COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

CAMP JOHN HAY GOLF CLUB, INC.
(NON-STOCK CORPORATION)

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

THE CLUBHOUSE, GOLF CLUB,
CAMP JOHN HAY, LOAKAN ROAD,
BAGUIO CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	**SEC Form 17-A**	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
admin@cjhgolfclub.com	**+63 (2) 884 52728**	**+639499944643**

No. of Directors	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
12	**May 10**	**12/31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Judson D Eustaquio	**jeustaquio@golfclub.com**	**(074) 444 3493**	**099499942643**

CONTACT PERSON'S ADDRESS

The Clubhouse, Golf Club, Camp John Hay, Loakan Road, Baguio City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

Independent Auditor's Report

To the Members and Board of Governors of
Camp John Hay Golf Club, Inc.
The Clubhouse, Golf Club Drive
Camp John Hay Loakan Road, Baguio City

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 Camp John Hay Golf Club, Inc. (the "Club") as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Club comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of total comprehensive income for each of the three years in the period ended December 31, 2023;
- the statements of changes in members' equity for each of the three years in the period ended December 31, 2023;
- the statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

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

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

Independence

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

Material Uncertainties Related to Going Concern

We draw attention to Note 1.2 to the financial statements which discusses the implication to the Club of the Notice to Vacate issued by the Regional Trial Court (RTC), First Judicial Region, Branch 6, Baguio City on April 20, 2015 which orders all the sub-lessees of Camp John Hay Development Corporation (CJH DevCo) to vacate the premises and turn over the lease improvements to Bases Conversion and Development Authority (BCDA). In a press release dated April 10, 2024, the Supreme Court announced that it issued a decision granting the petition for review on certiorari filed by BCDA assailing the rulings of the Court of Appeals which had reversed the RTC's confirmation of the arbitral ruling. The ultimate outcome and possible effects of the Supreme Court Decision cannot be presently determined by the Club's management and the Board of governors, and the Club's legal team is studying the Club's remedies under the circumstances. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Bureau of Internal Revenue Requirements

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 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Carlos Federico C. de Guzman
Partner
CPA Cert. No. 110973
P.T.R. No. 0011285, issued on January 12, 2024, Makati City
TIN 229-481-265
BIR AN: 08-000745-141-2023, issued October 23, 2023; effective until October 22, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 16, 2024

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Members and Board of Governors of
Camp John Hay Golf Club, Inc.
The Clubhouse, Golf Club Drive
Camp John Hay Loakan Road, Baguio City

We have audited the accompanying financial statements of Camp John Hay Golf Club, Inc. as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS), on which we have rendered the attached report dated April 15, 2024. The supplementary information shown in the Supplementary Schedules A, B, C, D, E, F and G as additional components required by the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not a required part of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audits of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the Revised SRC.

Isla Lipana & Co.

Carlos Federico C. de Guzman
Partner
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P.T.R. No. 0011285, issued on January 12, 2024, Makati City
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April 16, 2024

Statement Required by Rule 68
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To the Members and Board of Governors of
Camp John Hay Golf Club, Inc.
The Clubhouse, Golf Club Drive
Camp John Hay Loakan Road, Baguio City

We have audited the financial statements of Camp John Hay Golf Club, Inc. (the "Club") as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, on which we have rendered the attached report dated April 16, 2024.

The supplementary information shown in the Schedule of Financial Soundness Indicators, as additional component required by the Revised Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the Club's management and has been subjected to auditing procedures applied in the audits of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.

Carlos Federico C. de Guzman
Partner
CPA Cert. No. 110973
P.T.R. No. 0011285, issued on January 12, 2024, Makati City
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Makati City
April 16, 2024

Camp John Hay Golf Club, Inc.
(A non-stock corporation)

Statements of Financial Position
As at December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	41,404,448	31,719,037
Receivables, net	3	12,392,321	7,618,995
Financial asset at fair value through profit or loss	4	1,371,063	1,312,932
Inventories	5	4,589,236	2,334,008
Prepayments and other current assets	6	2,703,574	2,975,323
Total current assets		62,460,642	45,960,295
Non-current assets			
Property and equipment			
At revalued amount	7	300,904,070	327,332,000
At cost	7	95,341,232	95,594,238
Total non-current assets		396,245,302	422,926,238
Total assets		458,705,944	468,886,533
Liabilities and Member's Equity			
Current liabilities			
Accounts payable and other current liabilities	8	39,363,959	44,797,589
Due to related parties	11	1,974,818	375,514
Lease liabilities	9	2,127,124	3,368,565
Income tax payable		291,336	39,496
Total current liabilities		43,757,237	48,581,164
Non-current liabilities			
Refundable deposits	12	14,981,223	13,251,426
Retirement benefit obligation	19	5,910,130	3,946,749
Lease liabilities, net of current portion	9	1,431,888	1,193,290
Deferred income tax liability	21	69,128,390	73,720,790
Total non-current liabilities		91,451,631	92,112,255
Total liabilities		135,208,868	140,693,419
Members' equity			
Membership certificates	13, 24	1,378,588,555	1,378,588,555
Shares of delinquent members acquired through auctions	10	(37,640,318)	(39,809,737)
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members		43,227,255	40,214,477
Reserve for remeasurement on retirement benefits	19	1,154,003	2,301,013
Revaluation surplus	7	207,385,168	221,162,368
Cumulative excess of expenses over revenues		(1,269,217,586)	(1,274,263,562)
Total members' equity		323,497,076	328,193,114
Total liabilities and members' equity		458,705,944	468,886,533

(The notes on pages 1 to 43 are integral part of these financial statements)

Camp John Hay Golf Club, Inc.
(A non-stock corporation)

Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso, except earnings per share)

	Notes	2023	2022	2021
Members' assessments	11			
Membership dues		49,589,400	46,224,826	46,225,700
Entrance fees		7,150,000	5,225,000	2,625,000
Assignment and transfer fees		6,350,000	5,300,000	3,225,000
Total members' assessments		63,089,400	56,749,826	52,075,700
Revenues from clubhouse operations	14			
Green fees and tournament fees		32,712,762	21,806,499	5,318,764
Golf cart rentals		7,542,573	6,228,663	4,320,460
Merchandise sales		6,033,309	5,175,935	1,802,085
Unused consumables		2,832,981	2,956,423	5,014,266
Driving range		541,941	413,343	58,394
Concessionaires' fees		410,746	162,659	-
Total revenues from clubhouse operations		50,074,312	36,743,522	16,513,969
Total receipts		113,163,712	93,493,348	68,589,669
Cost of goods sold and services	15	(74,437,725)	(63,191,007)	(47,969,549)
Excess of receipts over cost before operating expenses, other income and depreciation expense		38,725,987	30,302,341	20,620,120
Operating expense other than depreciation expense	16	(17,834,006)	(16,793,108)	(12,372,261)
Interest expense	18.2	(1,336,879)	(1,135,652)	(1,158,125)
Interest income	18.1	809,826	439,853	393,349
Other income, net	18.3	9,715,840	3,157,439	774,710
Excess of receipts and other income over costs and operating expense other than depreciation expense		30,080,768	15,970,873	8,257,793
Depreciation expense	7	(43,113,057)	(35,082,158)	(31,561,679)
Excess of expenses over receipts before income tax expense		(13,032,289)	(19,111,285)	(23,303,886)
Income tax benefit				
Current		(291,336)	(39,495)	-
Deferred	7	4,592,400	4,592,400	4,592,400
	21	4,301,064	4,552,905	4,592,400
Excess of expenses over receipts after income tax		(8,731,225)	(14,558,380)	(18,711,486)
Other comprehensive (loss) income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gain (loss) on retirement benefit obligation	19	1,147,010	1,460,434	(895,701)
Revaluation surplus, net of deferred income tax	7	-	55,835,957	-
Reversal of deferred income tax liability	7	-	-	12,858,721
		1,147,010	57,296,391	11,963,020
Total comprehensive (loss) income for the year		(7,584,215)	42,738,011	(6,748,466)
Basic/Diluted loss per share	13.3	(3,811)	(6,355)	(8,157)

(The notes on pages 1 to 43 are integral part of these financial statements)

Camp John Hay Golf Club, Inc.
(A non-stock corporation)

Statements of Changes in Members' Equity
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Membership certificates	13, 25			
Authorized, subscribed and issued -				
10 founders' and 2,490 regular certificates		1,378,588,555	1,378,588,555	1,378,588,555
Shares of delinquent members acquired through auctions	10			
Balances at beginning of year		(39,809,737)	(49,895,678)	(48,715,515)
Issued during the year		2,792,222	10,203,337	411,034
Acquired during the year		(622,803)	(117,396)	(1,591,197)
Balances at end of year		(37,640,318)	(39,809,737)	(49,895,678)
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members				
Balances at beginning of year		40,214,477	37,749,642	37,805,941
Issuance (Acquisition) during the year		3,012,778	2,464,835	(56,299)
Balances at end of year		43,227,255	40,214,477	37,749,642
Reserve for remeasurement on retirement benefits	19			
Balances at beginning of year		2,301,013	840,579	1,736,280
Remeasurement (loss) gain		(1,147,010)	1,460,434	(895,701)
Balances at end of year		1,154,003	2,301,013	840,579
Revaluation surplus	7			
Balances at beginning of year		221,162,368	179,103,613	180,022,093
Revaluation surplus, net of DIT		-	55,835,957	-
Reversal of deferred income tax liability		-	-	12,858,721
Transfer of revaluation increment absorbed				
through depreciation, net of DIT		(13,777,201)	(13,777,202)	(13,777,201)
Balances at end of year		207,385,167	221,162,368	179,103,613
Cumulative excess of expenses over receipts				
Balances at beginning of year		(1,274,263,562)	(1,273,482,384)	(1,268,548,099)
Excess of expenses over receipts during the year		(8,731,225)	(14,558,380)	(18,711,486)
Transfer of revaluation increment absorbed				
through depreciation, net of DIT	7	13,777,201	13,777,202	13,777,201
Balances at end of year		(1,269,217,586)	(1,274,263,562)	(1,273,482,384)
Total members' equity		323,497,076	328,193,114	272,904,327

(The notes on pages 1 to 43 are integral part of these financial statements)

Camp John Hay Golf Club, Inc.
(A non-stock corporation)

Statements of Cash Flows
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Excess of expenses over receipts before income tax		(13,032,289)	(19,111,285)	(23,303,886)
Adjustments for:				
Depreciation and amortization	7, 9	43,113,057	35,082,158	31,561,679
Interest expense	18.2	1,336,879	1,135,652	1,158,125
Retirement benefit costs	19	816,371	883,469	1,022,968
Interest income	18.1	(809,826)	(439,853)	(393,349)
Provision for (reversal of) doubtful accounts	16	-	786,033	(472,008)
Unrealized fair value gain on changes in fair value of financial asset at fair value through profit or loss	4, 18	(58,131)	(24,364)	(8,005)
Operating income before working capital changes		31,366,061	18,311,810	9,565,524
(Increase) Decrease in:				
Receivables		(5,396,129)	(2,602,472)	1,147,064
Inventories		(2,255,228)	300,848	1,089,361
Prepayments and other current assets		271,749	112,750	(465,234)
Increase (Decrease) in:				
Accounts payable and other current liabilities		(5,433,630)	4,324,025	2,867,038
Due to related parties		1,599,304	(1,280,374)	(1,681,375)
Refundable deposits		910,000	575,000	(275,000)
Cash generated from operations		21,062,127	19,741,587	12,247,378
Interest received	18	809,826	439,853	393,349
Income tax paid		(39,496)	-	-
Retirement benefit paid	19	-	(232,608)	(1,952,570)
Net cash from operating activities		21,832,457	19,948,832	10,688,157
Cash flows used in investing activity				
Additions of property and equipment		(12,745,346)	(5,592,556)	(2,157,708)
Cash flows from financing activities				
Payment of lease liabilities	9	(4,689,618)	(4,446,196)	(2,955,245)
Proceeds from sale of shares of delinquent members acquired through auctions	10	5,805,000	12,668,172	275,000
Interest paid	9	(517,082)	(468,486)	(518,176)
Net cash from (used in) financing activities		598,300	7,753,490	(3,198,421)
Net increase in cash		9,685,411	22,109,766	5,332,028
Cash and cash equivalents at beginning of year		31,719,037	9,609,271	4,277,243
Cash and cash equivalents at end of year	2	41,404,448	31,719,037	9,609,271

(The notes on pages 1 to 43 are integral part of these financial statements)

1 General information

1.1 Club information

Camp John Hay Golf Club, Inc. (“CJHGC” or the “Club”), a non-stock corporation, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on April 3, 1997 and started commercial operations on March 1, 2000. Its primary purpose is to promote the social, recreational and athletic activities on a not-for-profit basis among its members, the main objective and undertaking of which will be the construction and maintenance of a golf course and other indoor and outdoor-related sports and recreational facilities. The Club had 53 employees in 2023 (2022 - 51 employees).

