366 (2024 - P148,910; 2023 - P220,921) is earned from loans provided to officers presented as part of advances to officers and employees (Note 3).

3 Receivables, net

Receivables, net as at December 31, consist of:

	2025	2024
Receivables from members	58,185,330	50,717,179
Allowance for doubtful accounts	(48,286,170)	(44,039,986)
	9,899,160	6,677,193
Advances to officers and employees	4,234,216	3,329,679
Receivable from credit card companies	2,210,666	2,953,228
Receivable from concessionaires	353,292	534,204
Others	7,250,734	10,258,316
	14,048,908	17,075,427
Allowance for doubtful accounts	(3,065,841)	(3,469,124)
	10,983,067	13,606,303
Receivables, net	20,882,227	20,283,496

Receivables from members are non-interest-bearing and have a 30-day term, subject to 3% penalty per month for unpaid amounts. In 2025, Late payment charges amounting to P2,024,679 (2024 - P2,961,354; 2023 - P3,739,554) are recognized in profit or loss within other income (Note 14).

Advances to officers for car loans are interest-bearing at an annual rate of 12% and are repaid through salary deductions over three (3) years. Advances to employees are non-interest-bearing and are repaid through equal salary deductions over a period of one (1) to two (2) years, depending on the agreed terms.

Receivable from concessionaires is non-interest-bearing and normally has a credit term of 30 days.

Other receivables consist mainly of sponsorships for the Founders' Cup Invitational, which are non-interest-bearing.

The movements in the allowance for impairment of receivables for the years ended December 31 are as follows:

	2025	2024	2023
At January 1	47,509,110	46,007,209	46,088,742
Provision for impairment of receivables	4,022,080	2,208,130	1,123,481
Reversal	-	(471,380)	(1,182,014)
Write-off	(179,179)	(234,849)	(22,999)
At December 31	51,352,011	47,509,110	46,007,210

No reversal of the provision for impairment of receivables was recognized in 2025, as there was no auction of shares from seriously delinquent members. In 2024, the Club reversed P471,380 (2023 - P1,182,014) of the provision related to receivables from members whose shares were sold through auction.

Critical accounting estimates and assumptions: Expected credit losses (ECL) on receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Provision for impairment is calculated using expected credit losses (ECLs). ECLs are unbiased probability-weighted estimates of credit losses that are determined by evaluating a range of possible outcomes and considering past events, current conditions, and an assessment of future economic conditions.

The Club used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, which involved significant estimates and judgments.

The Club also evaluates specific accounts of members, customers, and other counterparties who are unable to meet their financial obligations. In these cases, management uses judgment and assessment based on the best available facts, including but not limited to the debtor's payment history and the result of the Club's follow-up action to recover overdue debts. Any change in the Club's assessment of the collectability of receivables could impact the recorded carrying amount of receivables and related provision for impairment.

Management believes that the recorded allowance as at each reporting period is sufficient to cover the receivables that are impaired and assessed to be uncollectible.

4 Inventories

Inventories at cost as at December 31 consist of:

	2025	2024
Golf operations and maintenance supplies	1,858,731	1,524,355
Office and computer supplies	557,447	582,439
Club maintenance supplies	536,849	476,810
Proshop	428,869	650,689
Alcoholic drinks	171,206	235,326
Other supplies	218,948	402,595
	<u>3,772,050</u>	<u>3,872,214</u>

The total cost of alcoholic drinks and pro-shop goods sold by the Club is disclosed in Note 12.

5 Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

	2025	2024
Prepaid taxes	11,449,388	10,306,005
Prepaid insurance	301,935	260,285
Prepaid others	11,437,744	7,268,974
	<u>23,189,067</u>	<u>17,835,264</u>

Prepaid taxes mostly pertain to real property taxes paid by the Club in advance for the next calendar year.

Prepaid insurance covers payments for auto insurance and various club insurance policies.

Prepaid others primarily consist of advances to suppliers for various golf course maintenance projects, such as bunker renovation, sprinkler replacement, and satellite controller upgrade.

6 Property and equipment, net

Details of and movements in property and equipment, net as at and for the years ended December 31 are as follows:

	Land improvements	Buildings and structures	Facilities and equipment	Furniture and fixtures	Kitchen equipment	Construction-in-progress	Total
Cost							
At January 1, 2024	608,069,332	400,383,388	526,660,377	21,855,597	2,121,657	9,634,294	1,568,724,645
Additions	-	917,341	41,227,662	-	-	4,991,071	47,136,074
Transfers	-	-	3,395,008	-	-	(3,395,008)	-
Retirement	-	(46,229)	(9,110,294)	-	-	-	(9,156,523)
At December 31, 2024	608,069,332	401,254,500	562,172,753	21,855,597	2,121,657	11,230,357	1,606,704,196
Additions	-	8,074,028	36,858,056	-	-	5,485,000	50,417,084
Transfers	-	-	6,632,143	-	-	(6,632,143)	-
Retirement	-	-	(13,670,042)	-	-	-	(13,670,042)
At December 31, 2025	608,069,332	409,328,528	591,992,910	21,855,597	2,121,657	10,083,214	1,643,451,238
Accumulated depreciation							
At January 1, 2024	(430,699,227)	(223,407,744)	(418,327,523)	(21,609,113)	(2,121,657)	-	(1,096,165,264)
Depreciation	(10,253,214)	(14,659,190)	(27,580,735)	(162,963)	-	-	(52,656,102)
Retirement	-	46,229	9,110,294	-	-	-	9,156,523
At December 31, 2024	(440,952,441)	(238,020,705)	(436,797,964)	(21,772,076)	(2,121,657)	-	(1,139,664,843)
Depreciation	(10,253,214)	(14,224,339)	(32,195,764)	(63,508)	-	-	(56,736,825)
Retirement	-	-	13,666,604	-	-	-	13,666,604
At December 31, 2025	(451,205,655)	(252,245,044)	(455,327,124)	(21,835,584)	(2,121,657)	-	(1,182,735,064)
Net carrying values							
At December 31, 2024	167,116,891	163,233,795	125,374,789	83,521	-	11,230,357	467,039,353
At December 31, 2025	156,863,677	157,083,484	136,665,786	20,013	-	10,083,214	460,716,174

In 2025, the increase in prepayments and payables relating to property and equipment amounted to P784,352 and P2,773,183, respectively. These relate mainly to ongoing capital projects and equipment acquisitions recognized under construction-in-progress. No movements in prepayments and payables for 2024 and 2023.

Critical accounting estimates and assumptions: Depreciation of property and equipment

Depreciation of property and equipment is based on the estimated useful lives of the assets or the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets. Such estimation is based on a collective assessment of the practices of similar businesses and experiences with similar assets.

Based on management's assessment, there is no change in the estimated useful lives of property and equipment during the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors discussed in the foregoing.

It is possible that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the change in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded expenses and decrease non-current assets.

Critical accounting judgment: Determination of impairment of non-financial assets

Non-financial assets, including property and equipment, and land at revalued amount, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable.

Management believes that there are no events or changes in circumstances indicative that the carrying amount of its non-financial assets may be impaired as at each reporting period.

7 Land at revalued amount

Details of land at revalued amount and cumulative revaluation increment as at December 31 are as follows:

	2025	2024	2023
Balance at January 1	8,544,511,400	8,268,882,000	8,268,882,000
Revaluation increment during the year recognized in other comprehensive income	-	275,629,400	-
Balance at December 31	8,544,511,400	8,544,511,400	8,268,882,000
Less: Historical cost of land	127,478,600	127,478,600	127,478,600
Gross revaluation increment on land	8,417,032,800	8,417,032,800	8,141,403,400

The fair value of the land as at December 31, 2025 and 2024 was based on the appraisal report dated February 4, 2025, determined by Value Metrics, Inc. using market (data) approach.

