



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** CS201604652

**Company Name:** MANILA HOUSE PRIVATE CLUB, INC.

**Industry Classification:** H55200

**Company Type:** Stock Corporation

## Document Information

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# COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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[illegible]

(Business Address: No. Street/City/Town/Province)

**AISSA V. ENCARNACION**

*Corporate Secretary*

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Contact Person

88127567

Company Telephone Number

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*Month Day*

SEC FORM 17-A

FORM TYPE

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Month Day

Secondary License Type, if Applicable

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Amended Articles	Number/Section
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### Total Amount of Borrowings

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Total No. of Stockholders

\_\_\_\_\_

Domestic

\_\_\_\_\_

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended December 31, 2024
2. SEC Identification Number CS201604652
3. BIR Tax Identification No. 009-243-591
4. Exact name of issuer as specified in its charter MANILA HOUSE PRIVATE CLUB, INC.
5. Philippines  
Province, Country or other  
jurisdiction of incorporation or  
organization
6.  (SEC Use Only)  
Industry Classification Code:
7. 8<sup>th</sup> Floor Seven/NEO (formerly Net Park),  
5<sup>th</sup> Avenue, Bonifacio Global City, Taguig City  
Address of principal office 1630  
Postal Code
8. (02) 88125767  
Issuer's telephone number, including area code
9. N/A  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the  
RSA

Title of Each Class	Number of Shares of Common and Preferred Stock Outstanding and Amount of Debt Outstanding
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Common Shares	100,005
Preferred Shares	1,550

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

Yes [ ] No [✓]

If yes, state the name of such stock exchange and the classes of securities listed therein:

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [☒]      No [☐]

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

Yes [☐]      No [☒]

13. Aggregate value of the voting stock held by non-affiliates: N/A

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## **I. BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

#### **General Nature and Scope of Business**

Manila House Private Club, Inc. ("Company") was incorporated on 15 March 2016 to carry on the business and operation of an exclusive restaurant and provide facilities and services for dining, meeting, social, recreation, entertainment, offer goods, art, food and beverages, for sale or for exhibition within the premises, and conduct similar activities in the City of Taguig and to allow a diverse membership the opportunity to meet, interact and engage with each other in a relaxed, discreet yet stimulating environment.

The Company provides sophisticated and comprehensive dining experience with social, educational and cultural activities integrated therein.

The Company has an authorized capital stock of P202,000,000.00 consisting of 200,000 Common Shares and 2,000 Preferred Shares. Upon incorporation, 100,003 Common Shares and 500 Preferred Shares were subscribed.

A shareholder will be entitled to use all the recreational facilities of the Company, subject to the terms and conditions described under the section Description of Shares, and the Company Rules, which will be from time to time prescribed by the Board. Any transfer of ownership of a Preferred Share, or any change in nominee of a Preferred Shareholder, shall not automatically transfer the privilege of membership to the transferee or new nominee.

The Company offers for sale to select members of the public by invitation, Membership Certificates that will entitle the holder the right to use the Company's facilities. Within the first year of operations of the Company, up to 600 Founding Membership Certificates were offered at P200,000.00 each, up to 1,000 Regular Membership Certificates were offered at P150,000.00 each; 600 Associate Membership Certificates at P100,000.00 each; while 600 Junior Membership Certificates were offered at P50,000.00 each.

The Company has the following outstanding members, to date: (1) 243 Regular Members; (2) 197 Associate Members; (3) 224 Junior Members; and (4) 600 Founding Members.

As of today, Founding Membership Certificates are offered at P300,000 each, Regular Membership at P250,000, Associate Membership at P200,000 and Junior Membership at P75,000.

Membership certificates are separate and distinct from shares of stock and will not grant the holder of said certificates any rights of a stockholder of the Company.

### **Item 2. Properties**

The Company has not acquired principal properties such as real estate, plant and equipment and patents.

In 2020, the Company signed a Merchandising Support Agreement with PMFTC Inc., effective from January 2021, for an initial term of two (2) years. The agreement entailed PMFTC Inc. supplying the Company with equipment, kiosks, fixtures for designated smoking or vaping areas, merchandising units, and promotional materials. On February 23, 2022, the

contract was amended to extend its duration from 2 years to 4 years.

The Company entered into a lease contract of the premises in Seven/NEO (formerly Net Park) in 2016. The original lease period was until 2026. In 2023, the Company negotiated the early renewal of its lease for a term of ten (10) years from 1 January 2025 until 31 December 2034, which was finalized on 24 January 2024.

### **Item 3. Legal Proceedings**

During the past five (5) years and until the present, the Company, its directors and executive officers in their official capacities have not been involved in any other legal proceedings in their capacity that will have a material adverse effect on its operations or financial condition. The space being leased by the Company is not subject of any legal proceedings.

### **Item 4. Submission of Matters to a Vote of Security Holders**

No matter was submitted to a vote of security holders, through the solicitation of proxies or otherwise.

## **II. OPERATIONAL AND FINANCIAL INFORMATION**

### **Item 5. Market for Issuers Common Equity and Related Stockholder Matters**

#### **Principal market where the registrant's common equity is traded**

All shares of the Company were distributed by the Company through invitation only. Hence, the Company has not engaged the services of any underwriters, selling agents or brokers, except for sales and marketing staff employed by the Company.

#### **Stock Prices**

The authorized capital stock of the Company is Two Hundred Two Million Pesos (Php202,000,000.00), Philippine Currency, consisting of Two Hundred Thousand (200,000) Common Shares with a par value of Ten Pesos (Php10.00) per share; and Two Thousand (2,000) Preferred Shares with a par value of One Hundred Thousand Pesos (Php100,000.00) per share.

Since these securities are not listed in any stock exchange, there is no market price for the Company's securities derived from day-to-day trading.

#### **Holders**

The number of shareholders of record as of 31 December 2024 is 40. Total shares outstanding as of 31 December 2024 is 100,005 common shares with a par value of P10.00 and 1,550 preferred shares with a par value of P100,000.

The holders as of 31 December 2024 are as follows:

## COMMON SHARES

NAME	NATIONALITY	NO. OF SHARES	AMOUNT SUBSCRIBED	AMOUNT PAID
Ocampo II, Ricardo Mariano C.	Filipino	29,999	Php299,990.00	Php299,990.00
San Diego, Antonio Raymundo O.	Filipino	29,998	Php299,980.00	Php299,980.00
Pangilinan, Jr., Gilbert Zoilo O.	Filipino	15,001	Php150,010.00	Php150,010.00
Craig, Katrina Panlilio	Filipino	15,000	Php150,000.00	Php150,000.00
Addison, Pierre Angeli	Filipino	10,000	Php100,000.00	Php100,000.00
Coseteng, Ferdinand Edwin S. <sup>1</sup>	Filipino	1	Php10.00	Php10.00
Ocampo, Celestina M.	Filipino	1	Php10.00	Php10.00
Encarnacion, Aissa V.	Filipino	1	Php10.00	Php10.00
Lacson, Edgardo G.	Filipino	1	Php10.00	Php10.00
Sicat, Regina F.	Filipino	1	Php10.00	Php10.00
Albert, Jose Mari T.	Filipino	1	Php10.00	Php10.00
Arcilla, Jose L.	Filipino	1	Php10.00	Php10.00
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<b>Total Common Shares Subscribed</b>		<b>100,005</b>	<b>Php1,000,050.00</b>	<b>Php1,000,050.00</b>

## PREFERRED SHARES

NAME	NATIONALITY	NO. OF SHARES	AMOUNT SUBSCRIBED	AMOUNT PAID
Albert, Maricris <sup>2</sup>	Filipino	50	Php5,000,000.00	Php5,000,000.00
Sehwani, Jane Asuncion	Filipino	50	Php5,000,000.00	Php5,000,000.00
Brias, Maria Cristina Floirendo	Filipino	50	Php5,000,000.00	Php5,000,000.00

<sup>1</sup> †Deceased 13 October 2017.

<sup>2</sup> †Deceased 23 April 2022.

Campos, Jr., Joselito D.	Filipino	50	Php5,000,000.00	Php5,000,000.00
Chan, Ben	Filipino	50	Php5,000,000.00	Php5,000,000.00
Cheng, Berck	Filipino	50	Php5,000,000.00	Php5,000,000.00
Chua, David	Filipino	50	Php5,000,000.00	Php5,000,000.00
Chua, Francis	Filipino	50	Php5,000,000.00	Php5,000,000.00
Coseteng, Ferdinand Edwin S. <sup>3</sup>	Filipino	50	Php5,000,000.00	Php5,000,000.00
Pangilinan, Jr., Gilbert Zoilo O.	Filipino	50	Php5,000,000.00	Php5,000,000.00
Delgado, Jose Roberto	Filipino	50	Php5,000,000.00	Php5,000,000.00
Garcia, Rafael	Filipino	50	Php5,000,000.00	Php5,000,000.00
Hess, Clinton Andrew C.	Filipino	50	Php5,000,000.00	Php5,000,000.00
Hiranand, Haresh	Filipino	50	Php5,000,000.00	Php5,000,000.00
Ho, Doris Teresa Magsaysay	Filipino	50	Php5,000,000.00	Php5,000,000.00
Lagdameo, Maria Linda	Filipino	50	Php5,000,000.00	Php5,000,000.00
Lhuillier, Jean Henri	Filipino	50	Php5,000,000.00	Php5,000,000.00
Lim, Sheila	Filipino	50	Php5,000,000.00	Php5,000,000.00
Lopez, Federico	Filipino	50	Php5,000,000.00	Php5,000,000.00
Ocampo, Celestina M.	Filipino	50	Php5,000,000.00	Php5,000,000.00
Po, Christopher Paulus Nicolas	Filipino	50	Php5,000,000.00	Php5,000,000.00
Roxas, Lorenzo Andres T.	Filipino	50	Php5,000,000.00	Php5,000,000.00
Rufino, Carlos S.	Filipino	50	Php5,000,000.00	Php5,000,000.00
Santos, Duane	Filipino	50	Php5,000,000.00	Php5,000,000.00
Teo, Zishen	Filipino	50	Php5,000,000.00	Php5,000,000.00
Uttamchandani, Rajan	Filipino	50	Php5,000,000.00	Php5,000,000.00
Uytengsu, Wilfred	Filipino	50	Php5,000,000.00	Php5,000,000.00
Zulueta, Jeanette	Filipino	50	Php5,000,000.00	Php5,000,000.00

<sup>3</sup> †Deceased 13 October 2017.

