

SEC Number

AS092-000798

File Number

COVER SHEET

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A NONPROFIT ORGANIZATION)

(Company's Full Name)

**Km. 27 Aguinaldo Highway, Salitran,
Dasmariñas City, Cavite 4114**

(Company's Address)

(02) 8982-2000

(Telephone Number)

December 31

(Year Ending)
(Month & day)

SEC FORM 17-Q

Form Type

SEC FORM 17-Q

Amendment Designation (if applicable)

March 31, 2026

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2026.**
2. Commission identification number **AS092-000798** 3. BIR Tax Identification No. **002-829-253**
4. Exact name of issuer as specified in its charter **The Orchard Golf & Country Club, Inc.**
5. Province, country or other jurisdiction of incorporation or organization **Philippines**
6. Industry Classification Code: (SEC Use Only)
7. **Km. 27 Aguinaldo Highway, Salitran, Dasmariñas City, Cavite** **4114**
Address of issuer's principal office Postal Code
8. **(02) 8982-2000**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Class "A"	1,800
Class "B"	700
Class "C"	500

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [] No []

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

Yes [] No []

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements.


Statements of Financial Position
Statements of Comprehensive Income
Statements of Changes in Equity
Statements of Cash Flow
Notes to Financial Statements

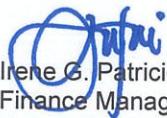
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

SIGNATURES

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

Registrant: THE ORCHARD GOLF & COUNTRY CLUB, INC.

Signature and Title: 
Jose Ernilo P. Famy
General Manager & Chief Operating Officer
Date: April 29, 2026



Irene G. Patricio
Finance Manager
Date: April 29, 2026

SUBSCRIBED AND SWORN to before me this 30 APR 2026 at IMUS CITY, CAVITE
_____ affiants exhibiting to me their respective Tax Identification Numbers, to wit:

Jose Ernilo P. Famy
Irene G. Patricio

TIN No. 107-081-014
TIN No. 305-589-772

Doc. No.: 128
Page No.: 24
Book No.: 65
Series of 2026


Atty. Crisanto U. Pascual JR.
Notary Public
NP Case No. 003080-24 until December 2026
Roll of Atty. 37535 / TIN: 117566655 / MCLE No. VII-001036
IBP O.R. 486746 (2) PTR 2482748
Imus City, Province of Cavite *Philippines, 4103

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A non-profit organization)

Financial Statements

As of March 31, 2026 (Unaudited) and December 31, 2025 (Audited)
And for the quarters ended March 31, 2026, and 2025 (Unaudited)

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A non-profit organization)

STATEMENTS OF FINANCIAL POSITION

(All amounts in Philippine Peso)

		(Unaudited) March 31, 2026	(Audited) December 31, 2025
	Note		
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	2	191,396,007	128,429,159
Receivables, net	3	16,909,394	20,882,227
Inventories	4	4,773,803	3,772,050
Prepayments and other current assets	5	22,174,650	23,189,067
Total current assets		235,253,854	176,272,503
Non-current assets			
Property and equipment, net	6	460,236,988	460,716,175
Land at revalued amount	7	8,544,511,400	8,544,511,400
Other non-current assets		15,315,987	9,496,977
Total non-current assets		9,020,064,375	9,014,724,552
Total assets		9,255,318,229	9,190,997,055
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Accounts payable and other current liabilities	8	77,443,513	83,829,519
Contract liabilities	9	74,833,468	10,049,490
Deposits from assignees and others	9	14,699,933	13,754,366
Total current liabilities		166,976,914	107,633,375
Non-current liabilities			
Deposits from assignees and others, net of current portion	9	2,170,000	2,170,000
Retirement benefit obligation	15	43,939,672	42,372,982
Deferred income tax liability		2,104,258,200	2,104,258,200
Total non-current liabilities		2,150,367,872	2,148,801,182
Total liabilities		2,317,344,786	2,256,434,557
Members' equity			
Share capital		1,083,103,341	1,083,103,341
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members		37,290,251	37,290,251
Shares of delinquent members acquired through auctions	11	(52,292,687)	(52,292,687)
Revaluation increments on land, net		6,312,774,600	6,312,774,600
Remeasurement on retirement benefits, net		(19,044,043)	(19,044,043)
Cumulative excess of expenses over receipts		(423,858,019)	(427,268,964)
Total members' equity		6,937,973,443	6,934,562,498
Total liabilities and members' equity		9,255,318,229	9,190,997,055