The land is carried at fair value as appraised on various dates as follows:

	Date of appraisal	Appraisal value
2024	February 4, 2025	8,544,511,400
2022	January 9, 2023	8,268,882,000
2020	November 30, 2020	7,304,179,100

The cumulative fair value gain on land recognized in the statements of total receipts and expenses and in the statements of changes in equity for each of the three years in the period ended December 31, 2025, follows:

	Gross amount	Deferred income tax (Note 16)	Net amount
Revaluation increment on land			
At January 1, 2023	8,141,403,400	2,035,350,850	6,106,052,550
Revaluation gain for the year	-	-	-
At December 31, 2023	8,141,403,400	2,035,350,850	6,106,052,550
Revaluation gain for the year	275,629,400	68,907,350	206,722,050
At December 31, 2024	8,417,032,800	2,104,258,200	6,312,774,600
Revaluation gain for the year	-	-	-
At December 31, 2025	8,417,032,800	2,104,258,200	6,312,774,600

Valuation techniques

Considering the most recent independent valuations, the Club updates its assessment of the fair value of the land.

Description of the valuation techniques and key inputs to the valuation of land at revalued amount are as follows:

As at December 31, 2024:

Valuation technique	Significant unobservable inputs	Range
Market (data) approach	Selling price of an identical piece of land	15,000 per square meter
	External factor adjustments	-50% to -54%
	Internal factor adjustments	-15%
	Average fair value after internal and external adjustments	6,200 per square meter

As at December 31 2022:

Valuation technique	Significant unobservable inputs	Range
Sales comparison approach	Selling price of an identical piece of land	12,000 to 15,000 per square meter
	External factor adjustments	-50%
	Internal factor adjustments	-10% to -15%
	Average fair value after internal and external adjustments	6,000 per square meter

The Club determines that the said properties were valued within a range of reasonable fair value estimates, where all resulting fair value estimates are categorized as fair value measurements using significant unobservable inputs (Level 3).

Valuations are performed with sufficient regularity at least once every two (2) years, enough to ensure that the fair value of the revalued asset does not differ significantly from its carrying value.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Critical accounting estimates and assumptions: Fair value estimation of land

Land is measured at revalued amount, which approximates its fair value at the date of the revaluation, less any accumulated impairment losses. In determining the fair value of land, the Club, through the professional services of an independent external appraiser, utilized a sales comparison approach. The technique of this approach requires comparison of properties with similar characteristics that are offered for sale or have been sold recently.

When a valuation is obtained, management reviews the key inputs, assesses valuation movements, and holds discussions with the valuer as part of the process. Discussions about the valuation processes and results are held between the management and the Club's Board of Directors.

The sensitivity of the land at revalued amount to changes in the significant unobservable inputs as at December 31 is as follows:

	Impact on		
	Change in price per square meter	Land	OCI, net of tax
2024	+/- 5%	+/- 427,225,570	+/- 320,419,178
2022	+/- 5%	+/- 413,444,100	+/- 310,083,075

8 Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of:

	2025	2024
Trade payables		
Third parties	37,378,931	30,010,812
Due to members	3,728,691	7,106,360
Payable to associated supplier	821,558	98,210
Accrued expense		
Professional fees	7,740,227	5,769,114
Outside services	5,533,853	3,587,381
Utilities	545,387	489,197
Others	8,464,444	5,699,810
Payable to government agencies	6,965,456	4,913,921
Deposit for reacquired shares	3,000,000	9,500,000
Consignment and due to concessionaires	2,790,295	8,971,615
Others	6,860,677	9,861,551
	83,829,519	86,007,971

Trade payables to third parties are non-interest-bearing and are normally on 15 to 30-day terms.

Due to members accounts consist of golfers' insurance and hole-in-one fees, which are collected from members upon each play to cover potential insurance claims and hole-in-one distributions. These amounts are non-interest-bearing and are normally settled within 30 days.

Accrued expenses are non-interest-bearing and have a one-month average term. The accrued others account's balance mainly pertains to bowling equipment maintenance, cost of 3D laser scanning, sweeper equipment and insurance expenses.

Deposits for reacquired shares represent payments received for the sale of delinquent shares reacquired by the Club, pending the issuance of stock certificates to the new owners.

Consignment and due to concessionaire account balances pertain to unremitted sales collected through the Club-operated point-of-sale system. Net proceeds, after deducting applicable concession fees and cash advances, are remitted to concessionaires on the 30th day of each month.

Other payables which mainly pertain to liabilities from environment fees, tournament fees, and other expenses, are non-interest-bearing and are normally on 30 to 90 days' terms.

9 Contract liabilities; deposits from assignees and others

Contract liabilities pertain to advances received from members and customers for food and beverage, golf rentals, and other Club facilities, which are recognized as part of revenue upon satisfaction of performance obligations, normally within one year upon receipt of advances. As at December 31, 2025, contract liabilities amounted to P10,049,489 (2024 - P5,119,235).

Deposits from assignees consist of initial security deposits for playing rights, which are refundable upon the expiration of the lease agreement. Deposits from others represent reservation fees and deposits for private golf tournaments and banquet events, which are refundable following the conclusion of the event.

Deposits from assignees and others as of December 31 consist of the following:

	2025	2024
Current	13,754,366	14,150,852
Non-current	2,170,000	1,855,000
	15,924,366	16,005,852

10 Share capital, club membership and basic earnings (loss) per share

10.1 Share capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Authorized		Issued, subscribed and outstanding	
	Number of shares	Amount	Number of shares	Amount
Class A	1,800	448,455,086	1,800	448,455,086
Class B	700	296,074,144	700	296,074,144
Class C	500	338,574,111	500	338,574,111
	3,000	1,083,103,341	3,000	1,083,103,341

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations, or associations, of which at least sixty percent (60%) of the outstanding share capital and entitled to vote is owned or controlled by citizens of the Philippines.

Class "B" shares may be sold to any individual, corporation, partnership, or association, irrespective of their nationality.

Class "C" shares are special corporate shares that may be sold to corporations irrespective of their nationality or citizenship.

Ownership of a share shall entitle the registered owner to the use of all the sports and other facilities of the Club. The ownership of all shares of stock is, however, subject to the following restrictive conditions, among others:

- No transfer of shares of stocks of the Club which will reduce the stock ownership of Filipino citizens to less than the minimum percentage of the outstanding share capital required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the books of the Club. This restriction shall be printed or indicated in all the certificates of stocks to be issued by the Club. Any transfer made in violation hereof shall be null and void;
- No profit shall inure to the exclusive benefit of any of the shareholder; hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation;

- c. In case of foreclosure by the pledgee or mortgagee of the shares of shareholders in the Club, the pledgee/mortgagee shall, in the event of inability of the pledgor or mortgagor to meet the obligation of such pledgor or mortgagor under the terms of the pledge or chattel mortgage, notify the Club in writing of the date, time and place of foreclosure sale and of the nature and amount of obligation secured by the pledge or mortgage, which sale shall be conducted not earlier than 15 days from the date the Club received written notice thereof. The Club shall have the right to purchase the auctioned shares within 30 days from the award by paying in cash the price paid by the winning bidder and expenses of sale incurred by the latter;
- d. Shareholders and members of the Club shall be subjected to the payment of monthly dues in an amount as may be prescribed by resolution of the BOD to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities. Such dues together with all other obligations of the shareholders to the Club, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government and in the event of delinquency, such shares may be ordered sold by the BOD in the manner provided in the by-laws to satisfy said dues or other obligations of the shareholders;
- e. In case any shareholder violates the Articles of Incorporation, the By-laws, Club rules, or resolutions promulgated by the Board of Directors (BOD) or shareholders, or engages in conduct deemed injurious to the interests or objectives of the Club, the BOD may expel such shareholder following proper notice and a hearing. Upon expulsion, the individual shall cease to be a shareholder and forfeit all rights, except the right to demand payment for their share in accordance with the By-laws. The Club shall have 30 days from the date of expulsion to settle the payment, after which the shareholder must immediately transfer and assign the share as directed by the Club.

Membership in the Club consists of regular, assignee, honorary, and founding members.

- *Regular members*

Regular members are natural persons who are registered shareowners and the duly designated representatives of juridical entities in whose name the share certificates have been issued.

- *Assignee members*

Assignee members are natural persons who are entitled to use all facilities and privileges of the Club, except the right to vote, the right to hold office, and the right to the assets and property of the Club.

- *Honorary members*

Honorary membership shall be automatically extended to the President of the Philippines, the Governor of Cavite, the Congressman and Mayor of the City of Dasmariñas, Cavite.