On May 2, 1997, the SEC granted the Club a permit to offer its securities for sale to the public consisting of 2,500 membership certificates, 10 of which are founders’ certificates, and 200 non-membership playing rights.

The registered office address, and principal place of business, of the Club is The Clubhouse, Golf Club Drive, Camp John Hay, Loakan Road, Baguio City.

1.2 Other Matters

CJH DevCo filed an arbitration with BCDA. The arbitration involved the issue of whether the lease agreement and the Restructured Memorandum of Agreement between CJH DevCo and the BCDA, which are the very basis for CJH DevCo’s right over Camp John Hay, should be restructured or rescinded on account of breaches by Bases Conversion Development Authority (BCDA).

On February 11, 2015, the Philippine Dispute Resolution Center, Inc.’s (“PDRCI”) Arbitration Panel rendered an award recognizing the breaches of BCDA, and directing BCDA to return rentals in the amount of P1,421,096,052 to CJH DevCo. BCDA’s claim for alleged back-rentals was dismissed and rejected by the Panel. In turn, CJH DevCo was ordered to turn over the entire portion of Camp John Hay leased by it to BCDA, with all improvements “as far as practicable”. The PDRCI also ruled that BCDA was liable to pay interest to CJH DevCo, but that all investments made by third party buyers & locators shall be considered as BCDA’s payment of interest to CJH DevCo.

Both BCDA and CJH DevCo filed petitions to confirm the award, with the Regional Trial Court (“RTC”) of Baguio City. In its Petition, CJH DevCo listed all third-party vested right holders, including the Club, and argued that they had already attained vested rights on the portions of the camp leased by them.
On March 27, 2015, the RTC of Baguio City confirmed the arbitral award through a court order. It also opined that the rights of third-party locators shall be governed by the law on obligations and contracts. Further, by virtue of the Writ of Execution dated April 14, 2015, the Office of the Ex-Officio Sheriff issued a notice to vacate on April 20, 2015 addressed to CJH DevCo and all persons claiming rights under them. As the term “persons claiming rights under them” is ordinarily construed, the same would be limited to the Club and its related parties only. The Sheriff, however, expanded the scope of the Writ of Execution, thereby altering the Arbitral decision, by wrongly serving notices to vacate on third party locators who claim in their own name and in their own right as pre-paid lessees of the land and as owners of the improvements built thereon.

To arrest the unwarranted implementation of the Writ of Execution and the Notice to Vacate, CJH DevCo filed a Petition for Prohibition and Certiorari, with a prayer for the issuance of a temporary restraining order ("TRO") and an injunction, assailing the implementation of the Writ of Execution and the issuance of the Notice to Vacate. On May 19, 2015, the Court of Appeals issued a TRO against the implementation of the Writ of Execution and the enforcement of the Notice to Vacate. The TRO was released to the parties and became effective on May 20, 2015, and expired on July 19, 2015.

In view of the foregoing, the management have assessed that the events are in favor of the Club. Management obtained a legal opinion from its legal counsel, PBR, on its right to occupy the portion of the camp where its course and facilities are located. In its opinion, PBR stated that BCDA should honor the Club's vested rights thereon on the ground that BCDA not only expressly consented to CJH DevCo's subleases within the Leased Property in accordance with Section 2, Article VI of the Original Lease Agreement and Section 3, Article II of the July 1, 2008 Restructuring Memorandum of Agreement ("RMOA"), the BCDA actually mandated in their bid guidelines the incorporation of the Club and issuance of membership certificates as securities duly approved by the SEC. Moreover, the main obligation of CJH DevCo under the Original Lease Agreement (other than the payment of rent) was precisely to develop structures for subletting to third persons. Under the CJH Development Plan, these structures expressly include the Golf Club's facilities and course. BCDA is fully aware that CJH DevCo marketed various properties inside the Leased Property to third parties in good faith and has never raised any objections to them. More so in the case of the Club since the SEC approved securities it approved for sale to the public details in the Registration Statement what the investing public has every right to demand not only from CJH DevCo who developed the golf course project but also the BCDA which mandated the said business model.

With the rescission of the Original Lease Agreement pursuant to the arbitral award, PBR also opined that the contracts with locators inside the Leased Property entered into in good faith should be respected until October 2046 because CJH DevCo already exercised its option to renew the Original Lease Agreement even before the award was rendered. All these contracts with locators and assignments were also entered into with the consent and knowledge of BCDA. As to third parties including the Club, the status quo should therefore be maintained and their relevant permits and licenses should be forthwith issued despite the award. It was also emphasized that in addition to mandating the sale of the Club Membership Certificates as Securities, the BCDA likewise accepted the benefit in the Final Award in Arbitration crediting it with payment of interest its owed to CJH DevCo from the payments made by the Members of the Club as the consideration for the Membership Certificates they now hold.

PBR, however, also recognized that the irregular issuance of the Notice to Vacate has cast a cloud upon the Club's right to possess the golf course and its facilities. It opined that while CJHGC's right to its facilities should be respected, the Notice to Vacate has put the latter's rights under a cloud. Because of this, CJHGC has decided to file the appropriate court action to defend itself against the Notice to Vacate and the actuations of the BCDA.

Thus, in June 2015, the Club, through Bodegon Estorninos Guerzon Borje & Gozos Law Offices, filed an Urgent Motion for Leave to Intervene and Admit Attached Petition-in-Intervention, asking the Court of Appeals ("CA") to grant it leave to intervene in CA-G.R. SP No. 140422, and to admit its attached Petition-in-Intervention for Certiorari and Prohibition (With Urgent Application for the Issuance of a Writ of Preliminary Injunction). The Club's Petition prayed that the CA issue a writ of preliminary injunction enjoining the implementation and execution of the Notice to Vacate and Writ of Execution.

Subsequently, the Former Special Fifth Division of the CA issued its 30 July 2015 Decision in C.A.-G.R. SP No. 140422 and 140490, the dispositive portion of which reads as follows:

"As to CA-G.R. SP. No. 140422- MAIN CASE

"The instant Petition for Certiorari is GRANTED. Accordingly:

"1. Public Respondents are ORDERED to CEASE AND DESIST from enforcing the Writ of Execution dated April 14, 2015 and Notice to Vacate dated April 20, 2015 against Petitioner CJH Development Corporation until it is fully paid of the amount of P1,421,096,052(.)00 as indicated in the Arbitral Award;

“2. For the time being, Public Respondents are ENJOINED from enforcing the Final Award dated February 11, 2015, Writ of Execution dated April 14, 2015 and Notice to Vacate dated April 20, 2015 against Third Parties and Intervenors occupying the leased premises until their respective rights and interests are determined under compulsory arbitration or as may be adjudicated by the regular courts.

“3. Petitioner CJH Development Corporation is hereby ORDERED:

“a) to promptly VACATE and CEASE its operations on the leased premises upon payment of its claim in the amount of Php1,421,096,052.00 with the Commission on Audit. However, in the interim, CJH Development Corporation shall not enter into new contracts with 3rd parties and/or perform any action that would contravene the tenor of the arbitral award before receipt of its payment;

“b) to TURNOVER immediately the management of the Camp John Hay Project to the Private Respondent Bases Conversion and Development Authority (BCDA) and to endorse to Respondent BCDA all contracts it entered into with the Third Parties during the existence of the lease. This is consistent with the declaration in the arbitral award as rescission and expiration of the lease agreement.

“c) to FURNISH Respondent BCDA an inventory of all the constructions, buildings, and other improvements on the leased premises, including amounts received from the third party occupants in the leased premises from the start of the lease agreement up to the finality of this judgment;

“4. Private Respondent Bases Conversion and Development Authority is hereby ORDERED:

“a) to RESPECT and NOT DISTURB the various contracts of the Third Parties occupying the Leased premises;

“b) to ASSIST in the PROCESSING of the claim of Petitioner CJH Development Corporation filed with the Commission on Audit, who must act within 60 days, pursuant to existing laws.

“5. Petitioner CJH Development Corporation and Respondent Bases Conversion Development Authority (BCDA) are ORDERED -

“a) to CONDUCT joint audit of the inventory to be submitted by Petitioner CJH Development Corporation.

“As to the other Petitioners-Intervenors (CA-G.R. SP. No. 140422) and Petitioner Camp John Hay Trade and Cultural Center Inc. (CA-G.R. SP. No. 140490)

“The Petition is GRANTED. Judgment is hereby rendered as follows:

(1) The March 27, 2015 Order, April 14, 2015 Writ of Execution and the April 20, 2015 Notice to Vacate issued by the Regional Trial Court Branch 6 of Baguio City in Civil Case No 7651-R are hereby ANNULLED and SET ASIDE insofar as they are being made to apply to Petitioners-Intervenors and Petitioner Camp John Hay Trade and Cultural Center Inc.;

(2) A Writ of Prohibition is issued permanently restraining Public Respondents from enforcing and implementing the March 27, 2015 Order, April 14, 2015 Writ of Execution and the April 20, 2015 Notice to Vacate;

(3) Petitioners-Intervenors and Petitioner Camp John Hay Trade and Cultural Center Inc., are hereby ordered to submit themselves to arbitration with BCDA pursuant to the provisions of the Original Lease Agreement which are equally binding on the third parties and existing laws and jurisprudence.

“In the alternative, if the parties refuse to submit to compulsory arbitration, they should immediately litigate their respective rights and obligations before the regular courts.

“SO ORDERED.”

The CA Decision therefore annulled and set aside, as against CJHGC, the Writ of Execution and Notice to Vacate issued by the Regional Trial Court ("RTC") of Baguio City. Given this, none of the CJH homeowners can be evicted without subsequent due process particular to homeowner's case and which the court recommend to take place via arbitration. The CA in turn directed BCDA to respect and not to disturb the various contracts of third parties occupying the leased CJH premises.

However, BCDA appealed the CA's Decision to the Supreme Court via a Petition for Review on Certiorari under Rule 45 of the Rules of Court. The case was docketed as G.R. No. 219421.

On 5 January 2021, the Supreme Court issued a Resolution consolidating the instant case with G.R. No. 219421 entitled Bases Conversion and Development Authority vs. CJH Development Corporation, et., al.

In a press release dated April 10, 2024, the Supreme Court announced that it issued a decision granting the petition for review on certiorari filed by BCDA assailing the rulings of the CA which had reversed the RTC's confirmation of the arbitral ruling. The ultimate outcome and possible effects of the Supreme Court Decision cannot be presently determined by the Club's management and the BOG, and the Club's legal team is studying the Club's remedies under the circumstances. No adjustment in consideration therefrom has been made in the Club's financial statements.

Considering the foregoing, the Club's management believes that it is appropriate to continue to prepare these financial statements on a going concern basis.

1.3 Authorization for issuance of the financial statements

The financial statements were approved and authorized for issue by the Club's Board of Governors (BOG) on April 16, 2024.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consists of:

	2023	2022
Cash in banks	29,594,374	30,480,197
Cash on hand	1,555,598	1,238,840
Cash equivalents	10,254,476	-
	41,404,448	31,719,037

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

Cash equivalents pertain to short-term cash placements with a local bank with original maturity of less than three (3) months. For the year ended December 31, 2023, these investments earn an annual average interest of 6.3%.

Interest income on bank deposits and placements for the year ended December 31, 2023 amounted to P289,748 (2022 - P24,247; 2021 - P7,491) (Note 18.1).

3 Receivables, net

Receivables, net as at December 31 consist of:

	Note	2023	2022
Receivables from:			
Related parties	11.1	9,925,000	7,248,905
Members	11.1	7,819,232	6,218,717
Officers and employees		1,120,067	818,665
Third parties		1,327,137	1,771,518
Other receivables:			
Terminated local playing rights		6,258,061	6,258,061
Concessionaires and suppliers		5,001,410	4,008,942
Others		3,026,403	3,379,176
		34,477,310	29,703,984
Allowance for expected credit loss (ECL)		(22,084,989)	(22,084,989)
		12,392,321	7,618,995

Membership dues are billed in advance with a 30-day term. Unsettled receivables outstanding by at least 60 days are considered past due and are charged with 2% monthly interest. In 2023, interest income amounted to P520,078 (2022 - P415,606; 2021 - P385,858) (Note 18.1).