Espinosa, Frances	Filipino	50	Php5,000,000.00	Php5,000,000.00
Eduardo, Alice	Filipino	50	Php5,000,000.00	Php5,000,000.00
Gonzalez, Enrique	Filipino	50	Php5,000,000.00	Php5,000,000.00
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<b>Total Preferred Shares Subscribed</b>		<b>1,550</b>	<b>Php 155,000,000.00</b>	<b>Php 155,000,000.00</b>

## Dividends

The Company has not declared any dividends in the last two years.

### *Dividend per Share*

All Common Shares of stock shall enjoy the same rights and privileges, and shall be entitled to dividends at a rate equivalent to seven percent (7%) of the total amount declared from out of the unrestricted retained earnings until the amount of investment of the stockholders owning Preferred Shares plus ten percent (10%) return on the subscription amount shall have been fully paid. Thereafter, the dividend payout rate to Shareholders holding Common shares shall be twenty percent (20%) of the total amount declared from out of the unrestricted retained earnings.

### *Dividend Policy*

The Board of Directors is authorized to declare dividends only from the Company's unrestricted retained earnings, and the Board may not declare dividends which will impair the Company's capital. Dividends may be payable in either cash, shares or property, or a combination thereof, as the Board determines. Cash dividends are subject to approval by a majority of the board of directors and no further approval from the Company's shareholders is required. The declaration of stock dividends is subject to the approval of the Board of Directors and of stockholders representing two-thirds (2/3) of the Company's outstanding capital stock, including Preferred Shares. The Company has not declared a formal dividend policy except as stated herein.

As and if dividends are declared by the Company's Board of Directors, dividends on the Preferred Shares shall be equivalent to ninety-three percent (93%) of the total amount declared out of the unrestricted retained earnings until the amount of the investment of stockholders owning Preferred Shares plus ten percent (10%) return on the Preferred Shares shall have been fully paid. Thereafter, the Preferred Shares shall be entitled to eighty percent (80%) of the amount declared from out of the unrestricted retained earnings. Preferred Shares are non-participating in any other or further dividends beyond that specifically payable on the shares. For Preferred Shares, the Board of Directors shall prescribe the cumulation of dividends, the date or dates of cumulation or accrual but dividends shall be deemed to be cumulative from date of issue unless otherwise specified by the Board of Directors.

## **Recent Sale of Unregistered/Exempt Securities**

The Company does not have recent sales of unregistered or exempt securities or recent issuance of securities constituting an exempt transaction.

## **Item. 6. Management's Discussion and Analysis and Its Plan Of Operations**

### **Company Establishment**

The Company was established on 15 March 2016 by a group of investors around a shared vision and mission. Some of the founding investors also serve as managers of the company.

### **Vision**

Manila House, a Private Members Club, is a culturally shaped space of belonging, inspiration and kinship that brings diverse sectors of society together, driven by a common interest to learn from each other.

### **Mission**

The Company will delight its members and guests with great value and experiences.

Profit	The Company is a sustainable and profitable enterprise. It will strive for profitable returns and growth for its investors. It will comply with government fiscal and non-fiscal regulations.
People	The Company will project, embody, and sustain an image and reputation that will attract and retain a great talent pool.
Portfolio	The Company offers excellent food and facilities and a diverse and exciting program of activities and events that will allow different sectors to meet and to learn from each other.
Partners	The Company will project, embody, and sustain an image and reputation that will attract a desired member and guest pool, supplier pool, sponsor pool and partners for activities and events.
Planet	The Company will strictly comply with the Net Park green building principles and safety and sanitation policies.
Productivity	The Company will be efficiently managed with well-thought-out processes that delight members, guests, and employees in every way.

### ***For the period ended 31 December 2024***

#### ***Revenues and other income***

For the period ended December 31, 2024, the Company generated P147.4 million in operating revenues from which P145.2 million (net of P7.3 million discounts or 4.7% of F&B revenues) came from F&B revenues while P2.1 million came from sale of merchandise. 67% of the F&B revenue is sourced from events, private dining, and corporate meetings and 32% is combined revenue of remaining restaurants - Bonifacio Dining and Avenue Bar/ Avenue Deck and revenue from takeaways.

Membership dues for the year are at P28.8 million and amortized Membership fees amounted to P22.4 million.

Other income includes membership fees, membership dues, unused consumables, and late payment charges on dues.

#### *Cost of Services and Expenses*

##### **Cost of Sales and Services**

The cost of sales and services includes cost of materials, direct and personnel cost associated in production totaling P92.3 million.

##### **Administrative Expenses**

The main elements of administrative expenses were the expenditures incurred by the Executive Office, Finance, Facilities, and Human Resources departments.

Total payroll and related costs amounted to P31.2 million while professional fees and outsourced services totaled P4.5 million.

Significant fixed expenses related to administration, maintenance, and premises cost including rent expense for the year totaled P26.8 million which were consolidated under Depreciation and Amortization, Finance costs and decrease in lease liability in line with the adoption of PFRS 16 starting 2019.

Utilities expenditure stood at P8.3 million, and depreciation attributable to normal wear and tear of assets amounting to P5.1 million. Additionally, a Right-of-Use asset was recognized as we adopted PFRS 16 during the year with depreciation of P16.0 million.

#### *Net Income*

For the period ended December 31, 2024, total revenues exceed total expenses by P28.2 million before Income tax and other comprehensive income.

#### *Cash Flow*

As of December 31, 2024, there was an increase in cash flow of P2.4 million. The total cash generated from operating activities reached P55.7 million, primarily attributed to the advance collection of 2025 annual dues. This increase was partially offset by payments made to contractors and suppliers for the Company's renovation, as well as payments towards leases and shareholders.

#### *Capital expenditures/disposals*

In 2024, payment to suppliers pertaining to capital expenditures totaled P27.0 million. As of the end of December 2024, the cumulative total of property and equipment cost was at P138.5 million with P99.7 million attributable to accumulated depreciation.

#### *Liquidity*

The Company does not anticipate any cash flow or liquidity problem within the next 12 months even though there are long outstanding payables in records. The Company has been paying its payables within the extended payments terms.

The Company closely monitors its cash flow and overall liquidity position to ensure that it sustains its operations and pays all its obligations - to its employees, suppliers, government and other stakeholders as they become due.

#### *Capital Deficiency*

As of December 31, 2024, the Company has recorded an accumulated deficit of P220.0 million and a capital deficiency of P61.8 million, respectively. To address, the Company intends to boost revenue by enhancing sales in both events and restaurants, as well as by selling more membership certificates to maximize revenue potential. Additionally, the Company has secured a renewal of its lease term with NEO management for another 10 years, which is expected to attract more membership sales. Management remains committed to effectively controlling and managing expenses. In addition, ongoing renovations are in progress, and plans are underway to optimize the use of outdoor areas by installing a tent as an additional venue.

Toward this end, the Company Management is committed to improving and maintaining a stronger balance sheet and comfortable levels of net operating income and cash flows.

#### **KEY PERFORMANCE INDICATORS**

<b>Performance Indicators</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>	<b>Explanation</b>
<b>Current/Liquidity Ratio</b>			
Current Assets divide by Current Liabilities	0.39	0.47	This ratio evaluates the ability of the company to pay its current debt promptly.
			The current ratio as of December 31, 2024, stands at 0.39, down from 0.47 in 2023. The decline is primarily attributed to the utilization of Input VAT to offset Output VAT, as well as the recording of advance dues collected for 2025.
<b>Return on Equity</b>			
Net Income (Loss) Divided by Total Equity	-18%	-18%	Measures the rate of return on the ownership interest of the company's stockholders. Determines the productivity of the owners' capital.

			<p>In 2024, ROE was -39%, calculated from a net income of ₱24.41 million against a deficit of ₱61.81 million. This represents a decline from -18% in 2023, when net income was ₱15.69 million, and the deficit was higher at ₱86.30 million.</p> <p>While net income improved year over year, the shrinkage in the equity base (i.e., a smaller but still negative deficit) resulted in a more negative ROE. This reflects the impact of continued negative equity on financial ratios, despite improved profitability.</p>
<b>Net Profit Margin</b>			
Net Profit Divided by Revenue	15%	15%	<p>Net profit margin is a criterion that determines the percentage of profit earned per unit of income from a company's activity. Therefore, with the help of net profit margin, the amount of profit from the company's activity can be determined.</p>
			<p>In 2024, the company achieved a net profit margin of 16%, slightly improving from 15% in 2023. This indicates a modest improvement in profitability, with a higher portion of revenue translating into net income year-over-year. The improvement reflects better cost efficiency and operational performance.</p>
<b>Debt to Equity Ratio</b>			
Total Liabilities Divided by Total Shareholder's Equity	-267%	-267%	<p>Shows the proportion of the creditors' capital to the business' total capital. Measures the degree to which the assets of the business are financed by the debts and stockholders of the business.</p>
			<p>The Debt-to-Equity Ratio rose from 267% in 2023 to 334% in 2024, reflecting the company's strategic use of debt to fuel growth and operations.</p>

			While this increase shows greater leverage, it can also enhance potential returns on equity. Management is closely monitoring the company's debt position to ensure it remains manageable and aligned with long-term growth objectives.
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	31-Dec-24	31-Dec-23	2024 vs. 2023	% Change
Revenues	147,379,667	138,289,292	9,090,375	7%
Cost of Services	-92,330,147	-84,102,968	-8,227,179	10%
Administrative Expenses	-100,461,693	-87,899,267	-12,562,426	14%
Other Income	73,573,449	56,449,699	17,123,750	30%
Net Income	28,161,276	22,736,756	5,424,520	24%

## Operations

The Company consistently monitors and assesses operational effectiveness and efficiency through departmental profitability. It has successfully adapted by adjusting business goals, revenue targets, and growth expectations, all focused on ensuring long-term sustainability.

The Company continues to work with its major suppliers to assure the quality and diversity expected from a Filipino restaurant in Bonifacio Global City.

The Company will always continue to review the quality of our service against our high standards. It will also seek technology enhancements and digitalization to improve the efficiency, effectiveness, and cost competitiveness of our products and services.

The Company has no obligation and other relationships with unconsolidated entities or other people created during the reporting period.

## Guest Satisfaction

The Company established a system and agreed on a methodology to implement a guest satisfaction survey to ensure that the quality of the food and service is maintained and to identify areas for improvement.

## Marketing Plan

The Company conducted intensive planning sessions to come up with a marketing plan to generate sales and increase customer patronage of the Company. This is essential in meeting target sales for the year. The marketing plan also enables the Company to strategize and identify the salespeople to employ, the resources required to achieve the goals and the activities to be initiated to interest a wider membership.

## **Human Resource Strategy**

The Company will ensure that its employees will be continuously trained. It will also implement a coaching/mentoring system to ensure the proper development of all staff.