- *Founding members*

Founding members shall be composed of the original incorporators or subscribers of the Club who are holders of Founders' shares.

- *Non-activated shares*

On December 13, 1994, the BOD of the Club approved the resolution that no membership dues shall be charged to the original holders' non-activated shares, unless they transfer or sell their shares or assign the playing rights. Non-activated shares refer to those shares that have not been applied for membership and the monthly dues of which are not being paid. Original shareholders refer to Sta. Lucia Realty Development Inc., AFP-Retirement and Separation Benefits Systems, ACL Development Corporation and Helena Benitez.

They were given shares of stock in the Club as compensation for their respective investments, constituting land and development costs.

Notwithstanding the non-payment of fees and dues, holders of non-activated shares shall still have the right to vote in accordance with the right of a regular member in good standing.

Thus, in the case of original shareholders of non-activated shares, the nonpayment of fees, dues, and assessments does not constitute delinquent shares, and therefore, still entitled to vote.

10.2 Basic and diluted Earnings (Loss) Per Share

The following table presents information used to calculate earnings (loss) per share:

	2025	2024	2023
Excess of receipts (expenses) over expenses (receipts) after income tax	(13,373,993)	(24,530,985)	35,416,552
Number of shares (excluding shares of delinquent members)	2,666	2,664	2,657
Basic and diluted earnings (loss) per share	(5,017)	(9,208)	13,330

Basic and diluted earnings (loss) per share are equal as the Club does not have any dilutive potential ordinary shares in 2025, 2024, and 2023.

11 Shares of delinquent members acquired through auctions

This represents the following shares of delinquent members, which were acquired through auctions pursuant to the Club By-laws as settlement of their long outstanding accounts.

Movements in shares of delinquent members acquired through auctions as at December 31 are as follows:

	2025		2024		2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At January 1						
Class A	242	32,069,048	243	32,440,048	247	33,674,446
Class B	50	7,978,734	54	8,518,734	57	9,182,734
Class C	44	12,873,905	46	13,487,905	50	15,012,784
	336	52,921,687	343	54,446,687	354	57,869,964
Shares reissued during the year						
Class A	(1)	(352,000)	(1)	(371,000)	(4)	(1,234,398)
Class B	-	-	(4)	(540,000)	(3)	(664,000)
Class C	(1)	(277,000)	(2)	(614,000)	(4)	(1,524,879)
	(2)	(629,000)	(7)	(1,525,000)	(11)	(3,423,277)
At December 31						
Class A	241	31,717,048	242	32,069,048	243	32,440,048
Class B	50	7,978,734	50	7,978,734	54	8,518,734
Class C	43	12,596,905	44	12,873,905	46	13,487,905
	334	52,292,687	336	52,921,687	343	54,446,687

There were no shares of delinquent members reacquired by the Club for each of the three years for the period ended December 31, 2025.

The related amounts outstanding from delinquent members were fully provided with allowance for impairment of receivables in prior years (Note 3).

The movement and details for the accumulated proceeds from re-issuance of shares of delinquent members as at December 31 are as follows:

	2025	2024	2023
Balance at January 1	31,419,251	17,044,251	4,567,528
Transactions during the year			-
Proceeds from re-issuance	6,500,000	15,900,000	15,900,000
Costs	629,000	1,525,000	3,423,277
Excess of proceeds over cost	5,871,000	14,375,000	12,476,723
	37,290,251	31,419,251	17,044,251

12 Cost of goods sold and services

The components of cost of goods sold and services for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Repairs and maintenance		58,865,723	53,666,835	55,396,322
Salaries, wages, and employee benefits		32,254,362	29,426,099	24,145,329
Tournament expenses		17,023,164	12,674,382	16,916,272
Utilities		12,323,704	12,252,082	11,995,261
Grand raffle event		7,183,444	6,080,319	8,933,380
Operating supplies		6,313,777	5,402,217	5,259,906
Janitorial and messengerial services		3,542,003	2,954,621	2,801,393
SSS, GSIS, Philhealth, HDMF, and other contributions		2,911,153	2,465,499	1,975,314
Retirement cost	15	2,787,390	17,277,719	1,151,523
Cost of alcoholic drinks	4	2,731,901	2,611,616	2,725,646
Member relations		1,839,704	1,954,738	1,745,614
Taxes and licenses		1,693,977	2,974,035	4,040,583
Professional Fees		1,266,984	1,517,049	1,856,065
Cost of pro-shop inventories	4	1,103,128	1,285,884	1,212,773
Communication		509,685	258,605	184,537
Representation		491,906	502,184	415,253
Others		1,666,864	1,833,145	2,331,507
		154,508,869	155,137,029	143,086,678

Member relations are expenses incurred in relation to members' activities.

Others include the linen & laundry, rental equipment, dues and subscriptions, and miscellaneous expenses.

13 Operating expenses other than depreciation

The components of operating expenses other than depreciation for the years ended December 31 are as follows:

	Note	2025	2024	2023
Salaries, wages, and employee benefits		66,462,216	60,653,068	52,838,201
Security services		22,084,959	20,437,371	18,485,727
Repairs and maintenance		21,355,452	20,051,181	16,221,663
Input VAT written-off		12,576,768	12,563,766	9,441,987
Janitorial and messengerial services		11,823,357	10,591,742	9,625,992
Taxes and licenses		10,834,907	10,569,673	10,251,084
Operating supplies		8,937,711	7,228,790	7,634,110
Utilities		7,413,542	6,960,899	6,512,230
Credit and collection		4,006,244	3,611,860	3,472,889
SSS, GSIS, Philhealth, HDMF, and other contributions		3,746,981	3,175,844	2,689,430
Retirement cost	15	3,318,322	20,064,448	1,583,344
Representation		2,948,906	2,660,175	3,313,127
Professional fees		2,669,632	3,192,765	1,356,289
Linen and laundry		2,095,825	1,961,757	1,827,217
Provision for probable losses		2,000,000	2,000,000	2,000,000
Communication		1,875,282	2,293,636	2,721,738
Insurance		1,809,439	1,759,702	1,418,152
Others		1,529,279	1,312,595	1,494,051
		187,488,822	191,089,272	152,887,231

Credit and collection pertains to commissions for the members' payments using credit cards or electronic payment channels.

Other operating expenses, excluding depreciation, are comprised of dues, subscriptions, and costs related to the Club's promotional, advertising, and recruitment activities.

14 Other income, net

The components of other income, net for the years ended December 31 are as follows:

	Note	2025	2024	2023
Late payment charges	3	2,024,679	2,961,354	3,739,554
Foreign exchange gain (loss), net		12,368	22,789	(2,142)
Loss on retirement of property and equipment		3,438	-	-
Miscellaneous		2,407,921	2,891,748	9,763,718
		4,448,406	5,875,891	13,501,130

Miscellaneous income for 2025 and 2024 mainly comprises sponsorship and registration fees for the Philippine Golf Course Management Conference. In 2023, miscellaneous income included a reversal of unutilized golfers' insurance and hole-in-one contributions in addition to conference registration fees.

15 Retirement benefit obligation

The Club has a funded, non-contributory defined benefits retirement plan, administered by a trustee, covering all of its regular and full-time employees. The Club recognizes the amount of retirement benefits that must be accrued in accordance with its new retirement policy, effective July 2024.

- A. Loyalty/Gratuity Pay - an employee who is at least 45 years old and served for at least 15 years will receive as part of the final pay an amount equivalent to fifty percent (50%) of the one-month salary per year of service.
- B. Early Retirement Pay - an employee may file an application for early retirement provided that the employee is at least 50 years old and rendered at least 20 years; the tax-free amount will be equivalent to one hundred percent (100%) of the monthly rate for each year of service.
- C. Normal Retirement Benefit - available to employees who are 60 years old; retirement amount (tax-free) will vary on the years of service, as follows:

Years of service	Percentage
10 to 14 years	100%
15 to 19 years	125%
20 to 24 years	150%
25 to 29 years	175%
30 years and up	200%

An independent actuary conducted an actuarial valuation of the funded defined benefit plan using the projected unit credit cost method based on the provisions of the Act. The plan provides for lump sum benefit payment upon retirement. Contributions and costs are determined in accordance with the actuarial study made for the plan.