When a member's account is 150 days outstanding, the BOG reviews and approves membership as delinquent shares which will be subject for auction. Within ten (10) days after the BOG has ordered the sale at auction of the delinquent member's share/s, the corresponding member will be notified, and the Membership Committee will be advised of such fact. The Membership Committee will then notify all applicants and post the details of the auction in the Club's bulletin board for a period of at least ten (10) days. The auction by public bidding will be conducted by a Notary Public in accordance with the bidding procedure recommended by the Membership Committee and approved by the BOG. The certificate shall be awarded to the highest bidder provided that in such auction, the Club may bid the amount of its receivables from the delinquent member or holder. A Notary Public shall execute the Certificate of Sale to the highest bidder.

Receivables from officers and employees pertain to the BOG's and Officers' charges in excess of their annual allocations and privileges. These are due and demandable.

Other receivables include receivable from terminated memberships and local playing rights, golf tournaments, concessionaires' fees and utilities paid for in advance by the Club. These are non-interest bearing, unsecured, collectible in cash and are generally on a 30-day credit term.

Movements in the allowance for ECL are as follows:

	Note	Members	Related and third parties	Officers and employees	Others	Total
2023						
Balances at beginning of year		2,577,461	8,519,706	516,813	10,471,009	22,084,989
Provision	16	-	-	-	-	-
Balances at end of year		2,577,461	8,519,706	516,813	10,471,009	22,084,989
2022						
Balances at beginning of year		1,791,428	8,519,706	516,813	10,471,009	21,298,956
Provision	16	786,033	-	-	-	786,033
Balances at end of year		2,577,461	8,519,706	516,813	10,471,009	22,084,989
2021						
Balances at beginning of year		2,015,549	8,519,706	764,700	10,471,009	21,770,964
Reversal	16	(224,121)	-	(247,887)	-	(472,008)
Balances at end of year		1,791,428	8,519,706	516,813	10,471,009	21,298,956

Critical accounting estimate and judgment: Provision for impairment and recoverability of 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 which 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 has 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 judgements. The Club also evaluates specific account of customers 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, reliability of available historical information, the customer’s payment history and the result of Club’s follow-up action to recover overdue debts.

Management believes, based on its assessment that the net carrying amount of receivables as at each reporting period is recoverable.

4 Financial asset at fair value through profit or loss (FVTPL)

The Club owns 753,224 units of UITF with Metropolitan Bank and Trust Corporation with an initial net asset value per unit (NAVPU) of P1.13. UITF is a Bangko Sentral ng Pilipinas (BSP) - approved instrument wherein investments of various investors are pooled together and treated as a single fund.

The carrying amount of FVTPL consists of:

	2023	2022	2021
Cost	850,000	850,000	850,000
Accumulated gain on changes in fair value	521,063	462,932	438,568
Carrying amount	1,371,063	1,312,932	1,288,568

As at December 31, 2023, the NAVPU of UITF with Metrobank is P1.82 (2022 - P1.74; 2021 - P1.71).

Critical accounting estimates and assumptions: Determination of fair value of financial assets and financial liabilities

PFRS requires that certain financial assets and financial liabilities be carried and disclosed at fair value, which requires extensive use of accounting judgments and estimates. While significant components of fair value measurement are determined using NAVPU, the timing and amount of changes in fair value would differ using a different valuation methodology. Any change in the fair values of financial assets and financial liabilities directly affect the profit or loss.

Movements in the unrealized gain on changes in fair value of financial asset at FVTPL are as follows:

	Note	2023	2022	2021
Balance at beginning of year		462,932	438,568	430,563
Gain on changes in fair value	18.3	58,131	24,364	8,005
Balance at end of year		521,063	462,932	438,568

5 Inventories

Pro-shop inventories measured at cost as at December 31, 2023 amounted to P4,589,236 (2022 - P2,334,008).

For the year ended December 31, 2023, pro-shop inventories charged to cost of goods sold amounted to P3.7 million (2022 - P3.3 million; 2021 - P1.2 million) (Note 15).

No provision for inventory losses has been recognized for each of the three years in the period ended December 31, 2023.

6 Prepayments and other current assets

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

	2023	2022
Prepaid expenses		
Utilities and supplies	921,149	914,691
Insurance	424,073	428,674
Ground maintenance	154,207	59,613
Repairs and maintenance	52,950	177,461
Others	127,520	86,718
Deferred input value-added tax (VAT)	1,023,675	1,308,166
	2,703,574	2,975,323

7 Property and equipment

This account consists of:

(a) At revalued amount - Golf course development

	2023	2022	2021
At January 1			
Appraised value	508,656,219	389,427,832	389,427,832
Accumulated depreciation	(181,324,219)	(118,665,253)	(97,727,130)
Net book value	327,332,000	270,762,579	291,700,702
Year ended December 31			
Opening net book value	327,332,000	270,762,579	291,700,702
Transfers	3,458,113	3,540,312	-
Revaluation			
Cost	-	115,688,075	-
Accumulated depreciation	-	(41,240,132)	-
Depreciation	(29,886,043)	(21,418,834)	(20,938,123)
Closing net book value	300,904,070	327,332,000	270,762,579
At December 31			
Appraised value	512,114,332	508,656,219	389,427,832
Accumulated depreciation	(211,210,262)	(181,324,219)	(118,665,253)
Net book value	300,904,070	327,332,000	270,762,579

(b) At cost

	Golf course clubhouse	Golf course equipment (Note 9)	Clubhouse tools and equipment	Office furniture and equipment	Transportation equipment (Note 9)	Golf cart building	Halfway house	Development-in-progress	Total
At January 1, 2021									
Cost	178,530,690	45,216,737	12,591,189	5,721,478	3,733,186	2,049,305	2,034,876	935,500	250,812,961
Accumulated depreciation	(85,525,389)	(34,051,920)	(10,966,449)	(5,588,135)	(2,977,193)	(2,049,305)	(590,095)	-	(141,748,486)
Net carrying value	93,005,301	11,164,817	1,624,740	133,343	755,993	-	1,444,781	935,500	109,064,475
Year ended December 31, 2021									
Opening net carrying value	93,005,301	11,164,817	1,624,740	133,343	755,993	-	1,444,781	935,500	109,064,475
Additions	-	368,866	-	208,379	1,358,856	-	-	1,312,807	3,248,908
Depreciation	(4,465,470)	(4,994,790)	(353,120)	(94,657)	(667,820)	-	(47,699)	-	(10,623,556)
Closing net carrying value	88,539,831	6,538,893	1,271,620	247,065	1,447,029	-	1,397,082	2,248,307	101,689,827
At December 31, 2021									
Cost	178,530,690	45,585,603	12,591,189	5,929,857	5,092,042	2,049,305	2,034,876	2,248,307	254,061,869
Accumulated depreciation	(89,990,859)	(39,046,710)	(11,319,569)	(5,682,792)	(3,645,013)	(2,049,305)	(637,794)	-	(152,372,042)
Net carrying value	88,539,831	6,538,893	1,271,620	247,065	1,447,029	-	1,397,082	2,248,307	101,689,827
Year ended December 31, 2022									
Opening net carrying value	88,539,831	6,538,893	1,271,620	247,065	1,447,029	-	1,397,082	2,248,307	101,689,827
Additions	937,500	5,221,539	1,029,107	401,640	2,226,257	-	-	1,292,005	11,108,048
Disposals									
Cost	-	(108,259)	-	-	-	-	-	-	(108,259)
Accumulated depreciation	-	108,259	-	-	-	-	-	-	108,259
Transfers	-	-	-	-	-	-	-	(3,540,312)	(3,540,312)
Depreciation	(4,460,102)	(7,145,224)	(537,924)	(222,195)	(1,244,120)	-	(53,760)	-	(13,663,325)
Closing net carrying value	85,017,229	4,615,208	1,762,803	426,510	2,429,166	-	1,343,322	-	95,594,238
At December 31, 2022									
Cost	179,468,190	50,698,883	13,620,296	6,331,497	7,318,299	2,049,305	2,034,876	-	261,521,346
Accumulated depreciation	(94,450,961)	(46,083,675)	(11,857,493)	(5,904,987)	(4,889,133)	(2,049,305)	(691,554)	-	(165,927,108)
Net carrying value	85,017,229	4,615,208	1,762,803	426,510	2,429,166	-	1,343,322	-	95,594,238

	Golf course clubhouse	Golf course equipment (Note 9)	Clubhouse tools and equipment	Office furniture and equipment	Transportation equipment (Note 9)	Golf cart building	Halfway house	Development-in-progress	Total
Year ended December 31, 2023									
Opening net carrying value	85,017,229	4,615,208	1,762,803	426,510	2,429,166	-	1,343,322	-	95,594,238
Additions	2,033,707	9,749,501	498,224	215,147	477,429	-	-	3,458,113	16,432,121
Transfers	-	-	-	-	-	-	-	(3,458,113)	(3,458,113)
Depreciation	(4,724,354)	(5,954,713)	(732,352)	(36,055)	(1,732,524)	-	(47,016)	-	(13,227,014)
Closing net carrying value	82,326,582	8,409,996	1,528,675	605,602	1,174,071	-	1,296,306	-	95,341,232
At December 31, 2023									
Cost	181,501,897	60,448,384	14,118,520	6,546,644	7,795,728	2,049,305	2,034,876	-	274,495,354
Accumulated depreciation	(99,175,315)	(52,038,388)	(12,589,845)	(5,941,042)	(6,621,657)	(2,049,305)	(738,570)	-	(179,154,122)
Net carrying value	82,326,582	8,409,996	1,528,675	605,602	1,174,071	-	1,296,306	-	95,341,232

On April 3, 1997, a Deed of Assignment (“Assignment”) was executed between the Club (“Assignee”) and CJH DevCo (“Assignor”) whereby, the Assignor transferred, conveyed and assigned unto the Assignee its beneficial rights to the use and possession of the golf course pursuant to the Lease Agreement between the Assignor and the Bases Conversion and Development Authority (BCDA). In consideration, the Assignee issued and delivered to the Assignor 2,500 proprietary certificates (“certificates”) and 200 non-membership playing rights (“playing rights”).The Assignment is subject to the following terms and conditions, among others:

- The transfer of the beneficial rights to the use and possession of the golf course by the Assignor to Assignee.
- The delivery of the certificates and playing rights by the Assignee to Assignor shall be made upon the approval of the SEC of the permit to offer the securities for sale to the public. The permit to offer was approved and issued by the SEC on May 2, 1997.
- Assignor undertakes to redesign and improve the golf course and existing clubhouse.
- Assignee is prohibited to further transfer, convey or assign the golf course, clubhouse, and related facilities.
- Assignee shall on August 6, 2047, the end of corporate life of the Club or upon termination of the Lease Agreement, whichever is earlier, promptly deliver to the Assignor, its assigns or successors, the golf course, the club house, and all related facilities, inclusive of all improvements introduced by the Assignee in good condition in all respect, subject only to reasonable wear and tear.

In December 2001 and March 1999, the Assignor transferred to Assignee the rights and ownership of the clubhouse and the golf course (the assigned property), respectively. The cost of the assigned property totaling P1,378,588,555 is presented as part of the “Property and equipment” account and correspondingly treated as cost of the proprietary certificates issued by the Assignee to Assignor and shown under the “Membership certificates” account in the statement of financial position.

Revaluation of Golf Course Development

For the revaluation of golf course development asset, the Club engaged an independent accredited appraiser to determine the market value of the property based on its highest and best use. The market value of the improvements was arrived at by using the cost approach. This is a comparative approach to the value of property or another asset that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The valuer’s estimate is based on the reproduction or replacement cost of the subject property or asset, less total accumulated depreciation. The fair value of the golf course development asset as at December 31, 2022 was based on the appraisal report dated February 24, 2023 determined by Topconsult, Inc. using the cost approach, and is classified in the fair value hierarchy as Level 3 (Note 26.3). The Club has determined that the highest and best use of these properties is its current use.

Movements in revaluation increment on golf course development asset, net of deferred income tax, for the years ended December 31 are as follows:

	2023	2022	2021
Balance at beginning of year	294,883,158	238,804,817	257,174,418
Net revaluation increase	-	74,447,943	-
Transfer of revaluation increment absorbed through depreciation	(18,369,602)	(18,369,602)	(18,369,601)
Balance at end of year	276,513,556	294,883,158	238,804,817
Deferred income tax effect at 25%	(69,128,389)	(73,720,790)	(59,701,204)
Revaluation surplus, net	207,385,167	221,162,368	179,103,613

This is reflected on the statement of changes in members’ equity for the years ended December 31 as follows:

	2023	2022	2021
Transfer of revaluation increment absorbed through depreciation	(18,369,602)	(18,369,602)	(18,369,601)
Deferred income tax effect at 25%	4,592,400	4,592,400	4,592,400
Revaluation surplus	(13,777,202)	(13,777,202)	(13,777,201)

If the golf course development asset was measured using the cost model, the carrying amount as at December 31 would be as follows:

	2023	2022
Cost	1,243,054,267	1,239,596,154
Accumulated depreciation	(1,218,663,751)	(1,207,147,310)
	24,390,516	32,448,844

The balance of the revaluation surplus are restricted from distribution to the members.