THE ORCHARD GOLF & COUNTRY CLUB, INC.
(A non-profit organization)

STATEMENTS OF COMPREHENSIVE INCOME
(All amounts in Philippine Peso)

	Note	(Unaudited)	
		Quarters Ended March 31	
		2026	2025
Members' dues and fees			
Membership dues		36,714,000	36,800,500
Transfer and assignment fees		18,893,873	14,489,167
Total members' dues and fees		55,607,873	51,289,667
Revenues from club operations			
Green fees		20,481,244	23,309,857
Golf cart fees		13,096,621	11,476,311
Concessionaire's fee		3,119,033	2,969,060
Facilities rental		2,102,603	1,822,952
Tournament fees		2,006,476	1,637,415
Recreational facilities fees		1,751,829	960,645
Alcoholic drink sales		1,210,247	1,209,415
Practice range fees		965,174	829,530
Proshop commission		679,031	562,423
Proshop sales		263,757	464,467
Others-net		1,380,729	427,989
Total revenue from club operations		47,056,744	45,670,064
Total receipts		102,664,617	96,959,731
Cost of goods sold and services	12	(36,485,808)	(31,694,100)
Excess of receipts over cost before operating expenses, other income and depreciation expense		66,178,809	65,265,631
Operating expenses other than depreciation	13	(46,063,181)	(40,303,895)
Interest income	2	1,316,242	1,609,169
Provision for doubtful accounts, net	3	(3,953,038)	(2,496,225)
Other income, net	14	1,115,662	861,185
Excess of receipts and other income over costs and operating expenses other than depreciation expense		18,594,494	24,935,865
Depreciation expense	6	(14,933,550)	(13,830,504)
Excess of receipts over expenses before income tax		3,660,944	11,105,361
Income tax expense		(250,000)	(250,000)
Excess of receipts over expenses after income tax for the year		3,410,944	10,855,361
Basic and diluted earnings per share	10	1,279	4,075

THE ORCHARD GOLF & COUNTRY CLUB, INC.
(A non-profit organization)

STATEMENTS OF CHANGES IN EQUITY
 (All amounts in Philippine Peso)

(Unaudited)			
Quarters Ended March 31			
	Note	2026	2025
Share capital		1,083,103,341	1,083,103,341
Excess of proceeds over cost from re-issuance of shares of delinquent members		37,290,251	31,419,251
Shares of delinquent members acquired through auctions	11	(52,292,687)	(52,921,687)
Revaluation increment on land - net		6,312,774,600	6,312,774,600
Remeasurement on retirement benefits - net		(19,044,043)	(8,516,849)
Cumulative excess of expenses over members' contributions and fees		(423,858,019)	(403,039,609)
Total members' equity		6,937,973,443	6,962,819,047

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A non-profit organization)

STATEMENTS OF CASH FLOWS

(All amounts in Philippine Peso)