Actuarial valuation is performed by an independent actuary using the projected unit credit method on an annual basis and based on retirement age of 60. The most recent actuarial valuation was sought from an independent actuary as at December 31, 2025.

The reconciliation of the present value of the defined benefits obligation and the fair value of the plan assets is as follows:

	2025	2024
Present value of obligation	118,449,639	100,726,240
Fair value of plan assets	(76,076,657)	(62,278,452)
	42,372,982	38,447,788

Movements in the present value of defined benefit obligation for the years ended December 31 is as follows:

	2025	2024
At January 1	100,726,240	62,870,342
Current service cost	3,748,862	3,287,539
Interest cost	6,174,519	3,784,795
Past service cost	-	33,411,656
Benefits paid directly paid by the Club	(2,707,712)	-
Remeasurement gain (loss) from:		
Experience adjustment	4,319,181	8,236,482
Financial assumptions	6,188,549	(10,864,574)
At December 31	118,449,639	100,726,240

Movements in the fair value of plan assets for the years ended December 31 are as follows:

	2025	2024
At January 1	62,278,452	52,189,756
Contributions	10,000,000	7,500,000
Interest income	3,817,669	3,141,823
Remeasurement loss	(19,464)	(553,127)
At December 31	76,076,657	62,278,452

The Club's best estimate of contributions to be paid to the plan for the year ending December 31, 2026 is P11,358,614 at lower limit and P44,553,500 at upper limit.

Retirement benefit expense recognized in the statements of total receipts and expenses for the years ended December 31 consist of:

	Notes	2025	2024	2023
Current service cost		3,748,862	3,287,539	2,440,292
Past service cost		-	33,411,656	-
Interest on the net liability		2,356,850	642,972	294,575
	12,13	6,105,712	37,342,167	2,734,867

The movement in the net retirement benefit obligation in the statement of financial position is as follows:

	2025	2024
At January 1	38,447,788	10,680,586
Retirement benefit expense	6,105,712	37,342,167
Remeasurement (loss) gain	10,527,194	(2,074,965)
Contributions to the plan asset	(10,000,000)	(7,500,000)
Benefits directly paid by the Club	(2,707,712)	-
At December 31	42,372,982	38,447,788

The movements in the reserve for remeasurement of retirement benefits on the statements of financial position for the years ended December 31 are as follows:

	2025	2024
Balance at January 1	8,516,849	10,591,815
Remeasurement loss (gain) for the year	10,527,194	(2,074,966)
Balance at December 31	19,044,043	8,516,849

The Club's retirement fund is maintained and managed by a trustee bank.

The major categories of the fair value of the plan assets as at December 31 are as follows:

	2025	2024
Assets:		
Unit investment trust fund	76,157,644	62,350,632
Cash in bank	14,363	6,014
Liability:		
Accrued trust fee payable	(95,350)	(78,194)
	76,076,657	62,278,452

Retirement benefits are payable in the event of termination of employment due to: (i) early, normal, or late retirement; (ii) physical disability; or (iii) involuntary separation from service. For plan members retiring under normal, early, or late terms, retirement benefit is equal to a percentage of final monthly salary for every year of credited service.

The principal assumptions used to determine pension obligations are as follows:

	2025	2024	2023
Discount rate	6.06%	6.13%	6.02%
Salary increase rate	4.00%	3.00%	6.00%

(a) Discount rate

The discount rate is determined by reference to yields on long-term Philippine Treasury Bonds and adjusted to reflect the term similar to the estimated term of the benefit obligation as determined by the actuary as at the end of the reporting period as there is no deep market in high quality corporate bonds in the Philippines.

All expected benefit payments are discounted using various rates that correspond to the timing of benefits payments, after which, a single discount rate is computed considering the aggregate amount of all discounted values.

(b) Salary rate increases

This is the expected long-term average rate of salary increase taking into account inflation, seniority, promotion, and other market factors. Salary increases comprise of the general inflationary increases plus a further increase for individual productivity, merit, and promotion. The future salary increase rates are set by reference over the period over which benefits are expected to be paid.

(c) Demographic assumptions

Actuarial assumptions also include turnover rates of the Club's employees which are generally based on Group Annuity Mortality Table prepared by the actuary.

Assumptions regarding mortality experience are set based on advice from published statistics and experience.

(d) Expected maturity analysis

	2025	2024
Less than 1 year	41,147,060	17,123,514
Between 1 year to 2 years	1,235,176	25,609,179
Between 2 year to 5 years	45,150,334	34,975,751
Between 6 years to 10 years	50,737,484	43,267,891
	138,270,054	120,976,335

The average duration of the defined benefits obligation as at December 31, 2025 is 10 years (2024 - 16 years; 2023 - 12 years).

Critical accounting estimates and assumptions: Retirement benefit obligation

The present value of the retirement benefit obligation depends on several factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement benefit include the discount rate and future salary increases. Any changes in these assumptions will impact the carrying amount of retirement benefit obligation.

The Club determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligation. In determining the appropriate discount rate, the Club considers the 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 benefit obligation and related retirement benefit expense.

Other key assumptions in determining retirement benefit obligation are based in part on current market conditions.

The sensitivities regarding the principal assumptions used to measure the net defined benefit liability is as follows:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
<i>December 31, 2025</i>			
Discount rate	+/-1%	(5,513,144)	6,227,370
Salary increase rate	+/-1%	6,347,236	(5,826,061)
<i>December 31, 2024</i>			
Discount rate	+/-1%	(5,063,913)	5,455,610
Salary increase rate	+/-1%	5,787,130	(5,640,554)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statements of financial position.

16 Income tax

The Club's income tax expense for the year ended December 31, 2025, amounted to P1,635,643 (2024 - P1,643,032; 2023 - P4,785,840).

In accordance with the Supreme Court (SC) ruling dated June 26, 2019 in the case of non-profit club organization versus Commissioner of Internal Revenue (CIR) (G.R. No.228539), the SC declared that membership fees, assessment dues, and fees of similar nature collected by the clubs which are organized and operated exclusively for pleasure, recreation, and other non-profit purposes do not constitute as income of recreational clubs from whatever source that are subject to income tax and part of the gross receipts of recreational clubs that are subject to value added tax (VAT). Accordingly, Revenue Memorandum Circular No. 35-2012 should be interpreted in accordance with this decision.

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

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) bill was signed into law by the President of the Philippines. This resulted in the reduction of the corporate income tax to 25% for domestic corporations with assets amounting to P100,000,000 and above, and with taxable income equivalent to P5,000,000 and above. The minimum corporate income tax (MCIT) rate was also reduced to one percent (1%) of gross income as defined under the regulation, effective July 1, 2020 until June 30, 2023, and shall revert back to two percent (2%) effective July 1, 2023.

(b) Deferred income tax liability

The Club's deferred income tax liability as at December 31, 2025 amounting to P2,104,258,200 (2024 - P2,104,258,200; 2023 - P2,035,350,850) pertains to the tax effect of cumulative revaluation increment on land (Note 7).

(c) *Unrecognized deferred income tax assets*

DIT assets have not been recognized since the management assesses that the Club may not have sufficient taxable income in the future for it to be able to realize the benefits of the related deferred income tax assets:

	2025	2024
Deferred income tax assets		
Expected to be recovered within 12 months		
Allowance for doubtful accounts	12,838,003	11,877,278
Unamortized excess contribution over expenses	2,648,987	1,701,007
Others	1,854,932	1,354,932
	17,341,922	14,933,217
Expected to be recovered after 12 months		
Carryforward benefits of MCIT	2,161,331	1,117,255
Retirement benefit obligation, net of rereasurement	5,832,234	7,482,734
Remeasurement loss on retirement plan	4,761,011	2,129,212
Net operating loss carry-over (NOLCO)	984,144	-
	13,738,720	10,729,201
	31,080,642	25,662,418

In 2025, the Club incurred NOLCO amounting to P984,144 which will expire in three years. There were no NOLCO incurred in 2024 and 2023.