Critical accounting estimate and assumptions: Revaluation of golf course development asset and frequency of valuation

The Club measures golf course development asset at revalued amounts with changes in fair value recognized in other comprehensive income. The Club engaged an independent valuation specialist having an appropriate recognized professional qualification to determine the fair value of the golf course development asset as at that date. The replacement cost per hole, observable condition and extent, character and utility of the property are the significant unobservable inputs used in the valuation, and the properties highest and best use in the locality where the property is located. Further information about the assumptions made in measuring fair values is included in Note 26.

Valuations are completed in accordance with the Club's accounting policy, which is prepared in accordance with PFRS. While PFRS does not specifically mandate the frequency of valuation to be performed, management assesses the need to obtain an independent valuation report based on movements in the fair value of land. Where the fair value at the reporting date differs materially from its carrying amount (i.e., more than 10% change in value), obtaining an independent valuation is necessary. If there is no indication that the movements in the fair value of golf course is materially different from its carrying amount, management obtains an independent valuation every three to five years.

The sensitivity of the golf course development carried at fair value to changes in the significant unobservable inputs as at December 31 is as follows:

	Impact on		
	Change in cost per yards	Property and equipment	Other comprehensive income/reserve before tax
2023			
Golf course development asset	+/- 5%	+/- 15,045,204	+/- 13,825,678
2022			
Golf course development asset	+/- 5%	+/-16,366,600	+/-14,744,158

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

Critical accounting estimate: 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.

Based on management's assessment, there is no change in 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 property and equipment

Property and equipment 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 which indicate that the carrying amount of its property and equipment may be impaired as at each reporting period.

8 Accounts payable and other current liabilities

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

	Note	2023	2022
Accounts payable		22,886,246	23,179,490
Non-trade payable		4,824,174	7,265,239
Unearned membership dues	11	4,502,640	5,462,709
Accrued expenses		4,413,656	4,675,470
Funds held in trust		981,198	1,034,589
Due to government agencies		586,790	384,777
Assignee deposit payable		554,911	609,911
Provision		504,242	695,346
Deferred revenue	11	110,102	142,827
Auctioned membership certificate liability	11	-	1,347,231
		39,363,959	44,797,589

Accounts payable and non-trade payable are noninterest-bearing and are payable on 30 to 180 days credit terms.

Accrued expenses consist mainly of accrual for professional fees, electricity, water, repairs and maintenance, postage, communication and payroll. These are normally paid within 30 days.

Unearned membership dues are cash collections from members for their monthly dues received in advance.

Auctioned membership certificate liability refers to the unclaimed net proceeds or the excess of the bid price over the amount of receivables from delinquent members sold at auction. These are due on demand.

Funds held in trust pertain to various assessment fees to cover the Club's team expenses for participating and representing the Club at the various tournaments; the assistance to employees and caddies; and the raffled items given away in the Club-sponsored tournaments.

Assignee deposit payable pertains to collections from assignees of playing rights of members that will cover any unpaid dues upon expiration of their contract of assignments which usually expires within a year. These are normally settled within 30 days upon clearance of account is obtained by the assignee from the Club.

Due to government agencies pertain to various withholding taxes and other government contributions and taxes. These are normally settled within 30 days.

Deferred revenues pertain to unused members' consumables.

9 Leases

In 2023 and 2022, the Club purchased brand new transportation equipment and golf course equipment and carts, respectively, through financing arrangements with a third-party financing company.

Lease terms are negotiated on an individual basis and vary in terms and conditions. The ownership of the purchased assets shall be under the lessor. Only upon the full payment of the lease shall the lessor issue a deed of absolute sale in favor of the Club.

(i) Amounts recognized in the statements of financial position

The statements of financial position show the following amounts relating to leases:

	2023	2022
Right-of-use assets		
Golf course equipment	2,867,491	-
Transportation equipment	762,564	2,328,644
Ground maintenance equipment	599,381	3,100,341
	4,229,436	5,428,985
Lease liabilities		
Current	2,127,124	3,368,565
Non-current	1,431,888	1,193,290
	3,559,012	4,561,855

Right-of-use assets are presented in property and equipment under golf course equipment and transportation equipment (Note 7).

Movement in lease liabilities for the years ended December 31 are as follows:

			Non-cash changes		
	January 1	Principal and interest payments	Additions during the year	Interest expense	December 31
2023	4,561,855	(5,206,700)	3,686,775	517,082	3,559,012
2022	3,492,559	(4,914,682)	5,515,492	468,486	4,561,855

(ii) Amounts recognized in the statements of total comprehensive income for the years ended December 31 are as follows:

	2023	2022	2021
Depreciation expense			
Golf course equipment	819,284	3,364,286	2,633,143
Ground maintenance equipment	2,500,960	2,296,567	473,980
Transportation equipment	1,566,080	916,756	339,714
	4,886,324	6,577,609	3,446,837
Interest expense (included in interest expense)	517,082	468,486	518,176
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses)	526,984	614,605	518,284
	5,930,390	7,660,700	4,483,297

The total cash outflow for leases for the year ended December 31, 2023 is P5,733,684 (2022 - P5,529,287; 2021 - P3,991,705), which includes short-term leases and leases of low-value assets.

Discount rate

Payments for leases of properties and equipment are discounted using implicit interest rate based on the rate charged by the third-party financing company.

(iii) Extension and termination options

No extension and termination options are included in any of the leases of the Club. The renewal of the agreement is dependent on the mutual agreement with the lessor and subject to renegotiation.

10 Shares of delinquent members acquired through auctions

This represents delinquent shares acquired by the Club through auctions pursuant to the Club's By-laws.

In 2023, the Club reissued 5 shares (2022 - 32 shares; 2021 - 1 share) amounting to P2,792,222 (2022 - P10,203,337; 2021 - P411,034).

In 2023, the Club acquired 9 shares (2022 - 3 shares; 2021 - 38 shares) of delinquent members with net book value of P622,803 (2022 - P117,396; 2021 - P1,591,197).

11 Related party transactions

Enterprises and individuals that have the ability to directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Club, including holding companies, and fellow subsidiaries are related parties of the Club. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Club that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Club and close members of the family of these individuals and companies associated with these individuals also constitute related parties. There is a currently enforceable legal right to offset related party balances and it is the related parties' intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The following table provides the summary of Club's transactions and outstanding balances with related parties as at and for the years ended December 31:

		Transaction amounts			Due from (due to) related parties		
	Ref.	2023	2022	2021	2023	2022	Terms and conditions
Members' assessments	*a*						These are collectible in cash, unsecured and interest bearing, collectible within 30 days credit terms.
Members		63,089,400	56,749,826	52,075,700	7,819,232	6,218,717	
Revenues from clubhouse operations	*b*						These are collectible in cash, unsecured and non-interest bearing, collectible on demand but not later than 12 months from reporting period.
Entities under common control		64,109	-	64,109	9,477,681	9,451,240	
		63,153,509			17,296,913	15,669,957	
Unearned membership dues (Note 8)							These are cash collections from members for their monthly dues received in advance.
Members		-	-	-	(4,502,640)	(5,462,709)	
Deferred revenue (Note 8)							These pertain to unused members' consumables.
Members		-	-	-	(110,102)	(142,827)	
Auctioned membership certificate liability (Note 8)							This refers to the unclaimed net proceeds or the excess of the bid price over the amount of receivables from delinquent members sold at auction. These are due on demand.
Members		-	-	-	-	(1,347,231)	
Purchase of service	*c*						These are unsecured, unguaranteed, non-interest bearing and payable in cash within 30 days term.
Entities under common control		871,635	1,568,601	871,636	(2,290,377)	(2,247,621)	
Electricity	*d*						These are unsecured, unguaranteed, non-interest bearing and payable in cash within 30 days term.
Entities under common control		5,384,549	4,167,117	2,389,501	(899,212)	-	
Golf course maintenance	*e*						These are settled in cash, unsecured and non-interest bearing, payable within credit terms but not later than 12 months from reporting period.
Entities under common control		21,507,748	8,877,712	20,677,720	(1,754,680)	(330,228)	
					(9,557,011)	(9,530,616)	

There are no collaterals held or guarantees issued with respect to related party transactions and balances.

(a) Members' assessments

The Club receives membership fees, dues, assignment and transfer fees for the transfer of membership from a member to its successor and special assessment from members which are stated in the Club's policies as approved by the Club's Board of Governors and are presented under members' assessments in the statement of total comprehensive income. As at December 31, 2023 and 2022, allowance for doubtful accounts related to these transactions amounted to P2,577,461 (Note 3).

The Amended Articles of Incorporation and By-laws, as discussed in Note 13, stipulates that shares issued to CJH DevCo and the owners of the land transferred to the Club (Primary Members) are deemed as non-activated shares and shall be exempt from payment of monthly dues until they are activated or are transferred by the Primary Members.

(b) Revenues from clubhouse operations

The Club's billings to related parties represent accounts of terminated local playing rights, share in Lake 7 water consumption and other charges which include, among others, green fees, tournament fees and sponsorships which are recorded as part of revenues from clubhouse operations in the statement of total comprehensive income (Note 14).

The Club and Camp John Hay Hotel Corp. (CJH Hotel) offers golf packages for those who want to play golf and stay at the hotel. Charges for the use of the Club's amenities are billed and collected through CJH Hotel, except for the hotel charges of other related parties during tournaments. Purchases represent CJH Hotel's purchase of pro-shop goods from the Club which are included as part of pro-shop revenues under the statement of total comprehensive income (Note 14).

The Club and Camp John Hay Suites (The Forest Lodge) offers golf packages for those who want to play golf and stay at the suite. Charges for the use of the Club's amenities are billed and collected through The Forest Lodge, except for the suite charges of other related parties during tournaments. Revenues from The Forest Lodge represent green fees, golf cart rentals, and golfer's insurance. Purchases represent The Forest Lodge's purchase of pro-shop goods from the Club which are included as part of pro-shop revenues under statement of total comprehensive income.

(c) Purchases of service

The Club's purchase of service with a related party includes accommodations for the club tournament players.

(d) Electricity

The Club pays its electricity charges through CJH DevCo including streetlights around Clubhouse which are recorded as part of communication, light and water under costs of goods sold and services in the statement of total comprehensive income (Note 15).

(e) Golf course maintenance

Under the Assignment contract between the Club and CJH DevCo (Note 7), the Club pays monthly maintenance dues to CJH DevCo for the maintenance of the common areas including roads inside the camp. Maintenance fees, including share in common expenses such as security and use of road, are reflected as repairs and maintenance under costs of goods sold and services in the statement of total comprehensive income (Note 15).

The Club's BOD, through its regular and special BOD meetings, approves every new related party transactions as part of the Club's corporate governance policy.

11.1 Offsetting of financial assets and financial liabilities

The financial assets and financial liabilities set-off and presented at net amounts as at December 31 in the statements of financial position are as follows:

Due from related parties

	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities set off in the statement of financial position	Net amount financial assets	Related amounts not set off in the statement of financial position		Net amount
				Financial instruments	Cash collateral received	
2023	18,191,551	(447,319)	17,744,232	-	-	17,744,232
2022	15,669,957	(2,202,335)	13,467,622	-	-	13,467,622

Due to related parties

	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets set off in the statement of financial position	Net amount financial liabilities	Related amounts not set off in the statement of financial position		Net amount
				Financial instruments	Cash collateral received	
2023	9,557,010	(447,319)	9,109,691	-	-	9,109,691
2022	9,530,616	(2,202,335)	7,328,281	-	-	7,328,281

The net amount of due from receivables is shown as part of “receivables from members and related parties” under “receivables, net” account in the statements of financial position (Note 3). The net amount of due to related parties is part of Accounts payable and other current liabilities (Note 8).

11.2 Transactions with key management personnel

(a) As at December 31, 2023, the Club has unsecured noninterest-bearing receivables from officers amounting to P1,120,067 (2022 - P818,665). These receivables are due and demandable and settlement occurs in cash. Allowance for ECL recognized as at December 31, 2023 and 2022 amounted to P516,813 (Note 3).