## **Facilities construction**

Plans for additional works for the enhancement and improvements of the facilities of the Company are a management priority. This will support the operations and ensure that the Company is in a state of comfort and convenience.

## ***Plans and Prospects***

### **Increasing membership diversity, involvement, and satisfaction**

The Company continues to work on revenue opportunities by increasing membership diversity, involvement, and satisfaction with the objective of increasing patronage and visits to the Company while striving to manage its operational expenses by through efficiency, sound financial discipline and adherence to prescribed managerial policies and control processes.

The Company will increase membership involvement by forming committees based on sector and personal interest. The Company will work closely with these committees spearheading the conceptualization, organization, and execution of learning activities and special immersion events. In addition, we will organize a committee comprised primarily of our younger members to brainstorm activities that will be more relevant to their demographic.

Manila House is in discussions with other International Membership Company's that share the same goals, for reciprocity arrangements to give our members access to carefully selected list of Company's in major cities throughout the world.

### **Key Variable and Other Qualitative and Quantitative Factors.**

There are no known trends, events or uncertainties that will have a material impact on liquidity.

No known events will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There is no significant elements of Income or Loss from continuing operations.

There are no causes for any material changes from period to period of the financial statement.

There are no seasonal aspects that have a material effect on the Financial Statement as audited.

## **Item 7. Financial Statements**

The Statement of Management's Responsibility for Financial Statements and the

Audited Consolidated Financial Statements of the Company as of December 31, 2024, and 2023 are attached hereto as Annexes "A" and "B," respectively.

**Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure/Independent Public Accountant**

The Audited Financial Statement of the Company from the year ended 31 December 2023 and 31 December 2024 were audited by Punongbayan & Araullo, independent auditors, headed by Mr. James Joseph Benjamin J. Araullo as the signing partner. The external auditor was last changed in 2023. The appointment of the external auditor is in accordance with the provisions prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board of Accountancy and the Professional Regulation Commission and such other standard as may be set by the SEC. The audited financial statements as of 31 December 2023 and 31 December 2024 were examined by Punongbayan & Araullo, in accordance with the Philippine Financial Reporting Standards for a fee of ₱520,000.00, exclusive of VAT and OPE.

Punongbayan & Araullo has not been paid any fees other than the fees directly related to this Statement.

The Company has not had any disagreements on accounting and financial disclosures with the current external auditors. Punongbayan & Araullo has neither shareholding in the Company nor any right whether legally enforceable or not, to nominate persons to subscribe to the Company's securities. Punongbayan & Araullo will not receive any direct or indirect interest in the Company or in any securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

**III. CONTROL AND COMPENSATION INFORMATION**

**Item 9. Directors and Executive Officers**

Directors

Director	Nationality	Position/Committee Membership
Doris Magsaysay Ho	Filipino	Chairman of the Board Chairman, Executive Committee Member, Compensation and Governance Committee Member, Nominations and Elections Committee
Jose L. Arcilla	Filipino	President Member, Executive Committee

David O. Chua	Filipino	Member, Executive Committee Member, Audit Committee
Jose Mari T. Albert	Filipino	Member, Executive Committee
Antonio Raymundo O. San Diego	Filipino	Treasurer Member, Executive Committee
Edgardo G. Lacson	Filipino	Independent Director Chairman, Audit Committee Member, Compensation and Governance Committee Member, Nominations and Elections Committee
Regina F. Sicat	Filipino	Independent Director Chairman, Compensation and Governance Committee Chairman, Nominations and Elections Committee Member, Audit Committee

#### Key Officers

Officer	Nationality	Position/Committee Membership
Doris Magsaysay Ho	Filipino	Chairman of the Board
Jose L. Arcilla	Filipino	President
Antonio Raymundo O. San Diego	Filipino	Treasurer
Aissa V. Encarnacion	Filipino	Corporate Secretary
Vesfe E. Revisa	Filipino	Compliance Officer
Dax Ilog	Filipino	Data Privacy Officer

No director or officer resigned within the past year.

A brief profile of each of the Company's Directors and Officers as follows:

**DORIS MAGSAYSAY-HO**  
**CHAIRMAN, DIRECTOR**

*Doris Ho*, Filipino, 73, is the Chief Executive Officer of A. Magsaysay, Inc. and the Magsaysay Group of Companies. She also serves as Chair, Director, Trustee or Member of various organizations, such as: Lorenzo Shipping Corporation, Fairmont Shipping (HK) Limited, Steamship Mutual Underwriting Association as well as Asia Society Philippine Foundation, Inc., Asia Society (New York), Makati Business Club, Metropolitan Museum Manila, Philippine Business for Education, Philippine Business for Social Progress, among others. She obtained her Master's Degree at Pratt Institute and is a graduate of Manhattanville College.

**JOSE L. ARCILLA**  
**PRESIDENT, DIRECTOR**

*Jose Arcilla*, Filipino, 60, is a professional hotelier with over 35 years of experience in business operations management (mostly hospitality) and demonstrated history and skills in strategic planning, customer service and managerial finance, rising to levels of General Manager and Chief Financial Officer; he has been concurrent President/Director and General Manager of the Company since 2020; his working experience covers the Indian Ocean (MALDIVES), Asia (the Philippines, Vietnam and Malaysia), Canada and the USA; previously associated with reputable international hotel and club organizations such as the Marriott Renaissance, Swiss-bel Hotel International, World Hotels, Club Corporation of Asia (Mimosa Leisure Estate under the Mondragon Group), the Bellevue Hotels and Resorts, the Manila Polo Club, among others; strong finance professional, graduated Cum Laude at the University of Santo Tomas with a Bachelor of Science degree in Commerce, Major in Accounting and a duly licensed CPA with MBA degree, including tenure as Federal Government Auditor in the Office of the CNMI Public Auditor's Office under the US Attorney General.

**DAVID O. CHUA**  
**DIRECTOR**

*David O. Chua*, Filipino, 57, is President of Cathay Pacific Steel Corporation (CAPASCO) and Vice Chairman of the Board of the University of the East (UE). He is presently a member of the Advisory Board of the Metropolitan Bank and Trust Company (Metrobank), and member of the Boards of First Philippine Holdings Inc (FPH), Dizon Silver and Copper Mines Inc., Nihao Mineral Resources International Inc., UE Ramon Magsaysay Memorial Medical Center (UERMMC), Prople Inc., and Federation Filipino Chinese Chambers of Commerce and Industry Inc.,. He acquired his MBA from the Kellogg School of Management of Northwestern University and the Hong Kong University of Science and Technology. He graduated with a degree of BS Financial Services Management, Honors from Saint Mary's College of California.

**JOSE MARI T. ALBERT**  
**DIRECTOR**

*Jose Mari T. Albert*, Filipino, 75, is currently the Chairman of the board and the Treasurer of iSport Life, Inc.

**ANTONIO RAYMUNDO O. SAN DIEGO**  
**DIRECTOR, TREASURER**

*Antonio Raymundo O. San Diego*, Filipino, 58, is the Editor-in-Chief of The Tatler

Philippines, the country's premiere lifestyle, luxury and society magazine for the last 24 years, successfully spearheading it from its maiden issue to its current iteration. Tatler Philippines is part of the TATLER Asia group, which has publications in Hong Kong, China, Singapore, Indonesia, Malaysia, Thailand and Taiwan. He acquired his diploma from Les Roches International School of Hotel Management.

**REGINA F. SICAT**  
**INDEPENDENT DIRECTOR**

*Regina F. Sicat*, Filipino, 66, is the President and Chief Executive Officer of ProJuris Business Services Corporation. She obtained her Master of Business Administration with a concentration in Marketing and Finance from Columbia University, Graduate School of Business. She took the Art of Discussion Leadership from Harvard Business School and obtained a Bachelor of Arts in Economics from Bryn Mawr College. Prior to ProJuris Business Services Corporation, she was the Chief Executive Officer of LegisPro Corporation from 2010 to 2022. She also worked for Citibank Manila and Citibank New York in the Asia Pacific Division. She was also Vice President for Bankers Trust in New York City and Business Development Director for Corporate Learning at John Clements Consulting Company in the Philippines.

**EDGARDO G. LACSON**  
**INDEPENDENT DIRECTOR**

*Edgardo G. Lacson*, Filipino, 81, is the Chairman of the Employers Confederation of the Philippines, past President of the Philippine Chamber of Commerce and Industry (PCCI) Honorary Chairman of PCCI, where he spearheaded the committee on capital market, an independent director of Kareila Management Corporation, Capital Market Integrity Corporation, The Keepers Holdings, Inc., Securities Clearing Corporation of the Philippines, DDMP REIT Inc., and Global Ferronickel Holdings, Inc. He was a Director of the Philippine Stock Exchange Inc. from May 2011 to May 2018 and from May 2019 to July 2021. He is the President of MIS Maritime Corporation, and the Chairman of Greenergy Holdings Inc., Safe Seas Shipping Agency and of Metrostore Corporation. He is a trustee of ADR Institute Stratbase, PNP NCR Advisory Council, the PNP Makati Advisory Council, and the University of Makati. He was a former independent director of Puregold Price Club, Inc., and a former trustee of Philippine Petroleum Sea Transportation Association. He is a member of the Audit Committee of De la Salle University Taft and was its former trustee. He finished his Bachelor of Science in Commerce degree major in Accounting from De La Salle College.

**AISSA V. ENCARNACION**  
**CORPORATE SECRETARY**

*Aissa V. Encarnacion*, Filipino, 60, is Partner at Zamora and Poblador Law Offices. She obtained her Bachelor of Laws from the University of the Philippines, College of Law in 1992. She was admitted to the Philippine Bar in 1993. She is the Corporate Secretary of The Philippine Stock Exchange, Inc., and various other corporations. She is a Professorial Lecturer at the University of the Philippines - College of Law and concurrently a Professorial Lecturer at the University of the Philippines - Cesar Virata School of Business. She obtained a Bachelor of Science in Business Administration, Major in Finance and Marketing also from the University of the Philippines - College of Business Administration.

**VESFE E. REVISA**  
**COMPLIANCE OFFICER**

*Vesfe E. Revisa*, a 47-year-old Filipino, is a Certified Public Accountant with extensive audit experience and two decades of expertise in operational and financial management within the hospitality industry. She was part of the pre-opening team of Erawan Philippines, Inc. and played a key role in establishing Vanguard Hotels Pte. Ltd.-ROHQ in the country. Additionally, she served as Assistant Finance Controller for both Manila Polo Club, Inc. and Manila Southwoods Golf and Country Club. She holds a Bachelor of Science in Accountancy from Pamantasan ng Lungsod ng Maynila.