(Unaudited)			
Quarters Ended March 31			
	Note	2026	2025
Cash flows from operating activities			
Excess of receipts over expenses before income tax		3,660,944	11,105,361
Adjustments for:			
Depreciation expense	6	14,933,550	13,830,504
Provision for impairment of receivables	3	3,953,038	2,496,225
Retirement benefit cost	15	1,566,690	904,281
Interest income	2	-	(1,609,169)
Excess of receipts over expenses before working capital changes		24,114,222	26,727,202
Decrease (increase) in:			
Receivables	3	19,795	3,835,215
Inventories	4	(1,001,753)	(139,824)
Prepayments and other current assets	5	1,014,417	(5,485)
Other non-current assets		(5,819,010)	1,462,942
Increase (decrease) in:			
Accounts payable and other current liabilities	8	(6,636,006)	(5,473,689)
Contract liabilities	9	64,783,979	63,013,785
Deposits from assignees and others	9	945,567	520,611
Cash generated from operations		77,421,211	89,940,757
Interest received	2	-	1,609,169
Contributions	15	-	(2,500,000)
Retirement benefits paid	15	-	(1,691,872)
Net cash provided by operating activities		77,421,211	87,358,054
Cash flows from investing activities			
Additions to property and equipment	6	(14,454,363)	(22,711,914)
Net cash used in investing activities		(14,454,363)	(22,711,914)
Net increase in cash		62,966,848	64,646,140
Cash and cash equivalents at beginning of the year		128,429,159	136,693,866
Cash and cash equivalents at end of the period		191,396,007	201,340,006

THE ORCHARD GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)

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

Note 1 – General 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, comprising 3,000 proprietary certificates, of which 7 are founders’ certificates, and 2,993 are regular certificates.

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

Note 2 – Cash and cash equivalents

Cash and cash equivalents as at March 31, 2026 and December 31, 2025 consist of:

	March 31, 2026	December 31, 2025
Cash on hand	750,000	500,000
Cash in banks	42,668,161	23,093,094
Short-term deposits	147,977,846	104,836,065
	191,396,007	128,429,159

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 4% to 7.75%.

Interest income earned from cash in banks and short-term deposits for the quarter ended March 31, 2026 amounted to P1,316,242 (December 31, 2025 – P6,343,180). Other interest income amounting to P56,672 (December 31, 2025 – P115,366) is earned from loans provided to officers presented as part of advances to officers and employees.

Note 3 – Receivables, net

Receivables, net as at March 31, 2026 and December 31, 2025 consist of:

	March 31, 2026	December 31, 2025
Receivables from members	56,379,382	58,185,330
Advances to officers and employees	4,347,025	4,234,217
Receivable from credit card companies	462,680	2,210,665
Receivable from concessionaires	432,060	353,292
Others	8,197,297	7,250,734
	69,818,444	72,234,238
Allowance for doubtful accounts	(52,909,050)	(51,352,011)
	16,909,394	20,882,227

Receivables from members are non-interest-bearing and have a 30-days term, subject to 3% penalty per month for unpaid amounts. Late payment charges for the quarter ended March 31, 2026 amounting to P1,031,487 (December 31, 2025 – P2,024,679) are recognized in profit or loss within other income.

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 have a credit term of 30 days.

Other receivables are non-interest-bearing and normally have 30 to 90 days term.

The movements in the allowance for impairment of receivables for the quarter ended March 31, 2026 and year ended December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Beginning of the year	51,352,011	47,509,110
Provision for impairment of receivables	3,953,039	4,022,080
Write-off	(2,396,000)	(179,179)
Reversal	-	-
End of the year	52,909,050	51,352,011

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 taking into account past events, current conditions, and 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.

Note 4 – Inventories

Inventories at cost as at March 31, 2026 and December 31, 2025 consist of:

	March 31, 2026	December 31, 2025
Golf operations and maintenance supplies	1,869,104	1,858,731
Proshop items	605,892	428,869
Alcoholic Drinks	564,023	171,206
Clubhouse maintenance supplies	533,899	536,849
Office and computer supplies	519,908	557,447
Other supplies	680,977	218,948
	4,773,803	3,772,050

Note 5 – Prepayments and other current assets

Prepayments and other current assets as at March 31, 2026 and December 31, 2025 consist of:

	March 31, 2026	December 31, 2025
Prepaid taxes	9,794,781	11,449,388
Prepaid licenses	862,749	-
Prepaid insurance	297,922	301,935
Prepaid others	11,219,198	11,437,744
	22,174,650	23,189,067

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 and sprinkler replacement.