(b) Compensation and benefits to key management personnel of the Club are as follows:

	2023	2022	2021
Short-term employee benefits	4,225,000	2,957,500	2,733,750
Retirement benefits cost	343,357	240,350	103,999
	4,568,357	3,197,850	2,837,749

12 Refundable deposits

Refundable deposits represent golf course maintenance deposits collected from members and non-members with playing rights and are refundable in 2046, the end of the lease term (Note 6).

Refundable deposits, due to its long-term in nature, have been discounted to its present value. The difference between the gross amount of deposits and its present value is amortized over the term of the lease, thereby recognizing interest income using the effective interest rate prevailing at the time the liability was established. The amount of discounted deposit is accreted to the estimated future liability based on the effective interest rate method. Interest expense on accretion is recognized directly in profit or loss.

Details of refundable deposits are as follows:

	2023	2022
Total deposits at face value	26,085,000	25,175,000
Unamortized discount	(11,103,777)	(11,923,574)
Net carrying amount	14,981,223	13,251,426

The movement of refundable deposits is as follows:

	Note	2023	2022
Balance at beginning of year		13,251,426	10,784,260
Additions during the year		1,610,000	1,875,000
Cancellations during the year		(700,000)	(75,000)
Accretion of interest during the year	18.2	819,797	667,166
Balance at end of year		14,981,223	13,251,426

13 Membership certificates and amendments to by-laws

13.1 Track Record of Registration of Securities

The following summarizes the information on the Club's registration of securities under the Securities Regulation Code (SRC):

Date of SEC approval	Authorized shares	Number of shares issued	Issue/offer price
May 2, 1997	2,500	2,500	1,800,000

Founders' certificates shall be limited to the registered owners of Founder certificates. Regular certificates may be sold to any person, partnership, corporation or association, irrespective of nationality.
Playing rights shall be granted to not more than 200 Baguio residents only. Holders of playing rights shall have no voting rights and participation in the operations of the Club. Playing rights are not assignable.

All the proprietary certificates are to be issued subject to the conditions and limitations laid down in the Club's Articles of Incorporation.

As defined in the Club's By-laws, ownership of all membership shares of the Club is subject to the following restrictive conditions:

- Except for the ten founders' certificates, voting rights of the regular certificates were suspended for five years from and after the approval of the Club's Articles of Incorporation until 2002. Thereafter, the voting rights of the regular certificates were automatically revived, thus, putting them on equal footing in all respects with the founders' certificates. However, only bona fide individual regular members and judicial regular members, through their duly designated and accepted representatives, all of whom shall be in good standing shall have the right to vote at any meeting of the members.

- Members shall have no right to or participation in the Club's assets and no member shall possess any inheritable, transferable or assignable proprietary interest in the assets of the Club. As discussed in Note 7, upon dissolution, termination or liquidation, all of the assets of the Club shall revert to CJH DevCo.

- The registered owner of any class of membership shall be subject to the payment of monthly dues in such amounts as may be prescribed by the resolution of the BOG to meet the expenses for the operations of the Club and the maintenance of its improvement and facilities. In the event of delinquency in the payment of monthly dues, the membership may be ordered by the BOG in the manner provided in the By-laws to satisfy said dues and other obligations of the member.

On December 16, 2004, the BOG approved a resolution on the proposed amendments to the Club's By-laws. The members of the Club approved the said amendments during their January 28, 2005 special meeting. On August 6, 2010, the BOG approved further amendments to the Club's By-laws which were required by the SEC. The members of the Club approved the SEC required amendments during their October 22, 2010 special meeting. On February 14, 2011, the SEC approved the amended By-laws. The amendments, in gist, are as follows:

- That the number of governors of the Club shall be eleven.
- Owners of playing rights must be registered homeowners of a property located in the City of Baguio. Playing rights of Baguio residents may be terminated: (a) by death; (b) by forfeiture; and, (c) when he ceases to be a registered homeowner of a property located in the City of Baguio.
- Members of the Club shall be classified as primary members or secondary members. Primary members refer to CJH DevCo and the owners of the land transferred to the Club which are recipients of primary issuances of shares of the Club. Such shares issued to primary members are deemed as non-activated shares and shall be exempt from the payment of monthly dues until they are activated or are transferred by the primary member. Secondary members refer to all other members who are not primary members. Secondary membership in the Club shall be classified as regular members, honorary member, assignee member or founding member.
- Activated memberships refer to those memberships which have been activated and to memberships transferred by primary members to third parties. A membership is activated the first time when any owner or holder thereof is admitted for membership except in the case of primary members. Once activated, a membership continues to possess the status of an activated membership although a subsequent transfer or assignee of the membership may not have been admitted for membership.
- Non-activated memberships refer to those memberships where neither past nor present owners nor holders of the memberships have been admitted for membership in accordance with the By-laws and those memberships issued to primary members until they are transferred to third parties.
- Regular members are natural members who are registered in the books of the Club as owners of regular memberships of the Club, or the duly designated representatives of juridical entities in whose names regular memberships have been registered in the books of the Club.
- Subject to rules and regulations duly promulgated by the BOG, regular members are entitled to use all the facilities and privileges of the Club, except in the event of delinquency or suspension of such members as provided in the By-laws and subject to the rules and regulations of the Club. Subject to limitations and restrictions provided in the Articles of Incorporation and in the By-laws, regular members shall have the right to vote and to hold office. A juridical regular member may designate in writing only one person as its representative to the Club for each membership certificate registered in its name subject to the prior approval of the BOG. A transfer fee in such amount as may be prescribed by the BOG shall be charged for every change in the designated representative of a juridical regular member.
- Unless otherwise required by the BOG, honorary members shall not be assessed any fee for the use of the facilities of the Club, nor shall they be assessed monthly dues or any other assessment.
- Subject to the suspension of voting rights during the five-year period, only bona fide regular members in good standing shall have the right to vote at any meeting of the members.
- Upon the sale, assignment or transfer of an activated membership, all fees, dues and assessments falling due on or after the date of the corresponding deed shall continue to be responsible for the payment of all bills and accounts which he incurred prior to and until the outstanding bills and accounts of the Club have been fully paid and a discharge has been issued by the General Manager.

- All members of the Club owning more than one membership (except for the primary members) are required to pay all Club fees, dues and assessments for each activated membership owned and/or held. The payment of Club fees, dues and assessments does not automatically activate the membership. On the date and hour fixed, the Membership Committee shall proceed with the auction by public bidding to be conducted by a Notary Public in accordance with the bidding procedure recommended by the Membership Committee and approved by the BOG. The certificate shall be awarded to the highest bidder provided that in such auction, the Club may bid the amount of its receivables from the delinquent member of holder. The Notary Public shall execute a Certificate of Sale to the highest bidder. A description of the rights and privileges of Primary Members, particularly their rights over the facilities of the Club was included therein. The process of how the shares issued to Primary Members are activated was included in the By-laws. Applicants for membership must first be prequalified before they are allowed to purchase or transfer a membership in their name, in implementation of Rule 12.1 (8) (A) (iii) of the Implementing Rules of the SRC.

13.2 Roll forward of outstanding membership certificates

	Issued membership certificates	Shares of delinquent members acquired through auctions	Reissued shares of delinquent members	Outstanding membership certificates
Balance, December 31, 2021	2,500	(296)	73	2,277
Reissued (Reacquired) during the year	-	(3)	32	29
Balance, December 31, 2022	2,500	(299)	105	2,306
Reissued (Reacquired) during the year	-	(9)	5	(4)
Balance, December 31, 2023	2,500	(308)	110	2,302

13.3 Basic/diluted loss per share

	2023	2022	2021
Excess of expenses over revenues after income tax	(8,731,225)	(14,558,380)	(18,711,486)
Divided by the average number of membership shares outstanding during the year	2,291	2,291	2,294
Basic/diluted loss per share	(3,811)	(6,355)	(8,157)

The Club has no financial instrument or other contract that may entitle its holder to common shares that would result to diluted loss per share.

14 Revenue

The Club derives revenue from sale of goods and services at a point in time and over time as follows:

	2023	2022	2021
Over time			
Green fees and tournament fees	32,712,762	21,806,499	5,318,764
Concessionaires' fees	410,746	162,659	-
	33,123,508	21,969,158	5,318,764
At a point in time			
Golf cart rentals	7,542,573	6,228,663	4,320,460
Merchandise sales	6,033,309	5,175,935	1,802,085
Unused consumables	2,832,981	2,956,423	5,014,266
Driving range	541,941	413,343	58,394
	16,950,804	14,774,364	11,195,205
Total revenue from contracts with customers	50,074,312	36,743,522	16,513,969

Contract Balances

The Club's receivables as at December 31, 2023 and 2022 are disclosed in Note 3.

As at December 31, 2023, the Club's contract liabilities, representing unearned membership dues and unused consumables, amounted to P4,612,742 (2022 - P5,605,536) (Note 8). These are recognized as revenue upon actual performance of the service and lapse of the expiration period for using the consumables, respectively.

15 Costs of goods sold and services

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

	Notes	2023	2022	2021
Repairs and maintenance	11	23,141,282	23,575,296	22,246,210
Personnel expenses	17	16,225,726	13,623,385	12,464,529
Materials, supplies and facilities		12,826,208	8,046,029	2,347,832
Communication, light and water	11	7,150,418	5,484,142	2,913,930
Outside service		5,724,702	4,168,585	2,543,921
Security services		5,636,472	4,984,503	4,181,898
Cost of inventories sold	5	3,700,572	3,283,976	1,246,503
Professional fees		32,345	25,091	24,726
		74,437,725	63,191,007	47,969,549

16 Operating expenses other than depreciation

Operating expenses other than depreciation for the years ended December 31 consists of:

	Notes	2023	2022	2021
Personnel expenses	17	6,154,586	5,167,491	5,126,315
Professional fees		3,364,326	2,711,863	2,672,442
Taxes and licenses		1,956,594	2,072,831	281,841
Repairs and maintenance	11	1,349,198	1,472,183	963,595
Materials, supplies and facilities		1,157,294	796,544	307,476
Insurance		830,213	780,862	893,643
Credit card collection expense		689,902	548,312	424,350
Entertainment, amusement and recreation		539,618	754,147	416,493
Rent	9	526,984	614,605	518,284
Communication, light and water	11	432,454	501,332	495,897
Transportation and travel		163,964	161,354	153,991
Provision for (Reversal of) impairment of receivables	3	-	786,033	(472,008)
Others		668,873	425,551	589,942
		17,834,006	16,793,108	12,372,261

17 Personnel expenses

Personnel expenses for the years ended December 31 consists of:

	Notes	2023	2022	2021
Salaries and wages		15,079,850	13,170,276	12,436,496
Statutory and health benefits		2,158,872	1,816,275	1,542,542
Meal allowance		1,967,636	1,846,729	1,418,369
Retirement benefits cost	19	816,371	883,469	1,022,968
Employee uniforms		687,236	170,382	159,452
Employee training		99,745	208,228	45,024
Life insurance benefit		32,350	31,400	46,702
Other benefits		1,538,252	664,117	919,291
		22,380,312	18,790,876	17,590,844

Personnel expenses are allocated as follows:

	Notes	2023	2022	2021
Cost of goods sold and services	15	16,225,726	13,623,385	12,464,529
Operating expenses	16	6,154,586	5,167,491	5,126,315
		22,380,312	18,790,876	17,590,844

Other benefits pertain to various medical vaccinations and loyalty awards provided to its employees.

18 Interest income, interest expense and other income

18.1 Interest income

The sources of the Club's interest income for the years ended December 31 are as follows:

	Notes	2023	2022	2021
Receivable from members	3	520,078	415,606	385,858
Cash and cash equivalents	2	289,748	24,247	7,491
		809,826	439,853	393,349

18.2 Interest expense

The sources of the Club's interest expense for the years ended December 31 are as follows:

	Notes	2023	2022	2021
Interest accretion of refundable deposits	12	819,797	667,166	639,949
Finance charges	9	517,082	468,486	518,176
		1,336,879	1,135,652	1,158,125

18.3 Other income, net

The details of Club's other income, net for the years ended December 31 follows:

	Note	2023	2022	2021
Golf cart barn fees and venue rental		1,632,501	935,987	345,000
Concessionaires' share in utilities		1,191,769	911,909	573,166
Golf bag fees		552,120		
Locker and club rental		302,500	142,000	7,000
Golfer's insurance admin fee		187,954	93,392	50,987
Unrealized gain on changes in fair value of financial asset at FVTPL	4	58,131	24,364	8,005
Sponsorship gains		-	881,981	-
Others		5,790,865	167,806	(209,448)
		9,715,840	3,157,439	774,710

Concessionaires' share in utilities pertains to the electricity and water consumption of the concessionaires, which are billed by the Club.