In compliance with the tax regulations, the Club shall pay the greater of MCIT and regular corporate income tax (RCIT), starting in 2021. Any excess of MCIT over the RCIT shall be carried forward for the next three consecutive taxable years immediately following the year such MCIT was paid.

Details of the Club's excess of MCIT over RCIT are as follows:

Year incurred	Year of expiry	2025	2024
2021	2024	-	300,540
2022	2025	591,568	591,568
2024	2027	525,688	525,688
2025	2028	1,635,643	-
		2,752,899	1,417,796
Expired/Applied during the year		(591,568)	(300,540)
		2,161,331	1,117,256

The reconciliation of the income tax expense (benefit) computed at the statutory income tax rate to the effective income tax expense for the years ended December 31, as shown in profit or loss are as follows:

	2025	2024	2023
Income tax at statutory income tax rates	(2,934,587)	(5,721,988)	10,050,598
Adjust for income tax effects of:			
Non-deductible expenses	53,142,355	50,789,435	45,840,370
Change in unrecognized DIT assets	2,786,425	7,378,197	73,371
Expired MCIT	591,568	300,540	-
Non-taxable receipts	(50,390,073)	(49,442,674)	(49,808,954)
Income subject to final tax	(1,560,045)	(1,660,478)	(1,369,545)
	1,635,643	1,643,032	4,785,840

Critical accounting judgment: Recognition of deferred income tax assets

PFRS Accounting Standards require the recognition of DIT assets to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Determining the realizability of DIT assets requires the estimation of profits expected to be generated from operations when the temporary differences are expected to reverse or to be utilized.

As at each reporting period, management assessed that the Club will not generate sufficient future taxable profits to realize the DIT assets.

17 Related party transactions

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

Key management compensation for the years ended December 31 consists of:

	Terms and conditions	2025	2024	2023
Salaries and wages	Key management compensation covering	20,561,689	18,552,092	17,163,512
Retirement benefit expense	salaries, wages, and other short-term benefits is determined based on the contract of employment and payable in accordance with the Club's payroll period.	1,807,354	1,666,638	942,060
		22,369,043	20,218,730	18,105,572

The Club has not provided share-based payment, termination benefits and other long-term employee benefits, except for retirement benefits, to its key management personnel for the years ended December 31, 2025, 2024, and 2023.

18 Contingencies

The Club is currently a party to various lawsuits arising in the ordinary course of business. Management's estimate of the probable costs for these claims was developed in consultation with outside counsel and is based on an analysis of potential outcomes. Management and legal counsel believe these matters will not have a material effect on the Club's financial position or performance. As the Club has assessed that an outflow of resources is not probable, provision for probable losses was recognized as at December 31, 2025 and 2024.

Critical accounting estimates and assumptions: Contingencies

The Club is currently involved in certain legal proceedings. Estimates of the probable costs for the resolution of these claims have been developed in consultation with internal and external legal counsel and are based on the probability of potential outcomes. Management believes these proceedings will not have a material effect on the financial statements, especially considering the contract terms with previous shareholders. It is possible, however, that future results of operations could be materially affected by the actual outcome of these matters.

19 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Club makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) *Critical accounting estimates and assumptions*

- Expected credit loss (ECL) on receivables (Note 3)
- Depreciation of property and equipment (Note 6)
- Fair value estimation of land (Note 7)
- Retirement benefit obligation (Note 15)
- Contingencies (Note 18)

b) *Critical judgments in applying the Club's accounting policies*

- Determination of impairment of non-financial assets (Note 6)
- Recognition of deferred income tax assets (Note 16)

20 Financial risk and capital management

The Club's activities expose it to several financial risks, and those activities involve the analysis, evaluation, acceptance, and management of some degree of risk or a combination of risks. The Club's objective is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Club's financial performance.

Risk management is carried out by management under the direction of the Club's Board of Directors (BOD). The BOD, through the recommendation of the Finance Committee, reviews and approves written principles for overall risk management, as well as written policies and procedures covering specific areas, such as credit risk and liquidity risk. These policies and procedures enable management to make strategic and informed decisions with regard to the operations of the Club.

Components of financial assets and financial liabilities and related risk factors

Details of the Club's financial assets at amortized cost at December 31 are as follows:

	Notes	2025	2024
Cash and cash equivalents	2	128,429,159	136,693,866
Receivables, gross of allowance	3	72,234,238	67,792,606
		200,663,397	204,486,472

Prepayments and other current assets and other non-current assets as at December 31, 2025, amounting to P23,189,067 and P9,496,977, respectively, are considered as non-financial assets (2024 - P17,835,264 and P11,567,138, respectively).

Details of financial liabilities at amortized cost as at December 31 are as follows:

	Notes	2025	2024
Accounts payable and other current liabilities	8	73,864,063	71,574,050
Deposit from assignees and others	9	15,924,366	16,005,852
		89,788,429	87,579,902

Accounts payable and other liabilities as at December 31, 2025, exclude payable to government agencies amounting to P6,965,456 (2024 - P4,913,921) and deposit for reacquired shares amounting to P3,000,000 (2024 - P9,500,000) as these are not considered as financial liabilities. Contract liabilities as at December 31, 2025, amounting to P10,049,489 (2024 - P5,119,234), which pertain to advances received from members for the monthly dues.

The carrying values of cash, receivables, accounts payable, and other liabilities (excluding payable to government agencies and deposits for reacquired shares) approximate fair values due to their relatively short-term maturity.

20.1 Credit risk

The principal financial risk faced by the Club is credit risk associated with its cash and receivables. This risk arises should a customer or counterparty fail to discharge an obligation, thereby causing the Club to incur a financial loss. The Club's maximum exposure to credit risk at the end of each reporting period is represented by the carrying value of its financial assets.

The Club applies the PFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for trade receivables, and the general approach is applied for cash and non-trade receivables.

The table below shows the maximum exposure to credit risk for the Club's financial assets, without taking account of any collateral and other credit enhancements:

	Notes	2025	2024
Cash and cash equivalents*	2	127,929,159	136,193,866
Receivables:	3		
Receivable from members		58,185,330	50,717,179
Advances to officers and employees**		2,274,436	2,574,329
Receivable from credit card companies		2,210,666	2,953,228
Receivable from concessionaires		353,292	534,204
Others		7,250,734	10,258,316
Total credit risk exposure		198,203,617	203,231,122

*Excluding cash on hand amounting to P500,000.

**Excluding car loans amounting to P1,959,780 (2024 - P755,350)

The analysis of financial assets are as follows:

	Neither past due nor impaired	1-30 days	31-60 days	Impaired	Total
2025					
Cash and cash equivalents*	127,929,159	-	-	-	127,929,159
Receivables from members	5,202,720	1,657,375	3,039,065	48,286,170	58,185,330
Advances to officers and employees**	2,273,022	-	-	1,414	2,274,436
Credit card	1,883,652	-	-	327,014	2,210,666
Concessionaire	353,292	-	-	-	353,292
Others	964,006	3,431,466	117,849	2,737,413	7,250,734
	138,605,851	5,088,841	3,156,914	51,352,011	198,203,617
2024					
Cash and cash equivalents*	136,193,866	-	-	-	136,193,866
Receivables from members	2,571,781	1,441,235	2,664,177	44,039,986	50,717,179
Advances to officers and employees**	2,533,517	-	-	40,812	2,574,329
Credit card	2,626,214	-	-	327,014	2,953,228
Concessionaire	534,204	-	-	-	534,204
Others	769,935	2,927,390	3,459,693	3,101,298	10,258,316
	145,229,517	4,368,625	6,123,870	47,509,110	203,231,122

*Excluding cash on hand amounting to P500,000.

**Excluding car loans amounting to P1,959,780 (2024 - P755,350)

It is the Club's policy that any individual or corporation who wishes to become a member or assignee be subjected to strict membership qualification screening. Receivables are monitored on an ongoing basis and it is the Club's policy that receivables from members outstanding for more than 90 days be provided with 100% allowance for impairment. Shares with substantial delinquent balances are being auctioned in accordance with the Club's policy.

The table below shows the credit quality of the Club's receivables based on their historical experience with the corresponding third parties.