**DAX ILOG**  
**DATA PRIVACY OFFICER**

*Dax Ilog*, Filipino, 48, is an experienced information technology leader with over 15 years of expertise overseeing different stages of various IT projects. He possesses a strong technical background and professional knowledge regarding network management, cybersecurity, software architecture, software development, project management, as well as system, server administration and implementing data privacy frameworks (RA 10173). He holds a Bachelor of Science in Electronics and Communications Engineering from FEATI University. He has been leading the IT department of Manila House Private Club since 2018 and has experience with other membership clubs and hotels. Additionally, he has relevant job experience in technology consulting, vendor management, process streamlining, and policy creation.

The directors or officers of the Company are not parties to any case or proceeding involving the following:

- any bankruptcy petition filed by or against any business of which any of its incumbent directors or executive officers was a general partner or an executive officer either at the time of bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any of the incumbent directors or executive officers;
- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court or competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or executive officers in any type of business, securities, commodities, or banking activities; and
- any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the incumbent directors or executive officers has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

**Item 10. Compensation of Directors and Executive Officers**

No remunerations were paid by the Company, directly or indirectly, to the directors of the Company.

The aggregate compensation estimated to be paid in the ensuing fiscal year to the officers of the Company are as follows:

Name and Principal Position	Year	Monthly Salary	Bonus	Total
Jose L. Arcilla II (President)	2024	P637,910.00	n.a.	P637,910.00
Vesfe E. Revisa (Compliance Officer/ Finance Director)	2024	P156,817.00	n.a.	P156,817.00

The Chairman and Corporate Secretary do not receive any compensation.

There is no other arrangement with directors for which they were compensated.

**Item 11. Security Ownership of Certain Record and Beneficial Owners**

The table below sets forth the security ownership of certain record owners of more than 5% of the Company's voting securities as of 31 December 2024.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Ricardo Mariano C. Ocampo II <i>No relationship</i> 30 Tamarind Road, South Forbes Park, Makati City		Filipino	29,999	29.54%
Common	Antonio Raymundo O. San Diego <i>Incorporator, Director, Treasurer</i> Apt. 29 F, Fairways Tower, 5th Ave. corner McKinley Road, Bonifacio Global City, Taguig		Filipino	29,998	29.54%

	City				
Common & Preferred	Gilbert Zoilo O. Pangilinan, Jr. <i>Incorporator</i> 1495 Carissa St., Dasmarinas Village, Makati City		Filipino	15,051	14.82%
Common	Katrina Panlilio Craig <i>No Relationship</i> 17 Queen's Gate London, SW7 5JE, UK		Filipino	15,000	14.77%
Common	Pierre Angeli Addison <i>No Relationship</i> 28 B San Ignacio Street, Kapitolyo, Pasig		Filipino	10,000	9.85%

#### Security Ownership of Officers

Title of Class	Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Citizenship	% Class
Preferred	Doris Magsaysay Ho	Chairman	50 (direct)	Filipino	0.05%
Common	Jose L. Arcilla	President	1 (direct)	Filipino	Nil
Preferred	David O. Chua	Director	50 (direct)	Filipino	0.05%
Common	Jose Mari T. Albert	Director	1 (direct)	Filipino	Nil
Common	Regina F. Sicat	Independent Director	1 (direct)	Filipino	Nil
Common	Edgardo G. Lacson	Independent Director	1 (direct)	Filipino	Nil

Common	Antonio Raymundo O. San Diego	Director, Treasurer	29,998 (direct)	Filipino	29.54%
Common	Aissa V. Encarnacion	Corporate Secretary	1 (direct)	Filipino	Nil
-	Vesfe Revisa	Compliance Officer	0	Filipino	-
-	Dax Ilog	Data Privacy Officer	0	Filipino	-

The shares owned by the record owners are owned in their personal capacity. There are no beneficial owners for said shares.

#### **Item 12. Certain Relationships and Related Transactions**

There are no transactions and contracts entered by the Company with related parties.

### **IV. CORPORATE GOVERNANCE**

#### **Item 13. Corporate Governance**

The Company's Board of Directors, officers, executives and employees adhere to good governance policies to achieve the Company's strategic objectives, create value for its stakeholders, and maintain long term viability.

The Company's policy is to promote transparency, accountability and fairness and to conduct its business strictly in accordance with law. The Company ensures timely and accurate disclosures on all material aspects, including its financial condition, performance, ownership and governance.

In support of the Company's commitment to the governance principles of transparency, accountability, fairness and integrity, the Company, through its Board of Directors, continues to adhere to its Manual on Corporate Governance which was approved on 27 September 2016 and revised in 2023. To secure proper and efficient management of the day-to-day operations of the Company, the Board of Directors and officers developed an Authorization Matrix, which designates specific persons whose approval and/or review of various operational matters are required, and which shall be part of the system of determining responsibility and accountability in the Company.

The Company is developing an effective succession planning program to ensure the transfer of company leadership to highly competent and qualified individuals. In connection therewith, the Company developed a transparent nomination and election process. The Company's directors and key officers undergo continuing corporate governance trainings and seminars.

The Company revised its Manual on Corporate Governance, which was adopted by the Board of Directors on 14 April 2023, to conform to the latest governance standards.

The Board of Directors (the "Board"), Management, Officers and Staff of the Company are committed to the principles and practices contained in this Manual to guide Management in the performance of their respective duties and responsibilities, and for the achievement of the Company's corporate goals.

## V. EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

Various disclosures were reported using SEC Form 17-C for 11 April 2024 to 17 December 2024:

Date	Particulars
11 April 2024	<p>Approval of the Audited Financial Statements for the Fiscal Year ended 2023 as audited by its external auditor Punongbayan &amp; Araullo, and the accompanying notes.</p> <p>Admission of new members to the Company.</p> <p>Approval of the allocation of funds for the renovation of the Avenue Bar and Deck.</p> <p>Postponement of the annual stockholders' meeting ("ASM") from 28 May 2024, as set in its by-laws, to 26 July 2024, Friday, via remote communication.</p> <p>Approval of the Annual Report for fiscal year 2023 and the Information Statement for the 2024 ASM.</p> <p>Approval of the Voting Procedure for the 2024 ASM.</p> <p>Approval of the creation of a sinking fund for purposes of funding the return of investments of preferred shareholders.</p> <p>Re-appointment of Punongbayan &amp; Araullo, as the Corporation's external auditor for 2024.</p>
26 July 2024	<p>The Stockholders approved the appointment of Punongbayan &amp; Araullo as the Company's external auditor for the year 2024.</p> <p>The stockholders elected the directors with two independent directors.</p> <p>During the Organizational Board Meeting, the Board elected the officers of the Company and the chairpersons and members of the following committees: Executive Committee, Audit Committee, Compensation and Governance Committee, and Nominations and Elections Committee.</p>

17 December 2024	Admission of new members to the Company.
	Authorization of the President and Dir. David Chua to interview and recommend applicants for admission to the Company.
	Creation of a restricted fund to be set aside for the distribution of dividends to the preferred shareholders and requiring the approval of the Executive Committee for withdrawals therefrom for operational needs.
	Reorganization of the Membership Committee.

### Attendance of Directors

The following is the attendance of the board of directors of the Corporation in board meetings from **January 2024 to December 2024**:

		Total Attendance	Total Absences	Total Meetings
	Name of Director			
1	Doris Magsaysay Ho (Chairman)	3	0	3
2	Jose L. Arcilla (President)	3	0	3
3	Jose Mari T. Albert	1	2	3
4	David Chua	3	0	3
5	Antonio Raymundo O. San Diego	2	1	3
6	Edgardo Lacson	3	0	3
7	Regina F. Sicat	2	1	3

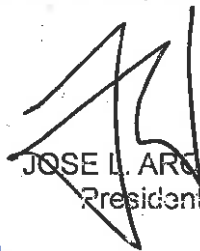
The following is the attendance of the members of the Audit Committee in its meetings from **January 2024 to December 2024**:

		Total Attendance	Total Absences	Total Meetings
	Name of Director			
1	Edgardo Lacson	1	0	1
2	Regina F. Sicat	1	0	1
3	David Chua	1	0	1

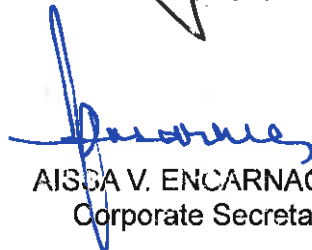
## SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Makati City on APR 14 2025.

By:

  
JOSE L. ARCILLA  
President

  
DORIS TERESA M. HO  
Chairperson

  
AISSA V. ENCARNACION  
Corporate Secretary

  
VESFE E. REVISA  
Compliance Officer

SUBSCRIBED AND SWORN to before me this APR 14 2025, affiants exhibiting to me their Government Issued IDs as follows:

### NOTES

### GOVERNMENT ISSUED ID

JOSE L. ARCILLA

Driver's License: N04-90-141082

DORIS TERESA M. HO

TIN 101-357-770

VESFE E. REVISA


CPA: 98593

AISSA V. ENCARNACION

IBP Roll of Attorneys No. 38589

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Page No. 89  
Book No. 1  
Series of 2025.



  
PATRICIA MAY P. SULIT  
Notary Public  
Until December 31, 2025  
Roll of Attorneys No. 88201  
PTR No. 19456900; 01.02.2020; Makati City  
L.O.P No. 497298; 01.03.2020; Balangas City  
Admitted to the Bar in 2007  
Notarial Commission No. 12-065  
5F Montepino Bldg., 138 Amorsolo St.  
Legaspi Village, Makati City

**MANILA HOUSE PRIVATE CLUB, INC.**

**INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

FORM 17-A, Item 7

Statement of Management's Responsibility for Financial Statements	Annex "A"
Audited Financial Statements	Annex "B"
Report of Independent Auditors	
Supplemental Statements of Independent Auditors	
Statement of Financial Position as of December 31, 2024 and 2023	
Statement of Comprehensive Income for the Years Ended December 31, 2024 and 2023 (With Comparative Figures for the Year Ended December 31, 2022)	
Statement of Changes in Capital Deficiency for the Years Ended December 31, 2024 and 2023 (With Comparative Figures for the the Year Ended December 31, 2022)	
Statement of Cash Flows for the Years Ended December 31, 2024 and 2023 (With Comparative Figures for the Year Ended December 31, 2022)	
Notes to Financial Statements as of December 31, 2024 and 2023 (With Comparative Figures as of December 31, 2022)	



Annex **A**

STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS

The management of **Manila House Private Club, Inc.** (the Club) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative to do so.