Golf cart barn fees and venue rental pertains to income from the garage fee of private golf carts and private function venue rentals.

Locker and club rental pertain to the locker and Club amenities usage by the Club's guests.

Others include collections received from lost fairway towels, fax and photocopying fees, unaccounted membership dues that have been forfeited and late payment charges. For the year ended December 31, 2023, management performed a review of long-outstanding payables, and recognized the need for write off of certain payables amounting to P3,637,902 which management has assessed to be no longer valid claims.

19 Retirement benefit obligation

The Club has an unfunded, non-contributory defined benefit retirement plan which covers all of its regular employees. The benefits provided in the plan are based on the number of years of service and compensation on the last year of employment. The Club recognizes the amount of retirement benefits that need to be accrued following the minimum retirement benefit required by Republic Act 7641 (the "Act"). An independent actuary conducted an actuarial valuation of the unfunded defined benefit plan using the projected unit credit cost method based on the provisions of the Act.

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.

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

	Note	2023	2022	2021
Beginning balance		3,946,749	4,756,322	4,790,223
Retirement benefits cost in profit or loss:				
Current service cost		528,258	637,092	832,317
Interest cost		288,113	246,377	190,651
	17	816,371	883,469	1,022,968
Remeasurement loss (gain) from:				
Changes in financial assumptions		744,102	(2,785,883)	(886,652)
Experience adjustments		402,908	(200,927)	1,818,631
Changes in demographic assumptions		-	1,526,376	(36,278)
		1,147,010	(1,460,434)	895,701
Benefits paid		-	(232,608)	(1,952,570)
Ending balance		5,910,130	3,946,749	4,756,322

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

	2023	2022	2021
January 1	2,301,013	840,579	1,736,280
Remeasurement (loss) gain for the year	(1,147,010)	1,460,434	(895,701)
December 31	1,154,003	2,301,013	840,579

The principal actuarial assumptions used were as follows:

	2023	2022	2021
Discount rate	6.20%	7.30%	5.18%
Salary increase rate	7.00%	7.00%	7.00%

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.

Future 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.

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.

Expected maturity analysis of undiscounted retirement benefit payments as at December 31 is as follows:

	2023	2022
One year to five years	1,773,096	1,294,123
More than five years to ten years	2,314,182	1,912,513
More than ten years to fifteen years	5,360,841	4,116,983
More than fifteen years	56,382,798	51,338,753

The average duration of the defined benefit obligation as at December 31, 2023 is 12 years (2022 - 13 years).

Critical accounting estimates and assumptions: 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 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 sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming if all other assumptions were held constant.

	Increase (Decrease) in Basis Points	Increase (decrease) in defined benefit obligation	
		2023	2022
Discount rate	+1.00%	(681,905)	(455,570)
	-1.00%	807,640	537,513
Salary increase rate	+1.00%	748,099	502,770
	-1.00%	(646,907)	(435,887)

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.

20 Registration with the John Hay Special Economic Zone (JHSEZ) and tax implications (VAT and Income Tax) on Club's transactions

On April 15, 2002, the Club became a registered enterprise in the John Hay Special Economic Zone (JHSEZ) in accordance with Republic Act (R.A.) No. 7227, known as the Bases Conversion and Development Act of 1992 (the Act), Presidential Proclamation 420, Customs Administrative Order 2-98, Bureau of Internal Revenue (BIR) Revenue Regulations (RR) 1-95, as amended, and Implementing Rules and Regulations (IRR) on the JHSEZ. As such, the Club enjoys all rights, privileges and benefits established under the Act and the JHSEZ IRR, which include, among others, a preferential rate of 5% of gross income earned in lieu of all local and national taxes, tax-and-duty free importations of raw materials, capital equipment and household and personal items pursuant to Section 12(b) and 12(c) of the Act.

On October 24, 2003, the Supreme Court En Banc promulgated a decision nullifying the regime of tax and duty exemptions, as well as financial incentives and other privileges within the JHSEZ conferred by Section 3 of Proclamation No. 420 for being violative of Article VI, Section 28 (4) of the Philippine Constitution. On March 29, 2005, Supreme Court (SC) issued a resolution denying with finality the Motions for Reconsideration of BCDA and intervenor CJH DevCo. BCDA filed a Motion for Leave to file a second Motion for Reconsideration which was also denied in a Resolution dated June 15, 2005.

On March 20, 2007, President Gloria Macapagal-Arroyo approved R.A. 9400, "An Act Amending R.A. 7227, as Amended, otherwise known as the Bases Conversion and Development Act of 1992 and for Other Purposes," which restores the preferential income tax rate of 5% of registered enterprises within the freeport and special economic zones including JHSEZ. In addition, the President approved R.A. 9399, "An Act Declaring a One-Time Amnesty on Certain Tax and Duty Liabilities, Inclusive of Fees, Fines, Penalties, Interests and Other Additions Thereto, Incurred by Business Enterprises Operating Within the Special Economic Zones and Freeports," which provides that business enterprises may avail of the benefits of remedial tax amnesty granted on tax and duty liabilities, including fines and penalties and interests incurred or might have been incurred as a result of the SC rulings in July 2005. R.A. 9399 also provides that business enterprises in the said areas are required to pay P25,000 within six months from the effectivity of the law. R.A. 9399 was a combination of Senate Bill 2259 and House Bill 4901.

Pending issuance of the IRR, the Club applied in 2006 the regular corporate income tax rate of 35% without prejudice to the contractual rights and remedies available to JHSEZ enterprises.

In 2007, pursuant to R.A. 9400 and the issuance of a Certificate of Registration ("COR") from John Hay Management Corporation (JHMC), the Club adopted the 5% preferential income tax treatment on its Gross Income as provided by R.A. 7227 and changed its registration with the BIR effective May 15, 2007 from value-added tax (VAT) to non-VAT taxpayer.

Consequently, the Club adopted the 5% preferential income tax treatment on its Gross Income as provided by R.A. 7227. The IRR was later issued on February 13, 2008 by the Department of Finance with Department Order No. 3-08.

The Club's Certificate of Registration expired on November 19, 2013. It has since applied for the renewal of the said registration and, accordingly, submitted all requirements and paid all fees to JHMC. As at approval date of the financial statements, JHMC has not acted on the Club's renewal application.

In view of the release of the award in CJH Development Corporation v. Bases Conversion and Development Authority, PDRCI Case No. 60-2013 on February 11, 2015 as fully discussed in Note 1 to the financial statements, such renewal of the COR is not forthcoming because of the rescission of the Contract of Lease ("COL") between CJH DevCo and BCDA due to the parties' mutual breach.

Significantly, in the same award, the Arbitral Panel did not uphold the BCDA's earlier rescission of the COL in July 2014, which the JHMC cited as the reason for the non-renewal of the COR. There is no more reason, therefore, for the JHMC to have withheld the COR for 2014. Accordingly, based on the assessment of management and Poblador Bautista & Reyes ("PBR"), the Club's legal counsel, the Club may be deemed to be legally a holder of a COR for the year 2014, which was withheld by JHMC.

In 2015, management and Poblador Bautista & Reyes (“PBR”) revisited their assessment and determined that the non-issuance/renewal by JHMC of the Club’s COR removed then the Club’s entitlement to the incentives associated with the JHSEZ. As such, the Club is subjected then to income tax as an ordinary corporation and cannot avail itself of the 5% “in lieu of all taxes” preferential tax rate. It also subjected then to 12% value-added tax (“VAT”), as opposed to zero percent (0%) VAT had the Club’s COR been renewed.

On June 2, 2016, the Club processed its VAT registration and started to recognize output tax on its revenues starting in August 2016. In addition, the Club applied 30% regular corporate income tax rate in computing for its income taxes.

On August 13, 2019, the Supreme Court (SC) under SC GR No. 228539 issued a decision whether the membership fees, assessment dues and fees of similar in nature collected by clubs which are organized and operated exclusively for pleasure, recreation and other non-profit purposes subject to income tax and VAT.

Under this ruling, as long as the membership fees, assessment dues and the like are treated as collections by recreational clubs from their members as an inherent consequence of their membership, and are, by nature, intended for the maintenance, preservation, and upkeep of the club’s general operations and facilities, the fees cannot be classified as income subject to tax. In addition, the SC supported the position that these fees are not subject to VAT because in collecting such fees, the club is not selling its service to the members. Conversely, the members are not buying services from the club when dues are paid. Hence, there is no economic or commercial activity to speak of as these dues are devoted for the operations and maintenance of the facilities of the club.

Accordingly, starting September 2020, the Club has not been charging VAT on its membership dues, assignment and transfer fees. These are also exempt from income tax.

21 Income taxes

Deferred income tax (DIT)

a. DIT assets have not been recognized since the management believes 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:

	2023	2022
To profit or loss:		
Retirement benefit obligation	1,766,033	1,561,941
Net operating loss carry over (NOLCO)	27,987,479	14,312,342
Minimum corporate income tax (MCIT)	330,831	39,495
	30,084,343	15,913,778

b. The Club’s DIT liability pertains to the tax effect of the revaluation surplus. The movement in the DIT liability recognized in the statements of total comprehensive income is as follows:

	2023	2022	2021
Beginning of year	73,720,790	59,701,204	77,152,325
Recorded in profit or loss			
Deferred tax benefit from revaluation surplus absorbed through depreciation	(4,592,400)	(4,592,400)	(4,592,400)
Recorded in other comprehensive income			
Deferred tax expense from change in tax rates	-	-	(12,858,721)
Deferred tax expense from additional revaluation surplus	-	18,611,986	-
End of year	69,128,390	73,720,790	59,701,204

The Tax Return Act of 1997 (the "Act") introduced net operating loss carry over (NOLCO) benefit which can be applied to the taxable income in three succeeding taxable years. However, as part of providing COVID-19 response and recovery intervention by the Philippine Government, RA No. 11494, The Bayanihan to Recover as One Act, was approved on September 11, 2020 where NOLCO for taxable years 2020 and 2021 can be applied to the taxable income in five succeeding taxable years.

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

Year loss was incurred	Year of expiration	2023	2022
2019	2022	-	1,378,688
2020	2025	19,683,361	19,683,361
2021	2026	20,353,472	20,353,472
2022	2025	17,212,536	17,212,536
2023	2026	54,700,547	-
		111,949,916	58,628,057
Expired during the year		-	(1,378,688)
		111,949,916	57,249,369
Unrecognized NOLCO		27,987,479	14,312,342

In compliance with the Act, the Club shall pay the greater of minimum corporate income tax (MCIT), and the regular corporate income tax. Any excess of MCIT over the normal income tax shall be carried forward for the next three consecutive taxable years immediately following the period such MCIT was paid.

As provided under the NIRC, the Club shall pay the minimum corporate income tax (MCIT) or regular corporate income tax (RCIT), whichever is higher, on non-membership related activities. Any excess of MCIT over the RCIT shall be carried forward on an annual basis and credited against RCIT for the next three succeeding taxable years.

On March 26, 2021, Republic Act No. 11534, was signed into law. Under this law, effective July 1, 2020, the MCIT rate was reduced from 25% to one percent (1%) until June 30, 2023. Effective July 1, 2023, the MCIT rate reverted to its original 2% based on the taxpayers' gross income.

For taxable year 2023, a two-tiered MCIT rate applies: 1% for the period January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

In March 2024, Revenue Memorandum Circular No. 36-2024 issued by the Bureau of Internal Revenue (BIR) provided a clarification in manner of computing the MCIT for taxable year 2023. For taxpayers with calendar year ends, the MCIT rate to be used is 1.50% in 2023.

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

Year of payment	Year of expiration	2023	2022
2019	2022	-	104,937
2022	2025	39,495	39,495
2023	2026	291,336	-
		330,831	144,432
Expired during the year		-	(104,937)
		330,831	39,495

Reconciliation between the benefit from income tax and the provision for income tax for the years ended December 31 shown in the statements of total comprehensive income is as follows:

	2023	2022	2021
Benefit from income tax at 25%	(3,258,071)	(4,777,821)	(5,825,972)
Income tax effects of:			
Tax expense from unrecognized DIT assets	14,170,565	13,787,514	14,148,986
Non-deductible expenses	645,762	637,011	107,385
Unrealized gain on changes in fair value of financial assets at FVTPL	(14,533)	(6,091)	(2,001)
Interest income subjected to final tax	(72,437)	(6,062)	(1,873)
Non-taxable income	(15,772,350)	(14,187,456)	(13,018,925)
	(4,301,064)	(4,552,905)	(4,592,400)

Critical accounting judgment: Realization of deferred income tax assets

Recognition of deferred income taxes depends on management's assessment and judgment of the probability of available future taxable income which the temporary differences can be applied. The Club reviews the carrying amounts of deferred income tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Management assessed that the Club will not generate sufficient future taxable profits to realize the DIT assets and consequently, the Club did not recognize the DIT assets as at each reporting period.**Commitments**

The commitments entered into by the Club are as follows:

The Club's clubhouse restaurant is being operated and handled by Le Chef, Inc. Le Chef Inc. has been operating the restaurant since November 17, 2009. The Club executed a service concessionaire agreement contract with Le Chef Inc. In consideration for the services to be rendered by Le Chef Inc, the Club's share is 10% sales after VAT from non-Club activities and functions (Banquet Events).