	Neither past due nor impaired - high	Past due but not impaired -standard	Impaired	Total
2025				
Cash and cash equivalents*	127,929,159	-	-	127,929,159
Receivable from members	5,202,720	4,696,440	48,286,170	58,185,330
Advances to officers and employees**	2,273,022	-	1,414	2,274,436
Credit card	1,883,652	-	327,014	2,210,666
Concessionaire	353,292	-	-	353,292
Others	964,006	3,549,315	2,737,413	7,250,734
	138,605,851	8,245,755	51,352,011	198,203,617
2024				
Cash and cash equivalents*	136,193,866	-	-	136,193,866
Receivable from members	2,571,781	4,105,412	44,039,986	50,717,179
Advances to officers and employees**	2,533,517	-	40,812	2,574,329
Credit card	2,626,214	-	327,014	2,953,228
Concessionaire	534,204	-	-	534,204
Others	769,935	6,387,083	3,101,298	10,258,316
	145,229,517	10,492,495	47,509,110	203,231,122

*Excluding cash on hand amounting to P500,000.

**Excluding car loans amounting to P1,959,780 (2024 - P755,350)

Receivables classified as "high" grade are those with high probability of collection. "Standard" grade covers accounts with customers having unpredictable and irregular payment behavior and those with pending payment negotiations.

Cash and cash equivalents are deposited in top ten banks in the Philippines, hence, considered high grade.

20.2 Liquidity Risk

Liquidity risk arises from the possibility that the Club may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.

The Club monitors its risk to a shortage of funds through monitoring of financial assets and projected cash flows from operations. The Club's objectives to manage its liquidity profile are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

The Club manages its liquidity risk by maintaining financial position strength and quality where debt-to-equity ratio should not exceed 1:1. The Club also maintains a financial strategy that the scheduled debts are well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities based on contractual undiscounted payments:

	Notes	Carrying amount	Within 12 months	Beyond 12 months
<i>At December 31, 2025</i>				
Trade payables:	8			
Third parties		37,378,931	37,378,931	-
Due to members		3,728,691	3,728,691	-
Related parties		821,558	821,558	-
Deposit from assignees and others	9	15,924,366	13,754,366	2,170,000
Accrued expenses	8	22,283,911	22,283,911	-
Consignment and due to concessionaires	8	2,790,295	2,790,295	-
Others	8	6,860,677	6,860,677	-
		89,788,429	87,618,429	2,170,000
<i>At December 31, 2024</i>				
Trade payables:	8			
Third parties		30,010,812	30,010,812	-
Due to members		7,106,360	7,106,360	-
Related parties		98,210	98,210	-
Deposit from assignees and others	9	16,005,852	14,150,852	1,855,000
Accrued expenses	8	15,545,502	15,545,502	-
Consignment and due to concessionaires	8	8,971,615	8,971,615	-
Others	8	9,861,551	9,861,551	-
		87,599,902	85,744,902	1,855,000

20.3 Capital Management

The primary objective of the Club's capital management is to safeguard the Club's ability to continue as a going concern, so that it can continue to provide service to its members and benefits for other stakeholders.

The Club monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as total liabilities divided by total equity.

The Club's strategy, which was unchanged from prior period, was to maintain the debt-to-equity ratio not exceeding 1:1. The debt-to-equity ratio is as follows:

	2025	2024
Total current liabilities	107,633,374	105,278,058
Total non-current liabilities	2,148,801,182	2,144,560,988
Total liabilities (a)	2,256,434,556	2,249,839,046
Total equity (b)	6,934,562,498	6,951,963,685
Debt-to-equity ratio (a/b)	0.33:1.00	0.32:1.00

The Club is not subject to externally imposed capital requirements. The Club's capital is represented by the total members' equity as presented in the statement of financial position.

21 Fair value measurement

Details of the Club's asset measured at fair value as at December 31, 2025 and 2024 follows:

	Total	Level 1 Quoted Prices in Active Markets	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
Land	8,544,511,400	-	-	8,544,511,400

The carrying value of the Club's financial assets and liabilities approximate their fair values as at December 31, 2025 and 2024 due to the short-term nature of these financial instruments.

22 Summary of material accounting policy information

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

22.1 Basis of preparation

These financial statements of the Club have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy (BOA) and adopted by the Securities and Exchange Commission (SEC).

The financial statements have been prepared on a historical cost basis of accounting, except for the following:

- land which is measured at the revalued amount; and
- net retirement benefits liability, which is measured at the present value of defined benefits obligation less the fair value of the plan assets.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are summarized in Note 19.

22.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Club

The Club has applied the following amendment for the first time for its annual reporting period commencing January 1, 2025:

- Lack of Exchangeability - Amendments to PAS 21

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not, which were subsequently adopted locally as PAS 21. Prior to these amendments, PAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The amendment outlined above apply to the Club and have not affected the financial amounts recognized in the current or prior periods. There are no other new standards, amendments, and interpretations to existing standards effective January 1, 2025, that are considered to be relevant on the Club's financial statements.

(b) New and amended standards and interpretation not yet adopted

Certain new accounting standards, and amendments and interpretations to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Club. The Club's assessment of the impact of these new standards and amendments applicable to the Club is set out below:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after January 1, 2026)

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 relating to the classification, measurement, and derecognition of financial instruments, which were subsequently adopted locally as PFRS 9 and PFRS 7, to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

In September 2025, the PIC issued PIC Q&A No. 2025-03, which provides interpretative guidance on the application of the amendments in PFRS 9 and PFRS 7 in the Philippine setting, particularly for financial assets and financial liabilities settled through electronic payment systems. The amendments clarify:

- the timing of recognition and derecognition of financial assets and financial liabilities;
- the derecognition date of financial liabilities, which is generally the settlement date; and
- an accounting policy option allowing entities, under specified conditions, to derecognize financial liabilities settled through electronic fund transfers (e.g., PESONet, InstaPay) on the payment initiation date, rather than on the settlement date.

The guidance also clarifies the accounting treatment for:

- trade receivables and trade payables settled through electronic fund transfers, cheques, and manager's cheques;
- cash in transit and receivables from financial intermediaries arising from electronic settlements; and
- the circumstances under which such amounts may be classified as cash and cash equivalents.

The Club has not yet decided whether – and, if so, to what extent – it will elect to derecognize financial liabilities before the settlement date where they are settled in cash using an electronic cash transfer system eligible for this election. The Club is currently assessing whether the election should be applied to any of its electronic transfer payment systems.

The rest of these amendments are not expected to have a material impact on the financial statements of the Club.

- Annual Improvements to PFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after January 1, 2026)

These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The amended Standards are:

- PFRS 1 First-time Adoption of International Financial Reporting Standards;
- PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7;
- PFRS 9 Financial Instruments;
- PFRS 10 Consolidated Financial Statements; and
- PAS 7 Statement of Cash Flows.

The Club does not expect these amendments to have a material impact on its operations or separate financial statements.

- PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Club's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Club's net profit, the Club expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Club does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the *aggregation/disaggregation principles*. *In addition, there will be significant new disclosures required for:*
 - *management-defined performance measures;*
 - *a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and*
 - *for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.*
- *From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.*

The Club will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

22.3 Financial assets

22.3.1 Classification and presentation

(a) Classification

The Club classifies its financial assets in the following measurement categories:

- a. those measured subsequently at fair value [either through OCI (FVOCI) or through profit or loss (FVTPL); and
- b. those measured at amortized cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows. The Club did not hold financial assets under category (a) during and as at December 31, 2025 and 2024. The Club's financial assets under category (b) includes cash and cash equivalents (Note 2) and receivables (Note 3).

(b) Recognition and subsequent measurement

The Club recognizes a financial asset in the statements of financial position when the Club becomes a party to the contractual provisions of the instrument. Regular-way purchases and sales of financial assets are recognized on trade date - the date on which the Club commits to purchase or sell the asset.

At initial recognition, the Club measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequently, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(c) Impairment

The Club assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Club are measured on either of the following bases:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

(d) Simplified approach

The Club applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with PFRS 15.

Additionally, the Club elects an accounting policy to recognize full lifetime expected losses for all contract assets and/or all trade receivables that do constitute a financing transaction in accordance with PFRS 15.