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

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

Punongbayan and Araullo, the independent auditor appointed by the stockholders for the years ended December 31, 2024 and 2023, have audited the financial statements of the Club in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



JOSE L. ARCILLA  
President and General Manager



DORIS MAGSAYSAY HO  
Chairman



ANTONIO RAYMUNDO O. SAN DEIGO  
Treasurer

Signed this 10th day of April, 2025.

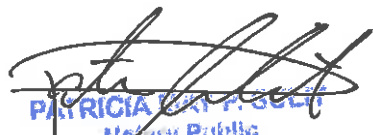
APR 10 2025

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_, affiant  
exhibiting to their Government issued IDs, as follows:

NAME	ID NO.	EXPIRY
Jose L. Arcilla	Driver's License ID no. N04-90-14082	Valid until 12 October 2027
Doris M. Ho	TIN ID no. 101-357-770- 000	
Antonio Raymundo O. San Diego	Passport Id no. P8483762A	Valid until 23 August 2028

Doc. No. 418 ;  
Page No. 85 ;  
Book No. II ;  
Series of 2025.



  
PATRICIA MAY P. SULEIT  
Notary Public  
Until December 31, 2025  
Roll of Attorneys No. 98601  
P.T.R. No. 10456600; 01.03.2024; Makati City  
I.R.P. No. 497298; 01.03.2024; Cebu City  
Admitted to the Bar in 2017  
Notarial Commission No. M-365  
Montopino Bldg., 138 Amorsolo St.,  
Legaspi Village, Makati City



**Annex “B”**  
**FOR SEC FILING**

Financial Statements and  
Independent Auditors’ Report

**Manila House Private Club, Inc.**

December 31, 2024 and 2023  
*(With Comparative Figures for the Year Ended December 31, 2022)*

## **Report of Independent Auditors**

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**Punongbayan & Araullo**  
20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

**The Board of Directors and Shareholders**  
**Manila House Private Club, Inc.**  
8<sup>th</sup> Floor Seven/NEO (formerly Net Park)  
5<sup>th</sup> Avenue, Bonifacio Global City  
Taguig City

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Manila House Private Club, Inc. (the Club), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in capital deficiency and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### ***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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. 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 audits 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Material Uncertainty Related to Going Concern***

We draw attention to Note 1 to the financial statements, which indicates that the Club reported capital deficiency of P61,813,649 and P86,303,726 as of December 31, 2024 and 2023, respectively, arising from the losses incurred since the Club's incorporation. While this condition raises doubt about the Club's ability to continue as a going concern, management has ongoing renovations and has plans in increasing its revenues and managing its expenses. In connection with our audit, we have performed audit procedures to evaluate management's plans and actions as to likelihood of improving the situation and as to feasibility under the circumstances. Accordingly, the Club's financial statements have been prepared assuming that the Club will continue as a going concern entity which contemplates the realization of assets and the settlement of liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

***Other Matter***

The financial statements of the Club as of and for the year ended December 31, 2022 were audited by other auditors whose report, dated April 14, 2023, expressed an unqualified opinion on those financial statements. We were not engaged to audit, review or apply any procedures to the 2022 financial statements of the Club. Accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements of the Club taken as a whole.

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

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

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

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

***Auditors' 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 auditors' 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.

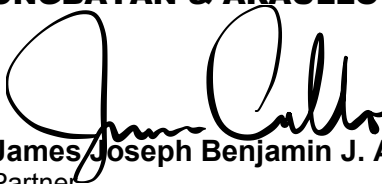
As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 auditors' 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 auditors' 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 Other Legal and Regulatory Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 24 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**PUNONGBAYAN & ARAULLO**

By: **James Joseph Benjamin J. Araullo**  
Partner

CPA Reg. No. 0111202  
TIN 212-755-957  
PTR No. 10465897, January 2, 2025, Makati City  
BIR AN 08-002511-039-2024 (until October 3, 2027)  
BOA/PRC Cert. of Reg. No. 0002/P-002 (until August 12, 2027)

April 10, 2025

## **Supplemental Statement of Independent Auditors**

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**Punongbayan & Araullo**

20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

### **The Board of Directors and Shareholders**

#### **Manila House Private Club, Inc.**

8<sup>th</sup> Floor Seven/NEO (formerly Net Park)

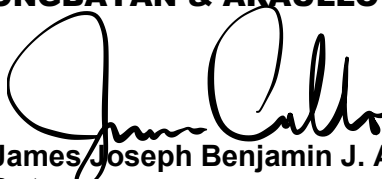
5<sup>th</sup> Avenue, Bonifacio Global City

Taguig City

We have audited the financial statements of Manila House Private Club, Inc. (the Club) for the year ended December 31, 2024, on which we have rendered the attached report dated April 10, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Club has five stockholders owning 100 or more shares each of the Club's capital stock as of December 31, 2024, as disclosed in Note 13 to the financial statements.

### **PUNONGBAYAN & ARAULLO**



**By: James Joseph Benjamin J. Araullo**  
Partner

CPA Reg. No. 0111202

TIN 212-755-957

PTR No. 10465897, January 2, 2025, Makati City

BIR AN 08-002511-039-2024 (until October 3, 2027)

BOA/PRC Cert. of Reg. No. 0002/P-002 (until August 12, 2027)

April 10, 2025

**MANILA HOUSE PRIVATE CLUB, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Peso)*

	Notes	2024	2023
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
Cash	2	P 41,140,566	P 38,744,010
Trade and other receivables - net	3	6,933,558	7,800,735
Inventories	4	3,640,739	3,910,567
Prepayments and other current assets	5	4,600,542	10,875,785
Total Current Assets		56,315,405	61,331,097
<b>Non-current Assets</b>			
Right of use assets - net	7	29,231,016	44,185,007
Property and equipment - net	6	38,804,697	16,931,532
Deferred income tax assets - net	8	14,178,262	15,839,792
Other non-current assets	9	5,845,893	5,849,245
Total Non-current Assets		88,059,868	82,805,576
<b>Total Assets</b>		<b>P144,375,273</b>	<b>P 144,136,673</b>
<b><u>LIABILITIES AND CAPITAL DEFICIENCY</u></b>			
<b>Current Liabilities</b>			
Trade and other payables	10	P 47,022,453	P 44,118,745
Deferred income	14	61,854,107	53,659,937
Lease liabilities	7	25,131,377	22,268,570
Advances from shareholders	11	8,853,579	9,168,502
Total Current Liabilities		142,861,516	129,215,754
<b>Non-current Liabilities</b>			
Lease liabilities	7	21,535,272	45,997,760
Deferred income	14	37,478,071	51,708,279
Retirement benefit obligation	12	4,314,063	3,518,606
Total Non-current Liabilities		63,327,406	101,224,645
Total Liabilities		206,188,922	230,440,399
<b>Capital Deficiency</b>			
Share capital	13	156,000,050	156,000,050
Other reserves	12	2,202,326	2,119,747
Deficit		(220,016,025)	(244,423,523)
Capital Deficiency		(61,813,649)	(86,303,726)
<b>Total Liabilities and Capital Deficiency</b>		<b>P 144,375,273</b>	<b>P 144,136,673</b>

*See Notes to Financial Statements.*

**MANILA HOUSE PRIVATE CLUB, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
*(With Comparative Figures for the Year Ended December 31, 2022)*  
*(Amounts in Philippine Peso)*

	Notes	2024	2023	2022
<b>Net revenues</b>				
Sale of food, beverage and goods		<b>P 136,651,108</b>	P 130,896,631	P 130,684,884
Membership income		<b>51,858,299</b>	49,460,886	42,878,397
Rentals and other income		<b>8,488,861</b>	4,796,557	3,756,818
Retail sales		<b>2,239,698</b>	2,596,104	3,622,251
	15	<b>199,237,966</b>	187,750,178	180,942,350
<b>Cost of sales and services</b>				
Food and beverage expenses	4	<b>(61,473,388)</b>	(54,127,061)	(53,523,671)
Depreciation and amortization	6, 7	<b>(19,562,975)</b>	(19,062,364)	(23,365,996)
Payroll and related expenses	16	<b>(17,112,778)</b>	(14,538,693)	(14,345,718)
Other expenses	17	<b>(13,743,981)</b>	(15,437,214)	(13,630,908)
		<b>(111,893,122)</b>	(103,165,332)	(104,866,293)
<b>Gross profit</b>		<b>87,344,844</b>	84,584,846	76,076,057
Operating expenses	18	<b>(77,579,836)</b>	(64,121,024)	(68,342,822)
Other income - net	19	<b>21,715,150</b>	6,988,813	19,239,341
<b>Operating income</b>		<b>31,480,158</b>	27,452,635	26,972,576
Finance cost	7	<b>(3,318,882)</b>	(4,715,879)	(5,961,999)
<b>Income before income tax</b>		<b>28,161,276</b>	22,736,756	21,010,577
Income tax expense	8	<b>(3,753,778)</b>	(7,045,089)	(2,727,144)
<b>Net income for the year</b>		<b>24,407,498</b>	15,691,667	18,283,433
<b>Other comprehensive income</b>				
Item that will not be subsequently reclassified to profit or loss				
Actuarial gain on defined benefit plan	12	<b>82,579</b>	1,179,731	1,038,639
<b>Total comprehensive income for the year</b>		<b>P 24,490,077</b>	P 16,871,398	P 19,322,072
<b>Basic and diluted earnings per share</b>	13	<b>P 244.06</b>	P 156.91	P 182.83

***See Notes to Financial Statements.***

**MANILA HOUSE PRIVATE CLUB, INC.**  
**STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
*(With Comparative Figures for the Year Ended December 31, 2022)*  
*(Amounts in Philippine Peso)*

	Share Capital (see Note 13)	Other Reserves (see Note 12)	Deficit	Total Capital Deficiency
Balances as at January 1, 2022	P156,000,050	(P 98,623)	(P278,398,623)	(P122,497,196)
Comprehensive income				
Net income for the year	-	-	18,283,433	18,283,433
Other comprehensive income for the year	-	1,038,639	-	1,038,639
Total comprehensive income for the year	-	1,038,639	18,283,433	19,322,072
Balances as at December 31, 2022	156,000,050	940,016	(260,115,190)	(103,175,124)
Comprehensive income				
Net income for the year	-	-	15,691,667	15,691,667
Other comprehensive income for the year	-	1,179,731	-	1,179,731
Total comprehensive income for the year	-	1,179,731	15,691,667	16,871,398
Balances as at December 31, 2023	156,000,050	2,119,747	(244,423,523)	(86,303,726)
Comprehensive income				
Net income for the year	-	-	24,407,498	24,407,498
Other comprehensive income for the year	-	82,579	-	82,579
Total comprehensive income for the year	-	82,579	24,407,498	24,490,077
<b>Balances as at December 31, 2024</b>	<b>P156,000,050</b>	<b>P 2,202,326</b>	<b>(P220,016,025)</b>	<b>(P 61,813,649)</b>