Note 6 – Property and equipment, net

Details of and movements in property and equipment, net at March 31, 2026 and December 31, 2025 are as follows:

	Land improvements	Buildings and structures	Facilities and equipment	Furniture and fixtures	Kitchen equipment	Construction-in-progress	Total
Cost							
At January 1, 2025	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
Additions	-	-	14,454,363	-	-	-	14,454,363
Retirement	-	-	-	-	-	-	-
At March 31, 2026	608,069,332	409,328,528	606,447,273	21,855,597	2,121,657	10,083,214	1,657,905,601
Accumulated depreciation							
At January 1, 2025	(440,952,441)	(238,020,705)	(436,797,964)	(21,772,076)	(2,121,657)	-	(1,139,664,843)
Depreciation	(10,253,214)	(14,224,338)	(32,195,764)	(63,508)	-	-	(56,736,824)
Retirement	-	-	13,666,604	-	-	-	13,666,604
At December 31, 2025	(451,205,655)	(252,245,043)	(455,327,124)	(21,835,584)	(2,121,657)	-	(1,182,735,063)
Depreciation	(2,563,303)	(3,644,214)	(8,726,033)	-	-	-	(14,933,550)
Retirement	-	-	-	-	-	-	-
At March 31, 2026	(453,768,958)	(255,889,257)	(464,053,157)	(21,835,584)	(2,121,657)	-	(1,197,668,613)
Net carrying values							
At December 31, 2025	156,863,677	157,083,485	136,665,786	20,013	-	10,083,214	460,716,175
At March 31, 2026	154,300,374	153,439,271	142,394,116	20,013	-	10,083,214	460,236,988

Critical accounting estimates: Estimated useful life of property and equipment

The Club estimates the useful lives of property and equipment based on 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 that indicate that the carrying amount of its non-financial assets may be impaired as at each reporting period.

Note 7 – Land at revalued amount

Details of land at revalued amount and cumulative revaluation increment as at March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Balance at beginning of year	8,544,511,400	8,268,882,000
Revaluation increment during the year recognized in other comprehensive income	-	275,629,400
Balance at end of year	8,544,511,400	8,544,511,400
Less: Historical cost of the land	127,478,600	127,478,600
Gross revaluation increment on land	8,417,032,800	8,417,032,800

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

Valuation technique	Significant unobservable inputs	Range
Market (data) approach	Selling price of 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 adjustments	6,200 per square meter external factor

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.

Critical accounting estimates: Fair value estimation of land

Land at revalued amount 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.

Note 8 – Accounts payable and other current liabilities

Accounts payable and other current liabilities as at March 31, 2026 and December 31, 2025 consist of:

	March 31, 2026	December 31, 2025
Trade payables:		
Third parties	25,020,334	37,378,931
Due to members	11,092,625	3,728,691
Payable to associated supplier	2,006,980	821,558
Accrued expenses:		
Professional fees	8,215,227	7,740,227
Outside services	2,661,026	5,533,853
Utilities	744,809	545,387
Others	10,569,191	8,464,444
Consignment and due to concessionaires	6,334,075	2,790,295
Deposit for reacquired shares	3,000,000	3,000,000
Payable to government agencies	1,097,322	6,965,456
Others	6,701,924	6,860,677
	77,443,513	83,829,519

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

Due to members account pertains to payments made by players for golfers' insurance fees and the hole-in-one fund. These amounts are collected each time members play at the Club, serving as contributions toward potential hole-in-one payouts and coverage for accidents under the insurance program.

Accrued expenses are non-interest-bearing and have an average term of one month.

Deposit for reacquired shares pertains to payments received for the sale of re-acquired shares, which are awaiting issuance of the related stock certificates to new owners.