In April and June 2015, the Club entered into one-year renewable consignment agreements with Brandgateway, Inc., Aviva Pacific Golf Corp. and Tee One Inc. for the consignment of golf-related merchandises being sold at the in-house shop operated by the Club. The agreements provide the Club with commission of 25% to 40% of the selling price upon sale of the consigned goods.

22 Critical accounting judgments, estimates and assumptions

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

- *Provision for impairment of receivables (Note 3)*
- *Revaluation of golf course development asset and frequency of valuation (Note 7)*
- *Estimated useful life of property and equipment (Note 7)*
- *Retirement benefit obligation (Note 19)*
- *Determination of fair value of financial assets and financial liabilities (Notes 4 and 26)*

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

- *Ability to continue as a going concern entity (Note 1)*
- *Recoverability of receivables (Note 3)*
- *Determination of impairment of property and equipment (Note 7)*
- *Realization of deferred income tax assets (Note 21)*

23 Financial risk management objectives and policies

The Club's principal financial asset is cash and cash equivalents. It also has other financial assets and liabilities such as receivables from members, related parties and officers and employees and other receivables, financial asset at FVTPL and accounts payable and other current liabilities (excluding statutory payables, unearned membership dues, deferred revenue and funds held in trust), due to related parties, refundable deposits and lease liabilities which arise directly from its operations.

The main risks arising from the Club's financial assets and financial liabilities are market risk, credit risk and liquidity risk. The Club is not exposed to interest rate risk as it has no interest-bearing financial assets and financial liabilities.

23.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial asset will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual financial asset or factors affecting all financial assets in the market.

The Club is exposed to fair value changes on its financial asset at FVTPL.

The Club's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position. As of each reporting period, the change in basis per unit point of UITF is not significant.

23.2 Credit risk

Credit risk is the risk arising from the possibility of the Club to incur a loss due to the failure of the members to meet their contractual debt obligations.

The Club has no significant concentration of credit risk.

The Club's receivables from members are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. In case of delinquency, the Club's By-laws provide for clear-cut measures and sanctions against members with unpaid accounts. These measures include withholding services and suspending rights and privileges to the member. In addition, the Club has the first lien on every share of stock to secure debts of members arising from unpaid membership dues and other club charges. Sales of products and services to non-members, i.e., members' guests, are on cash basis. In the case of membership dues, advance payment promotions are launched each year with incentives on early annual payments to reduce receivables from members. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of receivables.

The table below shows the maximum exposure to credit risk for the Club's financial assets as at December 31:

	Notes	2023	2022
Cash and cash equivalents	2	39,850,923	30,480,197
Receivables	3	28,386,832	24,876,377
		68,237,755	55,356,574

Cash and cash equivalents excludes cash on hand as at December 31, 2023 amounting to P1,555,597 (2022 - P1,238,840). Receivables exclude advances to concessionaires and suppliers and receivables from officers and employees amounting to P6,121,477 (2022 – P4,827,607) and are presented gross of allowance for doubtful account as at December 31, 2023 and 2022 amounting to P22,084,989.An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are, as follows:

a. Probability of default (PD) is an estimate of the likelihood of default over a given time horizon.
b. Exposure at default (EAD) is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. Loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time.

For cash and cash equivalents, the Club applies the low credit risk simplification where the Club measures the ECLs on a 12-month basis based on the probability of default and loss given default which are publicly available. The Club also evaluates the credit rating of the bank and other financial institutions to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Club considers its cash as high grade since these are placed in financial institutions of high credit standing. Accordingly, ECLs relating to these debt instruments rounds to nil.

For receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The credit quality of the Club's receivables is assessed based on customer segments. The provision rates are based on days past due for groupings of customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Based on the Club’s credit risk experience, expected credit loss rate increases as the age of the receivables increases.

The Club provides full allowance for credit-impaired receivables. These are individually impaired receivables which are non-moving for more than one year.

As at December 31, the ECL in relation to the Club’s receivables based on management assessment consist of:

	Members	Related and third parties	Officers and employees	Terminated memberships and local playing rights	Others	Total
2023						
Receivables at gross	7,819,232	11,252,137	1,120,067	6,258,061	8,027,813	34,477,310
Expected loss rates	33%	60%	46%	100%	74%	
Loss allowance	2,577,461	6,777,446	516,813	6,258,061	5,955,208	22,084,989
2022						
Receivables at gross	6,218,717	9,020,423	818,665	6,258,061	7,388,118	29,703,984
Expected loss rates	41%	75%	63%	100%	81%	
Loss allowance	2,577,461	6,777,446	516,813	6,258,061	5,955,208	22,084,989

23.3 Liquidity risk

Liquidity risk is the risk arising from the possibility that the Club may encounter difficulties in raising funds to meet or settle its obligations and supporting the Club’s operations and activities.

The Club seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Club's objective is to maintain continuity of funding mainly through efficiency in collections of membership dues and organization of events that provides additional income to the Club, and coupled with minimization of costs. The Club will utilize its auction membership certificates to meet the Club's maturing obligations and increase the Club's equity. Cost cutting measures are also implemented to increase the Club's total comprehensive income. The Club considers obtaining borrowings or issue special assessments as the need arises.

The analysis of financial assets into maturity group is based on the remaining period from the reporting date to the contractual maturity date or if earlier, the expected date on which the assets will be realized. The Club's financial assets (i.e., cash and cash equivalents, receivables and financial assets at FVTPL) that can be used to manage its liquidity risks as at December 31, 2023 amounted to P55,167,832 (2022 - P40,650,964).

For financial liabilities, the maturity grouping is based on the remaining period from the reporting date to the contractual maturity date. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period to which the Club can be required to pay.

The tables below summarize the maturity profile of the Club's financial liabilities as at December 31 based on contractual undiscounted payments.

	On Demand	Within 1 Year	1-2 Years	Over 2 Years	Total
2023					
Accounts payable and other current liabilities	-	33,178,987	-	-	33,178,987
Due to related parties	4,944,269	-	-	-	4,944,269
Refundable deposit	-	-	-	26,085,000	26,085,000
Lease liabilities	-	2,210,094	1,348,917	-	3,559,011
Future interest payable on lease liabilities	-	267,498	124,736	-	392,234
	4,944,269	35,656,579	1,473,653	26,085,000	68,159,501
2022					
Accounts payable and other current liabilities	1,347,231	35,730,110	-	-	37,077,341
Due to related parties	375,514	-	-	-	375,514
Refundable deposits	-	-		25,175,000	25,175,000
Lease liabilities	-	3,368,565	1,193,290	-	4,561,855
Future interest payable on lease liabilities	-	302,177	33,864	-	336,041
	1,722,745	39,400,852	1,227,154	25,175,000	67,525,751

"Accounts payable and other current liabilities" in the liquidity risk table as at December 31, 2023 excludes amounts due to the government, deferred revenue, unearned membership dues, funds held in trust, provision for probable loss amounting to P6,684,972 (2022 - P7,720,248) (Note 8).

24 Capital management objectives and policies

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 benefits for members.

The Club manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Club may increase membership dues and other fees. There were no changes in the objectives, policies and processes in 2023 and 2022. The Club has met its objectives in 2023, 2022 and 2021.

As at December 31, 2023 and 2022, the Club's capital is composed primarily of membership certificates amounting to P1,378,588,555. As at December 31, 2023 and 2022, the Club is not subject to any externally imposed capital requirements.

25 Fair value measurements

The following table shows financial instruments recognized at fair value, categorized between those whose fair value is based on:

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

	Date of valuation	Total	Level 1 Quoted prices in active markets	Level 2 Significant observable input	Level 3 Significant unobservable input
Financial asset at FVTPL	December 31, 2023	1,371,063	-	-	1,371,063
	December 31, 2022	1,312,932	-	-	1,312,932
Golf course development asset	December 31, 2023	300,904,070	-	-	300,904,070
	December 31, 2022	327,332,000	-	-	327,332,000

25.1 Financial assets at FVTPL

The fair value is determined by reference to the net asset value per unit and was classified in the fair value hierarchy as Level 3.

25.2 Refundable deposits

In 2023 and 2022, the fair value is calculated by discounting the expected future cash flows at prevailing PH BVAL interest rate of noncurrent portion at 6.18%. This is classified as Level 3.

25.3 Golf course development asset

a. Valuation technique

The fair value of the golf course development asset was based on the latest appraisal report dated February 24, 2023 determined by Topconsult, Inc. using the cost approach, and is classified in the fair value hierarchy as Level 3.

Based on the appraiser's report, the replacement cost per hole, observable condition and extent, character and utility of the property are the significant unobservable inputs used in the valuation which was pegged at the range of P18 million to P19 million. Significant favorable (unfavorable) adjustments to the aforementioned factors based on the professional judgment of the independent appraiser would increase (decrease) the fair value of golf course development asset.

Description of the valuation technique and significant unobservable inputs used in the valuation of the golf course development asset are as follows:

1. Cost Approach - This is a comparative approach to the value of property or another asset that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The valuer's estimate is based on the reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation.

2. Replacement cost - The cost to replace the service capacity of an asset.

3. Observable condition - The golf course is now undergoing various repairs and maintenance like overhauling new tees, planting new grass for the tees and fairways, putting up new bunkers around the golf course and repairing old pipes for the drainage and irrigation system.

4. Extent, character and utility of the property - The golf course is a fully developed all weathers 18 holes par 69 golf course with a total length of 5,500 yards designed by Jack Nicklaus Golden Bear International. The fairways are planted with combination of Bermuda Grass and Cool season grasses, while the roughs uses carabao grass. The tees uses a combination of Fescue grass, Kentucky Blue grass, Supra Nova, Poa Supina, Rye Grass and Bermuda Grass, while the putting greens uses the Crystal Blue Links Bentgrass and Penncross Bentgrass. The golf course is supplemented with roads and gutters, a computerized irrigation system, drainage systems and three lakes serving as catchment basin for surface water run-off.

As at and during the years ended December 31, 2023 and 2022, there were no transfers into and out of Level 3 fair value measurements.

b. Valuation process of the Club

The external valuation of the golf course development had been performed using unobservable inputs. The external valuer, in discussion with the Club's Finance team, has adopted the Sales Comparison Approach and Modified Quantity Survey Method to estimate the value of the land and the cost of reproduction of the buildings, respectively.

The Sales Comparison Approach in estimating the market value of the golf course development requires an analysis of its physical features, the locational attributes, and the quality of adjacent improvements that affect its market value. Once a comparable property is identified that is similar with respect to physical, locational, and neighborhood features, an adjustment is made to compensate for any differences. Other aspects of comparability is also examined such as market conditions at the time of sale for the comparable properties, the financing used in the purchase, and the property rights transferred.

26 Summary of material accounting and financial reporting policies

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

26.1 Basis of preparation

The financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the Securities and Exchange Commission (SEC).

The financial statements of the Club have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss (FVTPL) and golf course development asset that has been measured at revalued amount.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Club's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 23.

26.2 Changes in accounting policies and disclosures

New and amended standards adopted by the Club

The Club has applied Amendments to PAS 1 and PFRS Practice Statement 2 - Disclosure of Accounting Policies for the first time for the financial year beginning January 1, 2023.

The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the PFRS Practice Statement 2, Making Materiality Judgments, was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effects of adoption of amendments to PAS 1 and PFRS 2 Practice Statement 2 as at January 1, 2023 are considered in the Summary of material accounting policies (Note 27) to these financial statements.

Other amendments and improvements to the standards effective January 1, 2023 are not considered relevant to the Club.

New and amended standards not yet adopted by the Club

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

26.3 Financial assets

Classification and presentation

26.3.1 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's financial assets at FVTPL pertain to Unit Investment Trust Fund (UITF).

The Club's financial assets under category (b) includes cash and cash equivalents and receivables from members, related parties and officers and employees and other receivables.