***See Notes to Financial Statements.***

**MANILA HOUSE PRIVATE CLUB, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
*(With Comparative Figures for the Year Ended December 31, 2022)*  
*(Amounts in Philippine Peso)*

	Notes	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before tax		P 28,161,276	P 22,736,756	P 21,010,577
Adjustments for:				
Depreciation and amortization	6, 7	21,205,974	20,663,320	25,328,394
Interest expense	7	3,318,882	4,715,879	5,961,999
Retirement benefit expense	12	878,036	1,115,054	1,176,134
Provision for doubtful accounts	3	314,928	538,673	-
Gain on disposal of assets	6	(18,405)	-	-
Interest income	2	(12,632)	(10,228)	(6,148)
Unrealized foreign exchange loss (gains) - net		(2,185)	-	64,823
Operating income before working capital changes		53,845,874	49,759,454	53,535,779
Changes in working capital:				
Trade and other receivables		552,249	2,573,732	(6,340,988)
Inventories		269,828	(911,955)	331,950
Prepayments and other current assets		4,185,521	(5,013,902)	(2,992,173)
Trade and other payables		2,907,060	10,098,673	(2,450,326)
Deferred income		(6,036,038)	1,023,523	(5,195,399)
Cash generated from operations		55,724,494	57,529,525	36,888,843
Interest received from bank deposits		12,632	10,228	6,148
Cash paid for income taxes		(2,526)	-	-
Net Cash from Operating Activities		55,734,600	57,539,753	36,894,991
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
	6			
Payments for property and equipment		(27,004,877)	(6,129,443)	(2,686,829)
Proceeds from sale of property and equipment		32,190	-	-
Net Cash Used in Investing Activities		(26,972,687)	(6,129,443)	(2,686,829)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal payments of lease liabilities	7	(22,733,737)	(19,906,774)	(19,252,580)
Interest payments of lease liabilities	7	(3,318,882)	(4,715,879)	(5,961,999)
Payment to shareholders	11	(314,923)	(1,100,000)	(1,848,759)
Cash Used in Financing Activities		(26,367,542)	(25,722,653)	(27,063,338)
<b>NET INCREASE IN CASH</b>		<b>2,394,371</b>	<b>25,687,657</b>	<b>7,144,824</b>
<b>CASH AT BEGINNING OF YEAR</b>		<b>38,744,010</b>	<b>13,056,353</b>	<b>5,976,352</b>
Effect of Exchange Rate Changes on Cash		2,185	-	(64,823)
<b>CASH AT END OF YEAR</b>		<b>P 41,140,566</b>	<b>P 38,744,010</b>	<b>P 13,056,353</b>

**Supplementary Information on Non-cash Financing Activities:**

- 1) In 2024, the Club recognized right-of-use assets and lease liabilities amounting to P1.13 million (see Note 7). There was no similar transaction in 2023.
- 2) In 2024, upon expiration of related lease agreements, the Club derecognized right-of-use assets and the related accumulated amortization both amounting to P1.07 million (see Note 7). There was no similar transaction in 2023.
- 3) In 2023 and 2022, there were modifications to a certain lease contract. Accordingly, the Club remeasured both its right-of-use assets and lease liabilities by P35,958 and P7,360,556 in 2023 and 2022, respectively (see Note 7). There is no similar transaction in 2024.

*See Notes to Financial Statements.*

**MANILA HOUSE PRIVATE CLUB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
***(With Comparative Figures as of December 31, 2022)***  
***(Amounts in Philippine Peso)***

**Note 1 - General Information**

Manila House Private Club, Inc. (the “Club”) was registered with Securities and Exchange Commission (SEC) on March 15, 2016, primarily to engage in the business of owning, operating and maintaining an exclusive restaurant which provides areas, facilities and services for dining, meeting, social, recreation, entertainment and similar activities for the use of the Club and other persons who may be granted the right to use or otherwise allowed by the Club.

The registered office address of the Club, which is also its principal place of business, is located at 8<sup>th</sup> Floor Seven/NEO (formerly Net Park), 5<sup>th</sup> Avenue, Bonifacio Global City, Taguig City.

The Club has 90 and 74 regular employees as at December 31, 2024 and 2023, respectively.

On October 20, 2017, the SEC granted the Club permit to sell or offer preferred shares and membership certificates for sale to the public. The Club may sell or offer for sale to the public preferred shares and membership certificates subject to full compliance with the provisions of the Securities Regulation Code.

As at December 31, 2024 and 2023, the Club continues to be in a deficit and capital deficiency position, with current liabilities exceeding current assets by P86,546,111 and P67,884,657, respectively. However, the Club registered a net income of P24,407,498 and P15,691,667 for the years ended December 31, 2024 and 2023, respectively.

The Club plans to further address the accumulated deficit and capital deficiency through increasing revenue by driving sales in both events and restaurants and continuing to sell membership certificates to maximize the Club’s revenue potential and also by better controlling and managing its expenses.

These financial statements have been approved and authorized for issuance on April 10, 2025 by Mr. Jose L. Arcilla, President, as authorized by the Club’s Board of Directors (BOD).

**Note 2 - Cash**

Cash as at December 31 consists of:

	<b>2024</b>	<b>2023</b>
Cash in banks	<b>P 40,359,075</b>	P 38,043,149
Cash on hand	<b>781,491</b>	700,861
	<b>P 41,140,566</b>	P 38,744,010

Cash in banks earn interest at the prevailing bank deposit rate. Interest income earned from these deposits for the years ended December 31, 2024, 2023 and 2022 amounted to P12,632, P10,228 and P6,148, respectively, and is presented as Interest income under Other Income - net account in the statements of comprehensive income (see Note 19).

### **Note 3 - Trade and Other Receivables**

Trade and other receivables as at December 31 consist of:

	<b>2024</b>	<b>2023</b>
Trade receivables	<b>P 5,850,762</b>	P 6,309,660
Advances to employees	<b>1,972,988</b>	2,066,339
	<b>7,823,750</b>	8,375,999
Less: Allowance for doubtful accounts	<b>(890,192)</b>	(575,264)
	<b>P 6,933,558</b>	P 7,800,735

Trade receivables are non-interest bearing and are generally collectible within 30 days.

Advances to employees pertain to employee advances which are subject to liquidation or collectible through salary deduction.

Movements in allowance for doubtful accounts for trade and other receivables for the years ended December 31 follow:

	Note	<b>2024</b>	<b>2023</b>	<b>2022</b>
January 1		<b>P 575,264</b>	P 36,591	P 36,591
Provision during the year	18	<b>314,928</b>	538,673	-
December 31		<b>P 890,192</b>	P 575,264	P 36,591

All of the Club's trade and other receivables have been assessed for impairment using the expected credit losses (ECL) model [see Note 21.1.2(b)]. In 2024 and 2023, certain trade receivables were found to be impaired based on the ECL methodology of the Club as determined by management; hence, adequate amounts of allowance for impairment have been recognized. Provision for doubtful accounts was recognized amounting to P314,928 and P538,673 in 2024 and 2023, respectively, and is presented under Operating Expenses in the 2024 and 2023 statements of comprehensive income (see Note 18). There was no impairment loss recognized in 2022.

### **Note 4 - Inventories**

The details of inventories, which are all stated at cost that are lower than their net realizable values, are shown below.

	<b>2024</b>	<b>2023</b>
Food and beverages	<b>P 3,172,908</b>	P 3,380,017
Retail stocks	<b>349,140</b>	441,462
Operating supplies and others	<b>118,691</b>	89,088
	<b>P 3,640,739</b>	P 3,910,567

The cost of inventories recognized as direct expenses for the years ended December 31, 2024, 2023 and 2022 amounted to P61,473,388, P54,127,061 and P53,523,671 , respectively.

### **Note 5 - Prepayments and Other Current Assets**

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

	2024	2023
Advances to suppliers	<b>P 2,331,100</b>	P 7,872,096
Prepaid tax	<b>2,047,714</b>	2,580,231
Prepaid supplies	<b>221,728</b>	423,458
	<b>P 4,600,542</b>	P 10,875,785

Advances to suppliers relate to down payments for future purchases and services.

Prepaid supplies consist of several prepayment items such as office supplies, cleaning supplies, kitchenware, uniforms and linen and curtains which the Club has paid in cash and are expected to be used and expensed in the succeeding period.

### **Note 6 - Property and Equipment**

Details of and movements in the account as at and for the years ended December 31 are as follows:

	Furniture, fixtures and equipment	Transportation equipment	Site improvement	Construction in-progress	Total
Cost					
January 1, 2023	P 60,607,702	P 726,000	P 40,235,353	-	P 101,569,055
Additions	4,492,263	67,654	1,569,526	-	6,129,443
December 31, 2023	65,099,965	793,654	41,804,879	-	107,698,498
Additions	10,672,076	-	2,281,363	14,051,438	27,004,877
Reclassifications	2,586,225	-	1,321,395	-	3,907,620
Disposals	(129,660)	-	-	-	(129,660)
December 31, 2024	78,228,606	793,654	45,407,637	14,051,438	138,481,335
Accumulated depreciation					
January 1, 2023	58,700,810	726,000	26,245,981	-	85,672,791
Depreciation	1,573,071	11,125	3,509,979	-	5,094,175
December 31, 2023	60,273,881	737,125	29,755,960	-	90,766,966
Reclassifications	2,586,225	-	1,321,395	-	3,907,620
Depreciation	2,301,638	13,531	2,802,758	-	5,117,927
Disposals	(115,875)	-	-	-	(115,875)
December 31, 2024	65,045,869	750,656	33,880,113	-	99,676,638
Net book values					
December 31, 2023	4,826,084	56,529	12,048,919	-	16,931,532
<b>December 31, 2024</b>	<b>P 13,182,737</b>	<b>P 42,998</b>	<b>P 11,527,524</b>	<b>P 14,051,438</b>	<b>P 38,804,697</b>

The depreciation of property and equipment for the years ended December 31 was allocated as follows:

	Note	2024	2023	2022
Cost of sales and services		<b>P 4,721,400</b>	P 4,699,488	P 6,890,086
Operating expenses	18	<b>396,527</b>	394,687	578,666
		<b>P 5,117,927</b>	P 5,094,175	P 7,468,752

As at December 31, 2024 and 2023, the Club has no unpaid property and equipment additions.