Consignment and due to concessionaires account pertain to unremitted sales to consignors and concessionaires. These are all collections by the Club, made through its point-of-sale system, which shall be operated and maintained exclusively by the Club, after the deduction of the appropriate concession fee and cash advances, which are remitted to the concessionaires at the end 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-day terms.

Note 9 – Contract liabilities; deposits from assignees and others

Contract liabilities pertain to advances received from members for membership dues, which are recognized as part of revenue upon satisfaction of performance obligations, normally within one year upon receipt of advances. As at March 31, 2026 contract liabilities amounted to P74,833,467 (December 31, 2025 – P10,049,490).

Deposits from assignees pertain to initial deposits from members' assignees related to the playing rights and are refundable at the end of the contract term. Deposits from others pertain to deposits for guest fees, which are refundable at the end of each use of the facilities. Deposits from assignees and others as at March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Current	14,699,933	13,754,366
Non-current	2,170,000	2,170,000
	16,869,933	15,924,366

Note 10 – Capital stock, club membership and basic earnings (loss) per share

Details of share capital as at March 31, 2026 and December 31, 2025 are as follows:

	Authorized		Issued, subscribed and outstanding	
	Amount	Number of shares	Amount	Number of shares
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 capital stock 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:

- a. 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 capital stock 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;
- b. 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 provisions of the Articles of Incorporation or the By-laws or rules and regulations of the Club or resolutions duly promulgated by the BOD or shareholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Club, such shareholder may be expelled by the BOD in the manner provided in the by-laws upon proper notice and hearing, and he shall then cease to be a shareholder, and shall have no right with respect to his share except the right to demand payment therefore in accordance with the by-laws. The Club shall have a period of 30 days from the expulsion of the shareholder to make payment of his share, and upon such payment, the shareholder shall forthwith transfer and assign the share held by him 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 do not constitute delinquent shares and therefore are still entitled to vote.

Basic and diluted earnings (loss) per share

	March 31, 2026	December 31, 2025
Excess (Deficiency) of receipts over expenses after income tax	3,410,944	(13,373,992)
Number of shares	2,666	2,666
Basic and diluted earnings (loss) per share	1,279	(5,017)

Basic and diluted earnings (loss) per share are equal as the Club does not have any dilutive potential ordinary shares in March 31, 2026, and December 31, 2025.

Note 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.

	March 31, 2026	December 31, 2025
Class A	241	241
Class B	50	50
Class C	43	43
	334	334

Note 12 – Cost of goods sold and services

The components of cost of goods sold and services for the three months ended March 31 are as follows:

	2026	2025
Repairs and maintenance	15,104,313	12,751,127
Salaries, wages, and employee benefits	8,060,130	7,188,812
Utilities	4,529,963	3,447,856
Tournament expenses	3,198,239	2,256,640
Operating supplies	1,264,271	1,663,425
Janitorial and messengerial services	875,685	677,650
SSS, GSIS, Philhealth, HDMF & other contributions	732,734	690,833
Cost of sales – alcoholic drinks	681,527	780,519
Retirement cost	649,327	395,478
Taxes and licenses	388,808	571,245
Member relations	291,166	282,594
Professional fees	233,850	223,076
Cost of sales – proshop	193,726	324,044
Representation	123,561	121,735
Communication	65,990	154,077
Others	92,518	164,989
	36,485,808	31,694,100

Note 13 – Operating expenses other than depreciation

The components of operating expenses other than depreciation for the three months ended March 31 are as follows:

	2026	2025
Salaries, wages, and employee benefits	16,461,985	15,830,183
Repairs and maintenance	6,967,268	4,376,565
Security services	5,598,054	5,291,672
Janitorial and messengerial services	3,531,544	2,708,284
Operating supplies	2,927,797	1,745,347
Taxes and licenses	2,278,897	2,273,689
Utilities	1,456,209	1,361,879
Credit & collection	1,137,671	1,079,741
SSS, GSIS, Philhealth, HDMF & other contributions	947,487	873,985
Retirement cost	917,363	508,803
Professional fees	676,919	757,677
Linen and laundry	588,843	799,189
Representation	571,337	750,915
Provision for general contingency	500,000	500,000
Insurance	476,324	505,346
Communication	435,731	447,772
Others	589,752	492,848
	46,063,181	40,303,895

Note 14 – Other income, net

The components of other income, net for the three months ended March 31 are as follows:

	2026	2025
Late payment charges	1,031,487	747,866
Foreign exchange gain (loss) - net	15,367	(5,669)
Miscellaneous	68,808	118,988
	1,115,662	861,185

Note 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 has 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; the tax-free retirement amount will vary on the years of service, as follows:

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

Movements in the present value of defined benefit obligation as of March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Balance at the beginning of the year	42,372,982	38,447,788
Retirement benefit expense	1,566,690	6,105,712
Remeasurement loss	-	10,527,194
Contributions to the plan asset	-	(10,000,000)
Benefits paid	-	(2,707,712)
Balance at end of the year	43,939,672	42,372,982

Critical accounting estimates: Retirement benefit obligation

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

Note 16 – 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)*
 - *Estimating useful life of property and equipment (Note 6)*
 - *Fair value estimation of land (Note 7)*
 - *Retirement benefit obligation (Note 15)*
- b) Critical judgments in applying the Club's accounting policies
 - *Determination of impairment of property and equipment (Note 6)*

Note 17 – 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.

17.1 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 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 16.

17.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

The Club has applied the following standards and amendments 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 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 lacking, but not what to do when the lack of exchangeability is not temporary.

The above amendments did not have any impact on the amounts recognized in current and prior periods and are not expected to significantly affect future periods.

(b) New standards and interpretations not yet adopted

Certain new accounting standards, 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 to 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 breakdown of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this breakdown 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 the current presentation as part of operating cash flows.*

The Club will apply the new standard from its mandatory effective date of January 1, 2027. A 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.

17.3 Financial assets

Classification and presentation

17.3.1 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 March 31, 2026 and December 31, 2025. The Club's financial assets under category (b) include cash and cash equivalents (Note 2) and receivables (Note 3).

17.3.2 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.

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 for 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 constitute a financing transaction in accordance with PFRS 15.

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, the 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.

17.3.3 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.

17.4 Financial liabilities

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 liabilities from special assessments) (Note 8) and deposits from assignees and others (Note 9).

17.5 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 on the basis of 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.

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.

17.6 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.

17.7 Receivables

Receivables arising from regular service, with 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 17.3.

17.8 Property and equipment

Property and equipment are carried at cost less accumulated depreciation, amortization, and impairment losses, if any. Such costs include 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:

	Number of 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 are put into operational use.

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 the 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 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 the "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.

17.9 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 taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognized in the 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 is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

17.10 Contract liabilities and deposits from assignees and others

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration or for which 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.

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 has assigned its playing rights to the assignee. These are refundable at the end of the assignment term.

17.11 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 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.

17.12 Capital stock

Capital stock 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 capital stock.

Excess of proceeds over cost from the 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.

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.

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.

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.

17.13 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 in order 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 a "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 upon transfer of playing rights to the assignee. 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 upon transfer of ownership to the buyer. Revenues are recognized at a point in time when services related to the transfer of ownership are rendered.

Green fees, Golf cart fees, Tournament fees, Practice range fees, Recreational facilities fees, Facilities rental

Revenue from the use of the Club's golf course and other amenities and the availment of the Club's services are recognized when services are rendered and amenities are used.

Alcoholic drink sales, Proshop sales, Proshop 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.

17.14 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.

17.15 Current and deferred income tax

The current income tax charge is calculated based on 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 regulations are 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.

17.16 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 the 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.