(e) General approach

The Club applies the general approach to provide for ECLs on non-trade receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Club assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and includes forward-looking information.

The Club considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Club is exposed to credit risk.

(f) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Club has substantially transferred all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in the statements of total comprehensive income and presented in other gains/(losses).

22.3.2 Credit-impaired financial assets

At each reporting date, the Club assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract, such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

22.4 Financial liabilities

(a) Classification

The Club classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

Financial liabilities at fair value through profit or loss have two sub-categories: (i) financial liabilities classified as held for trading; and (ii) financial liabilities designated by the Club as at fair value through profit or loss upon initial recognition.

The Club does not have financial liabilities at fair value through profit or loss.

The Club's financial liabilities at amortized cost consist mainly of accounts payable and other liabilities (except payable to government agencies and deposits for reacquired shares) (Note 8) and deposits from assignees and others (Note 9).

(b) Recognition and measurement

Financial liabilities at amortized cost are recognized at fair value in the statements of financial position when, and only when, the Club becomes a party to the contractual provisions of the instrument.

Other financial liabilities at amortized cost are initially measured at fair value plus transaction cost, which normally equal its nominal amount. These are subsequently measured at amortized cost using the effective interest rate method.

(c) Derecognition

Financial liabilities at amortized cost are derecognized when it is extinguished, that is, when the obligation specified in a contract is discharged or cancelled, or when the obligation has expired.

22.5 Fair value measurement

Non-financial assets

For non-financial assets, the Club uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities, or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined based on the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

A significant non-financial asset of the Club is land, which is carried at fair value under Level 3 hierarchy.

The Club has no other significant non-financial assets and liabilities carried at fair value.

22.6 Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

22.7 Receivables

Receivables arising from regular service, with an average credit term of 30 to 90 days, are initially recognized at transaction price and subsequently measured at amortized cost less provision for impairment, if any.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment, if any.

The relevant policies on classification, recognition, measurement, impairment, and derecognition are further disclosed in Note 22.

22.8 Property and equipment

Property and equipment are carried at cost less accumulated depreciation, amortization, and impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Land is not depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Asset class	Estimated useful lives in years
Land improvements	5 to 10 buildings and structures
Buildings	47
Facilities and equipment	3 to 10
Furniture and fixtures	5
Kitchen equipment	5

The residual values, useful lives, and depreciation method are reviewed and adjusted if appropriate, at each financial year-end, to ensure that the residual values, periods, and the method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use.

Construction in-progress represents properties under construction and is stated at cost. This includes costs of construction and other direct costs. Construction in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and the related accumulated depreciation are removed from the accounts. Any gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in profit or loss in the year the property and equipment is derecognized.

Land at revalued amount

Land is initially measured at cost, which consists of the purchase price and any directly attributable costs.

Land is subsequently measured at revalued amount less any accumulated impairment in value and subsequently measured using the revaluation method. Land is not depreciated.

Revalued amounts are determined through the appraisal of an external, independent, and SEC-accredited appraisal company. Revaluations are made in every two years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The net appraisal increment resulting from the revaluation was credited to "Revaluation increment on land" account shown in the members' equity section of the statement of financial position and the statement of changes in members' equity.

Any decrease in the carrying amount resulting from a revaluation is recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income (OCI) also reduces the "Revaluation increment on land" account in the members' equity section of the statement of financial position.

22.9 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that an asset (e.g., land at revalued amount, property and equipment) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

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

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

22.10 Contract liabilities and deposits from assignees and others

(a) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities also include payments received by the Club from the customer for which revenue recognition has not yet commenced.

(b) Deposits from assignees and others

Deposits from assignees and others represent refundable deposits from assignees for playing rights and deposits from food and beverage concessionaires. Deposits from assignees are being recognized by the Club once the member assigned its playing rights to the assignee. These are refundable at the end of the assignment term.

22.11 Employee Benefits

Net retirement benefits liability

The net defined benefits liability is the aggregate of the present value of the defined benefits obligation (DBO) at the end of the reporting date, reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefits asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefits costs comprise the following:

- (a) Service cost
- (b) Net interest on the net defined benefits liability or asset
- (c) Remeasurements of net defined benefits liability or asset

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

Net interest on the net defined benefits 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 benefits liability or asset. Net interest on the net defined benefits liability or asset is recognized as an expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise.

22.12 Share capital

Share capital has no par value. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Proceeds and/or fair value of consideration received are recognized as share capital.

(a) Excess of proceeds over cost from re-issuance of shares of delinquent members

Excess of proceeds over cost from re-issuance of shares of delinquent members is the excess between the consideration received and the cost of reacquired shares from delinquent members.

(b) Shares of delinquent members acquired through auctions

This represents the shares of delinquent members which were acquired by the Club through auctions pursuant to the Club's Articles of Incorporation and By-laws in settlement of members' long outstanding receivables.

(c) Cumulative excess of expenses over receipts

Cumulative excess of expenses over members' contributions and fees includes current and prior years' results, net of transactions with shareholders, if any.

(d) Other comprehensive income (OCI)

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards.

22.13 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is 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, excluding amounts collected on behalf of third parties. Revenue is recognized when the Club satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The Club assesses its revenue against specific criteria to determine if it is acting as principal or agent. The Club has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in the revenue arrangements, has pricing latitude and is also exposed to inventory risks.

The following specific recognition criteria must also be met before revenue is recognized.

Membership Dues. Membership dues are billed one month in advance and are recognized over time when earned and when no significant doubt as to its collectability exists. Advance collection of membership dues is recognized as "Contract liabilities" account in the statement of financial position.

Assignment fees. Assignment fees are revenue related to playing rights being transferred from a member to an assignee for a period of time. These are recognized at a point in time when services related to the assignment of playing rights are rendered.

Transfer Fees. Transfer fees represent income from the registration of the transfer of ownership of a golf share in the Club's stock and transfer book. Revenues are recognized at a point in time when services related to the transfer of ownership are rendered.

Green Fees. Revenue from the use of the Club's golf course by non-members is recognized at a point in time when the golf course is used.

Tournament fees. Tournament fees represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.

Grand raffle tickets. Revenue is recognized at the point in time when the customers receive raffle tickets which coincides with the receipt and acknowledgement of the customer on the same day of the grand raffle event.

Recreational Facilities Fees and Facilities Rental. Revenue from the use of the Club's facilities is recognized at a point in time when facilities are used.

Pro Shop Sales and Pro Shop Commission. Revenue is recognized at the point in time when the customer obtains control of the goods, which coincides with the receipt and acknowledgment by the customer of the goods. Commission is computed as a certain percentage of the consignor's selling price.

Concessionaire's Fee. Income derived from entities allowed to do business within the Club premises is recognized in accordance with the terms of the agreement. Commission is recognized over time and is computed as a certain percentage of the sales of the concessionaire.

Interest Income. Revenue is recognized as the interest accrues, and collection is reasonably assured.

Miscellaneous Income. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

22.14 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset even if the right is not explicitly specified in the arrangement.

Club as a Lessor

Leases where the Club does not transfer all the risks and benefits of ownership of the asset substantially are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

22.15 Current and deferred income tax

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

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized.

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

22.16 Provisions

Provisions are recognized when the Club has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where that Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect management's current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized from the statement of financial position.

22.17 Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

23 Supplementary information required by the Bureau of Internal Revenue (BIR)

The following information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements

23.1 Revenue regulation (RR) No. 15-2010

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared for the year ended December 31, 2025 and the gross revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT declared
Subject to 12% VAT	173,655,961	20,838,715
Exempt	201,151,867	-
Zero rated	425,308	-
Total	375,233,136	20,838,715

Zero-rate and exempt sales pertain to transactions under G.R. No.228539 of the Supreme Court (SC) ruling.

(b) Input VAT

Movement in input VAT for the year ended December 31, 2025, is as follows:

	Amount
At January 1	
Current year's domestic purchases:	
Domestic purchases	23,297,135
Capital goods subject to amortization	215,163
	23,512,298
Less deductions from input VAT:	
Input Tax on Purchases of Capital Goods subject to amortization	(42,081)
Input tax allocated to exempt sales	(12,576,769)
Application against output VAT	(10,893,448)
At December 31	-

(c) Importations

The Club has no importations for the year ended December 31, 2025, hence no tariffs and custom duties paid.