In 2024, the Club sold certain property and equipment for a total consideration of P32,190. The gain on disposal amounting to P18,405 is presented as Gain on disposal of assets under Other Income – net in the 2024 statement of comprehensive income (see Note 19). There were no similar transactions in 2023 and 2022.

As of December 31, 2024 and 2023, the gross carrying amount of the Club's fully depreciated property and equipment that are still used in operations is P61,697,278 and P61,858,606, respectively.

#### **Note 7 - Right-of-Use Assets and Lease Liabilities**

(i) Club premises

On March 21, 2016, the Club entered into a non-cancellable lease agreement with 20-34 Property Holdings, Inc. (Lessor), for the lease of its separate office and storage spaces to be utilized for the construction of its restaurant. The term of the lease is for a period of 10 years and five years, respectively, starting from September 16, 2016 with escalation in rental fee of 5% each year. Both spaces are renewable on the fifth year subject to mutual agreement between the Club and the Lessor.

On July 17, 2017, the agreement was amended to change the commencement date to October 16, 2016, lease area and monthly rates for its office and storage lease. The amendment also included two additional leases for storage area which started on January 15, 2017 and March 22, 2017, respectively. Under the terms of the covering lease agreements after modification, the Club is required to make three months security deposits amounting to P8,881,434.

On November 1, 2020, the lease agreement was modified reducing the office and storage spaces and monthly lease payments. Under the terms of the covering lease agreements after modification, the Club is required to make three months security deposits amounting to P5,776,582. These security deposits are presented at its amortized cost. The carrying amount of these security deposits as at December 31, 2024 and 2023 amounted to P4,281,605 (see Note 9).

Based on the fifth amendment to the contract of lease, the essential provision stated that beginning November 1, 2020 until July 31, 2021, the net usable area of the Club is 1,282 sqm with an office space of 1,091 sqm (inclusive of 30.90 sqm mezzanine and 30.44 sqm of Rooms 8A and 8B) and storage area of 190.97 sqm.

Starting August 1, 2021 up to April 30, 2022, the net usable area of the club increased to 1,311 sqm with an increase in the office space of 1,120 sqm as well. Moreover, starting May 1, 2022 onwards, the net usable space of the Club is 1,306 sqm with an office space of 1,115 sqm.

In 2021, lease concessions were also granted to the Club thereby reducing the monthly rental payments at varying rates per month. There were no additional lease concessions for the years ended December 31, 2024, 2023, and 2022.

On March 14, 2023, the lease agreement was modified to include the lease of one motorcycle parking slot. Accordingly, the Club recognized additional right-of-use assets and lease liabilities amounting to P35,958.

(ii) Storage areas

On April 15, 2022, the Club entered into a lease agreement with Valentina S. Berin for the lease of space located in Pasig City which shall be used as office, storage, and commissary of the Club. The term of the lease is for a period of two years, starting from May 1, 2022 and ending on April 30, 2024. The lessor shall be notified by the lessee of its intention to renew the contract 60 days before the termination date. On May 10, 2024, the Club renewed the lease for another period of two years, starting from May 1, 2024 and ending on April 30, 2026.

Based on the renewed lease agreement, the Club shall be charged a monthly rental of P50,000. In addition, it shall deposit to the lessor, upon signing of the contract equivalent to four months or P200,000 wherein the two months shall be applied as rent for the 11<sup>th</sup> and 12<sup>th</sup> months and the remaining two months shall answer partially for damages and any other obligations. The carrying amount of these deposits as at December 31, 2024 amounted to P100,000 and is presented as part of Security deposits under Other Non-current Assets account in the 2024 statement of financial position (see Note 9).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leased assets are presented as a separate line item in the statement of financial position. The statements of financial position show the following amounts relating to leases:

	Club premises	Storage areas	Total
<b>Cost</b>			
January 1, 2023	P 207,667,325	P 15,287,939	P 222,955,264
Modifications	35,958	-	35,958
December 31, 2023	207,703,283	15,287,939	222,991,222
Additions	-	1,134,056	1,134,056
Derecognition	-	(1,070,049)	(1,070,049)
December 31, 2024	207,703,283	15,351,946	223,055,229
<b>Accumulated amortization</b>			
January 1, 2023	(153,466,001)	(9,771,069)	(163,237,070)
Amortization	(13,817,183)	(1,751,962)	(15,569,145)
December 31, 2023	(167,283,184)	(11,523,031)	(178,806,215)
Amortization	(14,265,917)	(1,822,130)	(16,088,047)
Derecognition	-	1,070,049	1,070,049
December 31, 2024	(181,549,101)	(12,275,112)	(193,824,213)
<b>Net book values</b>			
December 31, 2023	40,420,099	3,764,908	44,185,007
<b>December 31, 2024</b>	<b>P 26,154,182</b>	<b>P 3,076,834</b>	<b>P 29,231,016</b>

Movements in the lease liabilities for the years ended December 31 follow:

	2024	2023
<b>Lease liabilities</b>		
As at January 1	<b>P 68,266,330</b>	P 88,137,146
Principal payments	<b>(22,733,737)</b>	(19,906,774)
Interest expense	<b>3,318,882</b>	4,715,879
Interest payments	<b>(3,318,882)</b>	(4,715,879)
Additions	<b>1,134,056</b>	-
Lease modification	-	35,958
As at December 31	<b>46,666,649</b>	68,266,330
<b>Lease liabilities</b>		
Current	<b>25,131,377</b>	22,268,570
Non-current	<b>21,535,272</b>	45,997,760
	<b>P 46,666,649</b>	P 68,266,330

The statements of comprehensive income for the years ended December 31 show the following amounts relating to leases:

	Note	2024	2023	2022
Amortization expense				
Club premises		<b>P 14,265,917</b>	P 13,817,183	P 16,040,779
Storage areas		<b>1,822,130</b>	1,751,962	1,818,863
		<b>16,088,047</b>	15,569,145	17,859,642
Interest expense		<b>3,318,882</b>	4,715,879	5,961,999
Short-term leases	18	<b>1,058,450</b>	829,000	645,000
		<b>P 20,465,379</b>	P 21,114,024	P 24,466,641

The depreciation of right of use asset for the years ended December 31 was allocated as follows:

	Note	2024	2023	2022
Cost of sales and services		<b>P 14,841,575</b>	P 14,362,876	P 16,475,910
Operating expenses	18	<b>1,246,472</b>	1,206,269	1,383,732
		<b>P 16,088,047</b>	P 15,569,145	P 17,859,642

The undiscounted maturity analysis of lease liabilities at December 31, 2024 and 2023 are as follows:

	Within 1 year	1 to 2 years	2 to 3 years	Total
<b>2024</b>				
Lease payments	P 27,130,010	P 22,068,587	P -	P 49,198,597
Finance charges	(1,998,633)	(533,315)	-	(2,531,948)
Net present value	<b>P 25,131,377</b>	<b>P 21,535,272</b>	<b>P -</b>	<b>P 46,666,649</b>
<b>2023</b>				
Lease payments	P 25,552,619	P 26,630,011	P 21,868,586	P 74,051,216
Finance charges	(3,284,049)	(1,969,984)	(530,853)	(5,784,886)
Net present value	<b>P 22,268,570</b>	<b>P 24,660,027</b>	<b>P 21,337,733</b>	<b>P 68,266,330</b>

The Club's payments relative to its leases for the years ended December 31, 2024, 2023 and 2022 amounted to P26,052,619, P24,622,653; P25,214,579, respectively. The payments were allocated between the principal amount of lease liabilities and interest expense.

(iii) Discount rate

The lease payments are discounted using the Club's incremental borrowing rate, being the rate that the Club 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. The discount rate for various lease liabilities is at 5.64% to 5.99% in 2024, 2023 and 2022.

To determine the incremental borrowing rate, the Club 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. Where third party financing cannot be obtained, the Club uses the government bond yield, adjusted for the credit spread specific to each entity under the Club and security using the right-of-use asset.

(iv) Extension and termination options

The extension and termination options are not included in the lease term of the Club premises and storage areas. These options are exercisable only upon mutual agreement of the Club and the lessor. However, extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated). Lease payments to be made under reasonably certain extension options are included in the measurement of lease liability.

### **Note 8 - Income Taxes**

The components of tax expense as reported in the statements of comprehensive income are as follows:

	2024	2023	2022
Recognized in profit or loss:			
Current tax expense:			
Minimum corporate income tax (MCIT) at 2% in 2024 and 1.5% in 2023	P 2,089,722	P 944,646	P -
Final tax at 20%	2,526	-	-
Deferred tax expense relating to –			
Origination and reversal of temporary differences	1,661,530	6,100,443	2,727,144
	P 3,753,778	P 7,045,089	P 2,727,144

The details of temporary differences for which deferred tax assets and deferred tax liabilities were recognized as at December 31, 2024 and 2023 are as follows:

	2024	2023
Deferred income tax assets (liabilities)		
To be recovered within 12 months –		
Unrealized foreign exchange gain	(P 107)	P -
To be recovered beyond 12 months:		
Net operating loss carryover (NOLCO)	9,819,461	9,819,461
PFRS 16 lease accounting	4,358,908	6,020,331
	P 14,178,262	P 15,839,792

Management believes that future taxable profit will not be available for the below temporary differences. Details of unrecognized deferred tax assets as at December 31 are as follows:

	2024	2023
Deferred membership income for the next two years	P 14,293,394	P 14,293,394
MCIT	3,963,892	2,150,244
Retirement benefit obligation	1,078,516	879,652
Allowance for doubtful accounts	222,547	143,815
Unrecognized NOLCO	106,148	6,265,392
	P 19,664,497	P 23,732,497

Realization of future tax benefits related to the deferred tax assets is dependent on many factors, including the Club's ability to generate taxable income in the future. As at December 31, 2024 and 2023, the Club recognized its deferred tax assets to the extent that management assessed that it is probable that there will be sufficient future taxable profits to which the future deductible amounts can be applied. Deferred tax assets are recognized for unused NOLCO to the extent that the realization of the related tax benefit through the future taxable profits is probable. A portion of deferred tax asset related to NOLCO was not recognized.

The Club is entitled to NOLCO which can be applied to the Club's taxable income for three to five succeeding years from the year the loss was incurred. In 2024, NOLCO recognized in previous years amounting to P24.64 million was applied to the 2024 taxable income of the Club. There was no similar transaction in 2023.