17.17 Contingencies

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

THE ORCHARD GOLF & COUNTRY CLUB, INC.

SEC FORM 17-Q

For the period ended March 31, 2026

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the financial statements and related notes as of March 31, 2026 and December 31, 2025. This discussion contains forward-looking statements, which involve risks and uncertainties that may differ materially from actual results, indicating the current views with respect to future events and future financial performance.

Overview

Financial Condition

March 31, 2026 (Unaudited) vs. December 31, 2025 (Audited)

Total assets as of March 31, 2026 amounted to P9,255.3 million, surpassing the December 31, 2025 balance of P9,191 million by P64.3 million or 1%. The substantial growth in current assets by P59 million was primarily driven by an increase in cash and cash equivalents, which rose by P63 million or 49%, largely due to the collection of annual dues for 2026. Meanwhile, the receivables balance decreased by P4 million or 19% following the collection of tournament-related dues and adjustments to members' outstanding balances due to the termination of playing rights. Non-current assets also grew by P5.3 million or 0.1%, reflecting the net effect of a P5.8 million or 61% increase in other non-current assets related to course rewiring and central control upgrading, and rainbird sprinkler nozzle replacement, and a P479 thousand or 0.1% decline in property and equipment attributable to depreciation for the three months.

Total liabilities as of March 31, 2026 amounted to P2,317.3 million, surpassing the December 31, 2025 balance of P2,256.4 million by P60.9 million or 3%. This growth was driven by a rise in current liabilities by P59.3 million or 55%, along with a modest increase in non-current liabilities by P1.6 million or 0.1%. The increment in current liabilities is primarily attributed to contract liabilities, recording an increase of P64.8 million or 645%, which relates to the collection of annual dues for 2026. Meanwhile, the decrease in accounts payable and other current liabilities by P6.4 million or 8% refers to the payment of expenditures to third parties. As for the non-current liabilities, the increase of P1.6 million was mainly due to the accruals of retirement costs for three months.

Total members' equity as of March 31, 2026 amounted to P6,938 million, surpassing the December 31, 2025 balance of P6,934.6 million by P3.4 million or 0.1%, which represents the excess of receipts over expenses, net of tax for the first three months of 2026.

Results of Operations

Quarter Ended March 31, 2026 vs. Quarter Ended March 31, 2025 (Unaudited)

Excess of expenses over receipts, net of tax, for the quarter ended March 31, 2026 amounted to P3.4 million, which significantly declined by P7.4 million or 69% from P10.9 million excess of receipts over expenses, net of tax, reported in the same quarter of the previous year.

Total receipts increased by P5.7 million or 6%, driven mainly by higher members' dues and fees. This was primarily due to the increase in assignee fees, which doubled from P25 thousand to P50 thousand effective July 2025. In addition, 20 corporate assignees were reclassified from corporate nominees. Revenue from the transfer of shares likewise improved, with transactions increasing from 28 in the prior year to 35 in the current year.

However, these increases were offset by higher costs and expenses, as follows:

- The upsurge in cost of goods sold and services by P4.8 million, or 15%, was primarily attributed to higher contract costs with Golforce for grounds maintenance, as well as increased expenses for equipment maintenance, chemicals, and electricity to support the preservation of both courses. Cart maintenance costs also rose due to the replacement of lithium battery units and chargers for golf carts, aimed at maintaining the golf carts in good condition and ensuring reliable service for members. Member tournament expenses also contributed to the increase, largely due to costs associated with the PAL Interclub and Sta. Lucia Golf Tournament practice held in Vietnam. Additionally, salaries, wages, and employee benefits rose due to the filling of previously vacant positions, as well as increases mandated under the CBA and merit-based adjustments following employee annual performance evaluations.
- Operating expenses, excluding depreciation, increased by P5.8 million or 14%. This growth was mainly attributable to higher repairs and maintenance expenses to support the preservation of the clubhouse and other facilities. In addition, payroll-related expenses rose due to an increase in manpower complement, while the DOLE-mandated minimum wage adjustment led to higher security and janitorial service contract costs.