(d) Excise taxes

The Club is not engaged in the manufacture or production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition.

(e) Documentary stamp taxes

Documentary stamp taxes paid for the year ended December 31, 2025 consist of:

Transfer of shares	7,094
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(f) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2025 consist of:

	Amount
Real property taxes	8,839,341
Licenses and permit fees	1,104,933
Processing and brokerage	744,000
Documentary stamp taxes	7,094
	10,695,368

The amounts above are accounted for under taxes and licenses in operating expenses other than depreciation as presented in the statement of total receipts and expenses.

(g) Withholding taxes

Withholding taxes accrued and paid as at and for the year ended December 31, 2025 consists of:

	Paid	Accrued	Total
Withholding tax on compensation	5,095,688	554,122	5,649,810
Expanded withholding tax	1,530,078	330,438	1,860,516
Fringe benefit tax	1,383,168	450,348	1,833,516
Final withholding tax	567,635	567,321	1,134,956
	8,576,569	1,902,229	10,478,798

Fringe benefit tax is included under taxes and licenses in operating expenses other than depreciation, as presented in the statement of total receipts and expenses.

(h) Tax assessments

No tax assessment was settled during the year. Likewise, the Club did not receive any Final Assessment Notice for the year ended December 31, 2025.

(i) Tax cases

The Club did not have any outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2025.

23.2 BIR Revenue Regulation (RR) 34-2020

On December 18, BIR issued RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD, and other supporting documents by providing safe harbors and materiality thresholds. Section 2 of the RR provides the list of taxpayers that are required to file and submit the RPT Form, together with the Annual Income Tax Return.

The Club is not covered by the requirements and procedures for related party transactions provided under this RR as it does not meet any criteria of taxpayers prescribed in Section 2 of the RR.

Second Section



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Members of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Km 27 Aguinaldo Highway, Salitran,
Dasmariñas City, Cavite

We have audited the accompanying financial statements of The Orchard Golf & Country Club, Inc. as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 8, 2026. The supplementary information shown in Schedules A, B, C, D, E, F, and G, as additional components required by SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information have been prepared in accordance with SRC Rule 68.

Isla Lipana & Co.

Catherine H. Santos

Partner

CPA Cert. No. 0110097

P.T.R. No. 0011422; issued on January 8, 2026 at Makati City

SEC A.N. (individual) as general auditors 110097-SEC, Category A;

valid to audit 2020 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 211-726-564

BIR A.N. 08-000745-132-2023, issued on May 9, 2023; effective until May 8, 2026

BOA/PRC Reg. No. 0142/P-016, effective until November 14, 2028

Makati City
April 8, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Members of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Km 27 Aguinaldo Highway, Salitran,
Dasmariñas City, Cavite

We have audited in accordance with Philippine Standards on Auditing, the accompanying financial statements of The Orchard Golf & Country Club, Inc. as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Club's management. These financial soundness indicators are not measures of operating performance defined by PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Club's financial statements as at December 31, 2025 and 2024 and for the years then ended and no material exceptions were noted.

Isla Lipana & Co.

Catherine H. Santos
Partner

CPA Cert. No. 0110097

P.T.R. No. 0011422; issued on January 8, 2026 at Makati City

SEC A.N. (individual) as general auditors 110097-SEC, Category A;
valid to audit 2020 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 211-726-564

BIR A.N. 08-000745-132-2023, issued on May 9, 2023; effective until May 8, 2026

BOA/PRC Reg. No. 0142/P-016, effective until November 14, 2028

Makati City
April 8, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Schedule of Financial Soundness Indicator
December 31, 2025 and 2024

Ratio	Formula	2025	2024
Current Ratio	Total current assets	176,272,503	178,684,840
	Divided by: Total current liabilities	107,633,374	105,278,058
	Current ratio	1.64	1.70
Acid test ratio	Total current assets	176,272,503	178,684,840
	Less: Other current assets	26,961,117	21,707,478
	Quick assets	149,311,386	156,977,362
	Divided by: Total current liabilities	107,633,374	105,278,058
	Acid test ratio	1.39	1.49
Solvency ratio	Profit (loss) after tax	(13,373,993)	(24,530,983)
	Add: Depreciation expense	56,736,825	52,656,102
	Income after tax, before depreciation	43,362,832	28,125,119
	Divided by: Total liabilities	2,256,434,556	2,249,839,046
	Solvency ratio	0.019	0.013
Debt-to-equity ratio	Total liabilities	2,256,434,556	2,249,839,046
	Divided by: Total equity	6,934,562,498	6,951,963,685
	Debt-to-equity ratio	0.33	0.32
Asset-to-equity ratio	Total assets	9,190,997,054	9,201,802,731
	Divided by: Total equity	6,934,562,498	6,951,963,685
	Asset-to-equity ratio	1.33	1.32
Interest rate coverage ratio	Profit (loss) before interest and tax	(11,738,350)	(22,887,951)
	Divided by: Interest expenses	-	-
	Interest rate coverage ratio	N/A	N/A
Return on equity	Profit (loss) after tax	(13,373,993)	(24,530,983)
	Divided by: Average total equity	6,943,263,092	6,851,880,669
	Return on equity	(0.19%)	(0.36%)
Return on asset	Profit (loss) after tax	(13,373,993)	(24,530,983)
	Divided by: Average total assets	9,196,399,893	9,063,949,676
	Return on asset	(0.15%)	(0.30%)
Net profit margin	Profit (loss) after tax	(13,373,993)	(24,530,983)
	Divided by: Net revenue	380,226,661	365,087,277
	Net profit margin	(3.52%)	(6.72%)

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

Schedule A - Financial Assets
As at December 31, 2025
(All amounts in Philippine Peso)

Title of Issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash on hand	Not applicable	500,000	Not applicable	-
Cash in banks				
Bank of Commerce	Not applicable	697,248	Not applicable	1,604
BDO Unibank, Inc.	Not applicable	14,014,978	Not applicable	4,906
China Banking Corporation	Not applicable	5,876,492	Not applicable	5,639
Bank of the Philippine Islands	Not applicable	2,504,376	Not applicable	3,318
Short-term deposits				
Bank of Commerce	Not applicable	16,000,000	Not applicable	1,058,940
BDO Unibank, Inc.	Not applicable	28,398,301	Not applicable	2,151,502
China Banking Corporation	Not applicable	37,792,062	Not applicable	1,727,736
Bank of the Philippine Islands	Not applicable	22,645,702	Not applicable	1,274,169
Total cash and cash equivalents		128,429,159		6,227,814
Receivables	Not applicable	20,882,226	Not applicable	115,366
Total financial assets		149,311,385		6,343,180

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

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Shareholders (other than Related Parties)
As at December 31, 2025
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of year
Various officers and employees	3,329,679	8,601,548	7,697,011	-	4,234,216	-	4,234,216

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

Schedule C - Amounts Receivable from Related Parties, which are eliminated
during the consolidation of financial statements
As at December 31, 2025

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of year
Not applicable							

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

Schedule D - Long-Term Debt
As at December 31, 2025

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under "Borrowing, current portion" in the statement of financial position	Amount shown under "Borrowing, net of current portion" in the statement of financial position
Not applicable			

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

Schedule E - Indebtedness to Related Parties
As at December 31, 2025

Name of related party	Balance at beginning of year	Balance at end of year
Not applicable		

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

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2025

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

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

Schedule G - Capital Stock
As at December 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Class A	1,800	1,800	-	-	7	1,793
Class B	700	700	-	-	-	700
Class C	500	500	-	-	-	500
	3,000	3,000	-	-	7	2,993

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

Schedule H
Supplementary Schedule of External Auditor Fee-Related Information
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	2025	2024
Total audit fees*	379,525	337,498
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	20,050	78,964
Total non-audit fees	20,050	78,964
Total audit and non-audit fees	399,575	416,462

**Amounts presented are net of value-added tax (VAT)*

Audit and non-audit fees of other related entities

	2025	2024
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	42,348	500,000
All other services	-	-
Total audit and non-audit fees of other related entities	42,348	500,000