Financial assets are included in current assets, except when these are expected to be received or realized more than twelve (12) months after the financial reporting date which are classified as non-current assets.

26.3.2 Measurement

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.

26.3.3 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 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.

General approach

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.

26.3.4 Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

26.3.5 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 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.

26.3.6 Write-off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Club determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Club' procedures for recovery of amounts due.

26.4 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 current liabilities (excluding statutory payables, unearned membership dues, deferred revenue and funds held in trust), due to related parties, refundable deposits and lease liabilities.

Financial liabilities are contractual obligations which are either to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Club.

These are included in current liabilities, except for maturities greater than 12 months from the reporting date, which are classified as non-current liabilities.

Initial recognition and subsequent measurement

Financial liabilities are recognized in the statement of financial position when the Club becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially recognized at fair value, net of transaction costs incurred, which normally equal its nominal amount. Financial liabilities are subsequently measured at amortized cost using the effective interest method.

26.5 Offsetting arrangement

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Club or the counterparty.

26.6 Fair value measurement

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

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

The principal or the most advantageous market must be accessible to the Club.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 **-** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 **-** Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 **-** Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

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

External appraisers are involved for the significant assets such as certain items under property and equipment. Involvement of external appraisers is decided every three to five years. In cases wherein significant changes in fair value of the assets (i.e. more than 10% change in value) are expected during the year, the Club would recognize an annual involvement of external appraisers. The Club decides, after discussions with the external appraisers, which valuation techniques and inputs to use for each case.

At each reporting date, the Club analyzes the movement in the value of the assets which are required to be remeasured or reassessed based on the Club's accounting policies. For this analysis, the Club verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Club, in conjunction with the external appraisers, also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

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

26.7 Inventories

Inventories consist of Pro-shop stocks. Inventories are initial recorded at cost and are subsequently measured at the lower of cost and net realizable value (NRV). Costs are accounted for using weighted average method. NRV is the estimated selling price in the ordinary course of the business less cost to sell. Inventories are derecognized when they are sold or disposed.

26.8 Property and equipment

Property and equipment, except for golf course development asset, are carried at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. Such cost consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Golf course development in progress is not depreciated until such time when the developments and the assets being developed are completed.

Golf course development asset are subsequently measured at revalued amount based on a valuation performed by independent appraisers. Revaluation is made every three to five years such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any resulting increase in the asset's carrying amount as a result of the revaluation is recognized as other comprehensive income in the statement of total comprehensive income and accumulated in members' equity under the heading "Revaluation surplus". Any resulting decrease is directly charged against any related revaluation surplus to the extent that the decrease does not exceed the amount of the revaluation surplus in respect of the same asset. Further, the revaluation surplus on golf course development asset is transferred to retained earnings when the asset is derecognized. Transfer from revaluation surplus to retained earnings is not made through profit or loss.

Land, if any, is not depreciated.

Depreciation commences once the assets are available for use and is computed using the straight-line method over the estimated useful lives of the assets.

Category	Number of years
Golf course development	15
Golf course clubhouse	30-40
Golf course equipment	5
Clubhouse tools and equipment	5
Office furniture and equipment	5-10
Golf cart building	10
Halfway house	37
Transportation equipment	5

26.9 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that the non-financial assets such as property and equipment may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. The 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 nonfinancial asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of the nonfinancial asset exceeds its recoverable amount, the nonfinancial asset is considered impaired and is written down to its recoverable amount. In determining fair value less costs to sell, an appropriate valuation method is used. These calculations are corroborated by valuation multiples, quoted stocks prices for publicly traded securities or other available fair value indicators. 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 nonfinancial asset. Impairment loss is recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at 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 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 nonfinancial asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the nonfinancial asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the nonfinancial asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

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

26.10 Membership certificates

Membership certificates represent the cost of the proprietary certificates issued by the Club to founders and regular members.

26.11 Shares of delinquent members acquired through auctions

Shares of delinquent members acquired through auctions are the Club's own equity instruments which are reacquired and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Club's own equity instruments.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in membership certificates.

26.12 Revenue recognition

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

Green fees and tournament fees, driving range and golf cart rentals, concessionaires' fees

Revenues from the use of the Club's golf course and other amenities and availment of the Club's services are recognized over time, i.e., when services are rendered, and amenities are used.

Unused consumables

Consumables are forfeited and recognized as revenue when it remains to be unused, generally, after six months.

Merchandise sales

Revenue is recognized at a point in time when the control of the goods has been transferred to the customer (i.e., upon delivery).

Interest income

Revenue is recognized as it accrues (that is, the rate that exactly estimates future cash receipts throughout the expected life of the financial instrument to the net carrying amount of the financial instrument) using the effective interest rate method. Interest on past due accounts is recognized when collection is certain.

Other income

Revenue is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Club and the amount can be measured reliably.

26.13 Members assessments

The Club recognized members' assessments as follows:

Membership dues

Revenues are recognized over time, i.e., ratably over the applicable membership period. Advance collection of membership dues are recognized in the "Unearned membership dues" account presented under "Accounts payable and other current liabilities" account in the statement of financial position.

Assignment fees

Receipt is recognized upon transfer of playing rights to the assignee.

Transfer fees

Receipt is recognized upon transfer of golf shares to the buyer.

Entrance fees

Revenue is recognized at a point in time when receipts representing one time joining fee is collected upon approval of member's application.

Contract Balances

(a) Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Club performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

(b) Contract liabilities (or unearned membership dues)

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 the 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 are revenue as revenue when the Club performs under the contract.

26.14 Leases

When the Club enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset or is dependent on the use of a specific asset or assets, the Club assesses whether the arrangement is, or contains, a lease.

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

To determine the incremental borrowing rate, the Club:

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

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

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Club becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Short-term leases

Payments associated with short-term leases are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

26.15 Retirement benefits

The Club has an unfunded, noncontributory defined benefit plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit 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.

Defined benefit costs comprise the following: (1) service cost; and (2) net interest on the net defined benefit liability or asset.

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

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

Remeasurements comprising actuarial gains and losses, return on plan assets 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

26.16 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Club operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Club measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

26.17 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions.

Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

26.18 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 when an inflow of economic benefits is probable.

26.19 Subsequent events

Post year-end events that provide additional information about the Club’s position at the financial statement date are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

26.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, represented by the Club’s President who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the primary person that makes strategic decisions.

The Club’s operations is managed as a single business segment, that is golf course operations; consequently, the Club does not prepare a segment analysis for its financial statements.

The presentation in statement of financial position and statements of comprehensive income is consistent with the lone business segment of the Club used for economic decisions.

27 Supplementary information required by Bureau of Internal Revenue (BIR)

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

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2023 and the revenues upon which the same was based consist of:

	Gross amount of revenue	Output VAT
Sale of services subject to 12% VAT	50,218,273	6,026,193
Sale of services exempt from VAT	91,339,340	-
	141,557,613	6,026,193

The Club's receipts from senior citizens are exempt from VAT pursuant to Section 4 of Republic Act No. 9994, known as Expanded Senior Citizens Act of 2010, an act amending Republic Act No. 7432.

The sale of services presented in the table above are based on gross receipts for VAT purposes while sale of services presented in profit or loss are presented in accordance with the revenue recognition policy of the Club.

(ii) Input VAT

Movements in input VAT for the year ended December 31, 2023 follow:

Beginning balance	533,706
Add: Current year's domestic purchases/payments for:	
Domestic purchases of goods other than capital goods	1,882,544
Domestic purchases of services	3,073,353
Less: Applied against output VAT	(5,489,603)
End of year	-

(iii) Importations

The Club has no tariff or importation fees for the year ended December 31, 2023.

(iv) Excise tax

The Club has no excise tax paid for the year ended December 31, 2023.

(v) Documentary stamp tax

For the year ended December 31, 2023, the Club paid documentary stamp tax for transfer of shares amounting to P304,856.

(vi) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2023 consist of:

Capital gains tax	1,428,975
Penalties	29,415
Community tax	10,500
Business permit and registration	7,194
Others	175,654
	1,651,738

Others mainly pertain to local tax for Rooms, creditable withholding taxes for members and dues paid to JHMC for all incoming purchases/supplies to the Club.

(vii) Withholding taxes

Withholding taxes paid and accrued by the Club for the year ended December 31, 2023 amounted to:

	Paid	Accrued	Total
Expanded withholding tax	819,232	160,343	979,575
Tax on compensation and benefits	738,127	141,061	879,188
	1,557,359	301,404	1,858,763

(viii) Tax assessments

As at December 31, 2023, there are no tax assessments during the year.

(ix) Tax cases

As at December 31, 2023, there are no tax cases filed against the Club in courts or bodies outside the BIR.

Camp John Hay Golf Club, Inc.
Camp John Hay Loakan Rd., Baguio City

Schedule A
Financial Assets
As at December 31, 2023

Name of issuing entity and association of each issue (I)	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position (II)	Valued based on market quotation at end of reporting period (III)	Income received and accrued
Cash on hand	-	1,555,597	-	-
Cash in bank	-	39,848,851	-	289,748
Receivables	-	12,392,321	-	415,606
Financial asset at fair value through profit or loss - Metropolitan Bank and Trust Corporation	-	1,371,063	-	-
TOTAL	**-**	**55,167,832**	**-**	**705,354**

Camp John Hay Golf Club, Inc.
Camp John Hay Loakan Rd., Baguio City

Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2023

CAMP JOHN HAY GOLF CLUB INC

SCHEDULE B
AMOUNT RECEIVABLE FROM DIRECTORS OFFICERS EMPLOYEES

Name and Designation of debtor	CY 2022 Balance Beginning	Additions	Amount Collected	Amount Written off	Current	Non Current	CY 2023 Balance End of Period
Bedi Gulshan	77,787						77,787
Sobrepena, Enrique III	408,536						408,536
Various BOG & Officer	183,036	224,076	(10,900)				396,212
Various Employees	148,306	142,106	(52,880)				237,532
							-
	817,665	**366,182**	**(63,780)**	**-**	**-**		**1,120,067**

Camp John Hay Golf Club, Inc.
Camp John Hay Loakan Rd., Baguio City

Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
As at December 31, 2023

Receivables of the Parent Company from its wholly-owned subsidiaries are as follows:

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected (I)	Amounts written off (II)	Current	Not current	Balance at end of period
			NOT APPLICABLE				

Camp John Hay Golf Club, Inc.
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Schedule D
Long Term Debt
As at December 31, 2023

Title of issue and type of obligation (I)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related statement of Financial Position (II)	Amount shown under caption "Long-Term Debt" in related statement of Financial Position (III)
BDO Unibank, Inc		423,756	74,672
Asia United Leasing and Finance Corp	5,515,492	2,944,809	1,118,618

Camp John Hay Golf Club, Inc.
Camp John Hay Loakan Rd., Baguio City

Schedule E
Indebtedness to Related Parties (Long term loans from Related Companies)
As at December 31, 2022

Name of related party (I)	Balance at beginning of period	Balance at end of period (II)
Not Applicable		

Camp John Hay Golf Club, Inc.
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Schedule F
Guarantees of Securities of Other Issuers
As at December 31, 2023

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 guaranteed and outstanding (I)	Amount owned by person for which statement is filed	Nature of guarantee (II)
		Not Applicable		

Camp John Hay Golf Club, Inc.
Camp John Hay Loakan Rd., Baguio City

Schedule G
Proprietary Membership Certificates
As at December 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related Statement of Financial Position Caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by Related Parties (II)	Directors, officers and employees	Others (III)
Proprietary membership certificates	2,500	2,500	-	-	12	2,488

Camp John Hay Golf Club, Inc.
Camp John Hay Loakan Rd., Baguio City

Schedule of Financial Soundness Indicator
As at December 31, 2023

	2023	2022	2021
Gross Profit margin[a]	34%	30%	30%
Net Profit margin[b]	NA	NA	NA
Return on Equity[c]	NA	NA	NA
Current ratio[d]	1.43:1	1.35:1	0.48:1
Interest cover[e]	22:1	17:1	7:1
Debt to equity ratio[f]	0.33:1	0.40:1	0.41:1
Asset-to-equity ratio[g]	1.42:1	1.43:1	1.45:1
Book Value per share[h]	129,399	131,277	109,162

[a] Gross Profit / Revenues
[b] Net Income available to common shareholders / Revenues
[c] Net Income available to common shareholders / Shareholders' Equity
[d] Current Assets / Current Liabilities
[e] Earnings before interest and taxes / Interest Expense
[f] (Borrowings - Cash) / Shareholders' Equity
[g] Total Assets / Total Equity
[h] Shareholders' Equity (available to owners of the Club)/Weighted average outstanding number of common shares