Earnings per share for the quarter ended March 31, 2026 reached P1,279, which is below the P4,075 earnings per share recorded last year.

Management made no changes in its estimates in the prior financial year and current financial year, nor made changes in the amount of estimates previously reported that have a material effect in the current interim period. There were no subsequent events to the end of the interim period that could materially affect the interim report. The Club is not involved in any business combination, nor does it have subsidiaries or maintain long-term investments. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities or other persons created during the reporting period.

Key Performance Indicators

The top four (4) key performance indicators of the Club are as follows: (1) current ratio; (2) earnings before interests, taxes, depreciation, and amortization (EBITDA); (3) dues-paying members; and (4) golf rounds, trends, and efficiency ratios.

	(Unaudited)	
	Three Months ended March 31	
	2026	2025
Current ratio	1.41:1	1.45:1
EBITDA	P17.3 million	P23.3 million
Dues-paying members	2,436	2,433
Golf rounds	30,623	29,974

Current ratio

Current ratio is a primary test of solvency to meet current obligations from current assets as a going concern. It also measures the adequacy of working capital. As of March 31, 2026, the Club has a current ratio of 1.41:1, which is lower than the 1.45:1 current ratio reported in the same period last year.

EBITDA

EBITDA measures the company's overall financial performance. It focuses on the financial outcome by eliminating the impact of non-operating management decisions. As of March 31, 2026, EBITDA amounted to P17.3 million, lower than March 2025's P23.3 million by P6 million or 26%.

Dues-paying members

Dues-paying members refer to shareholders of the Club that are subject to the payment of monthly maintenance dues in such amount as may be prescribed by resolution of the Board of Directors to meet the expenses for the general operations of the Club, and maintenance and improvement of its premises and facilities. As of March 31, 2026, the number of dues-paying members increased to 2,436 from 2,433 on March 31, 2025.

Golf rounds, trends, and efficiency ratios

Golf rounds, trends, and efficiency ratios refer to the number of golf rounds in comparison with other selected golf clubs within the industry. As of March 31, 2026, the Club recorded total golf rounds of 30,623 with a member-guest ratio of 78:22, which is higher by a mere 649 rounds as compared to the same period in 2025 with total golf rounds of 29,974 and a member-guest ratio of 77:23.

Operating Plan

The Club remains steadfast in its commitment to becoming a premier golf and country club in the country and the preferred destination for prestigious golf tournaments and events. This vision continues to guide all strategic and operational efforts, with a focus on delivering the best possible experience to members and guests.

For the rest of the year, Management will continue to prioritize the upkeep and improvement of the Club's two golf courses, both of which have been recognized by Golf Digest as among the best in the country. Maintaining these courses in excellent condition is essential to the Club's identity and value. Key initiatives include the completion of the bunker renovation program, the upgrade of the irrigation system, particularly the central control and sprinklers to improve water efficiency, and the continuation of the golf cart replacement program to enhance player comfort and convenience.

In addition to course maintenance, Management remains focused on enhancing the overall experience for members and guests. The Club's plans and programs are focused on improvements in customer service, clubhouse facilities, and the introduction of services that add value and enjoyment to all members and stakeholders.

Financial responsibility continues to be a key priority. The Club will operate within the approved 2026 budget and business plan, with capital expenditures of up to PHP 50 million allocated to projects that support service quality and operational efficiency. Careful management of resources is expected to maintain financial stability while advancing the Club's goals.

The Club also remains committed to long-term development. Planned improvements are intended not only to meet current needs but to ensure continued growth and excellence in the years ahead, reinforcing the Club's reputation as a top-tier golf and country club.

As of this report, there are no known issues that could affect the Club's operations, finances, or future plans. Management moves forward with clear direction and strong dedication to upholding the high standards that define the Club, to the benefit of all members and guests.