Details of the NOLCO as at December 31 are as follows:

Year of incurrence	Year of expiration	2024	2023
2020	2025	25,061,567	25,061,567
2021	2026	37,991,978	37,991,978
2023	2026	1,285,865	1,285,865
		64,339,410	64,339,410
Applied		(24,636,974)	-
Unrecognized		(424,593)	(25,061,567)
		39,277,843	39,277,843
Tax rate		25%	25%
		<b>P 9,819,461</b>	<b>P 9,819,461</b>

The Club is subject to MCIT which is computed at 2% in 2024 and 1.5% in 2023 of gross income, net of allowable deductions, as defined under the tax regulations, or to regular corporate income tax, whichever is higher.

Details of the Club's unrecognized MCIT as at December 31 are as follows:

Year of incurrence	Year of expiration	2024	2023
2020	2023	P -	P 722,703
2021	2024	276,074	276,074
2022	2025	929,524	929,524
2023	2026	944,646	944,646
2024	2027	2,089,722	-
		4,239,966	2,872,947
Expired		(276,074)	(722,703)
		<b>P 3,963,892</b>	<b>P 2,150,244</b>

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income is as follows:

	2024	2023	2022
Tax on pretax profit at 25%	<b>P 7,040,319</b>	P 5,684,189	P 5,252,644
Tax effects of:			
Application of NOLCO	(6,159,244)	-	(4,188,800)
Unrecognized MCIT	2,089,722	944,646	-
Non-deductible expenses	395,291	5,379	1,639,500
Movement in unrecognized deferred tax asset	298,538	413,432	-
Non-deductible entertainment and representation expense	89,783	-	25,337
Interest income subject to final tax	(631)	(2,557)	(1,537)
	<b>P 3,753,778</b>	<b>P 7,045,089</b>	<b>P 2,727,144</b>

The Club claimed itemized deductions in 2024, 2023 and 2022 in computing its income tax due.

### **Note 9 - Other Non-current Assets**

Other non-current assets as at December 31 consist of:

	Note	2024	2023
Security deposits	7	P 4,381,605	P 4,281,605
Utilities and water deposits		1,160,169	1,160,169
Advance rental		-	103,352
Others		304,119	304,119
		P 5,845,893	P 5,849,245

Advance rental pertains to advance payment of rent as required under the terms covering lease contract. As at December 31, 2023, the advanced rental remains to be unapplied.

Security, utilities and water deposits, pertains to the rental deposit refundable at the end of the lease term.

### **Note 10 - Trade and Other Payables**

Trade and other payables as at December 31, 2024 and 2023 consist of:

	2024	2023
Trade payables	P 23,324,690	P 11,492,206
Output VAT	12,125,185	19,570,122
Payable to government agencies	3,048,761	7,274,849
Salaries and other benefits	2,897,543	1,690,288
Accrued expenses	2,571,889	962,499
Retention payable	749,647	1,172,382
Consignor payable	578,751	843,589
Others	1,725,987	1,112,810
	P 47,022,453	P 44,118,745

Trade, accruals and other payables are non-interest bearing and are generally on a 30 to 60 day term.

Retention payable pertains to the amount withheld by the Club from the project contractors related to its construction in progress which is equivalent to 10% of every progress billing to be released upon fulfillment of the terms and conditions in the contract.

Consignor payable pertains to receipts from sale of consigned goods which are yet to be remitted to the consignors.

Others pertains to gift certificates payable and tax refund of employees.

### **Note 11 - Related Party Transactions**

In the normal course of business, the Club transacts with companies which are considered related parties under PAS 24, *Related Party Disclosures*.

The table in the succeeding page summarizes the Club's balances and transactions with related parties for the years ended December 31, 2024 and 2023.

	2024		2023		Terms and conditions
	Transactions	Outstanding payable	Transactions	Outstanding payable	
Shareholders					
Advances from shareholders	(P314,923)	P 8,853,579	(P1,100,000)	P 9,168,502	Balances are payable in cash on demand, unsecured and non-interest bearing.
Key management personnel					
Short-term employee benefits	9,560,724	-	7,154,832	-	Based on employee contracts payable every designated pay period.
Retirement benefits	795,457	4,314,063	(64,677)	3,518,606	Refer to Note 12

As at December 31, 2024 and 2023, there are no outstanding advances to and from key management personnel. There are no share-based compensation, remuneration and other long term benefits received by key management personnel during the year.

#### **Note 12 - Retirement Benefit**

The Club does not have an established retirement plan and only conforms to the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which is of the final salary defined benefit type and provides retirement benefit equal to 22.5 days pay for every year of credit service for employees who attain the normal retirement age of 60 with at least five years of service. The regulatory benefit is paid in a lump sum upon retirement. The most recent actuarial valuation of the Club's retirement plan was performed by an independent actuary at December 31, 2024.

The retirement obligation is determined using the projected unit credit (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year.

The following are the details of the Club's retirement account balance as at and for the years ended December 31:

	2024	2023	2022
Retirement benefit obligation	P 4,314,063	P 3,518,606	P 3,583,283
Retirement benefit expense recognized in profit or loss	878,036	1,115,054	1,176,134
Remeasurement gain recognized in other comprehensive income	(82,579)	(1,179,731)	(1,038,639)

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

	2024	2023
January 1	P 3,518,606	P 3,583,283
Current service cost	662,697	851,324
Interest cost	215,339	263,730
Remeasurement loss (gain) from:		
Changes in demographic	(691,905)	(1,258,623)
Experience adjustment	609,326	(145,430)
Changes in financial assumptions	-	224,322
December 31	P 4,314,063	P 3,518,606

The movement of retirement benefit obligation recognized in the statements of financial position for the years ended December 31 are as follows:

	2024	2023	2022
Current service cost	P 662,697	P 851,324	P 178,492
Interest cost	215,339	263,730	997,642
	<b>P 878,036</b>	<b>P 1,115,054</b>	<b>P 1,176,134</b>

Movements in other reserves, net of deferred tax, charged in equity are as follows:

	2024	2023
January 1	(P 2,119,747)	(P 940,016)
Remeasurement loss (gain) from:		
Changes in demographic	(691,905)	(1,258,623)
Experience adjustment	609,326	(145,430)
Changes in financial assumptions	-	224,322
December 31	<b>(P 2,202,326)</b>	<b>(P 2,119,747)</b>

The principal actuarial assumptions used for the years ended December 31 are as follows:

	2024	2023
Discount rate	6.12%	6.12%
Salary increase rate	3.00%	3.00%
Average future working years of service	25.0	25.0

As at December 31, 2024 and 2023, the weighted average duration of the retirement benefit obligation are 3 years and 6 years, respectively. The expected undiscounted maturity benefit payments between one to 10 years is P5,735,324 and P3,011,266 as at December 31, 2024 and 2023, respectively.

## **Note 13 - Capital Deficiency**

### **13.1 Share capital**

Details and movements of the Club's share capital as at December 31, 2024 and 2023 are as follows:

	Authorized		Issued and outstanding	
	Shares	Amount	Shares	Amount
Preferred shares at P100,000 per share	2,000	P 200,000,000	1,550	P 155,000,000
Common shares at P10 per share	200,000	2,000,000	100,005	1,000,050
				<b>P 156,000,050</b>

Out of the total authorized preferred shares of 2,000, the SEC granted the Club license to offer or sell to the public 1,500 shares at the offer price of P100,000 per share. Refer to Note 23.7 for features of preferred shares and common shares.

The Club has five shareholders owning 100 or more common shares each of the Club's capital stock as at December 31, 2024 and 2023.

### 13.2 Earnings per share

Basic and diluted earnings per share are computed as follows:

	2024	2023	2022
Net profit for the year	<b>P24,407,498</b>	P15,691,667	P18,283,433
Divided by the weighted average number of issued and outstanding common shares	<b>100,005</b>	100,005	100,005
Basic and diluted earnings per share	<b>P 244.06</b>	P 156.91	P 182.83

### **Note 14 - Deferred Income**

On October 20, 2017, the SEC granted the Club permit to sell or offer preferred shares (see Note 13) and membership certificates for sale to the public. Membership to the Club entitles a person an exclusive right to access the Club's facilities and services. The issue price of each membership certificate depends on the type of membership listed below. In 2023, the Club increased the prices of each membership certificate.

#### *(a) Founding Membership*

A member who becomes part of the first 600 members of the Club. Each membership certificate costs P300,000 and is transferrable after the lock up period.

#### *(b) Regular Membership*

A member who was admitted after the Club has chosen the first 600 Founding Members. Each membership certificate costs P250,000 and is transferrable after the lock up period.

#### *(c) Associate Membership*

A member who has the same qualifications and privileges as Regular Members except that the certificates of membership are non-transferable. Each membership certificate costs P200,000.

#### *(d) Junior Membership*

A member who has the same qualifications and privileges as Regular Members except that the certificates of membership are non-transferable and the member must be under 30 years of age upon submission of application for membership to the Club. Each membership certificate costs P75,000.

A lock up period of five years from subscription among holders of Founding and Regular Membership certificates prohibits the selling, assigning, or transferring of the certificates to any third party.

The details of Club's membership certificates as at December 31 consist of:

	Authorized		Certificate	Total
	Shares	Total amount	sold	amount
<i>As at December 31, 2024</i>				
Founding membership certificates	600	120,000,000	600	P 130,650,000
Regular membership certificates	1,000	150,000,000	227	50,332,143
Associate membership certificates	600	60,000,000	176	25,282,143
Junior membership certificates	600	30,000,000	207	11,500,000
<b>Total</b>	<b>2,800</b>	<b>360,000,000</b>	<b>1,210</b>	<b>P 217,764,286</b>
<i>As at December 31, 2023</i>				
Founding membership certificates	600	120,000,000	600	P 130,650,000
Regular membership certificates	1,000	150,000,000	200	38,482,143
Associate membership certificates	600	60,000,000	170	24,082,143
Junior membership certificates	600	30,000,000	201	11,050,000
<b>Total</b>	<b>2,800</b>	<b>360,000,000</b>	<b>1,171</b>	<b>P 204,264,286</b>

Proceeds from sale of membership certificates are recognized as revenue over the shorter of average life expectancy of member and lease term (see Note 15). No refund has been given to those resigned and terminated certificates. Proceeds are included in membership certificates sold during the year.

Movement of deferred membership fees for the years ended December 31 are as follows:

	2024	2023	2022
Beginning	<b>P 76,803,319</b>	P 78,458,695	P 80,815,641
Membership certificates sold	<b>13,500,000</b>	22,700,000	18,050,000
Less: Amortization during the year	<b>(22,469,208)</b>	(24,355,376)	(20,406,946)
Total	<b>67,834,111</b>	76,803,319	78,458,695
Less: Current portion	<b>(30,356,040)</b>	(25,095,040)	(24,488,874)
Non-current portion	<b>P 37,478,071</b>	P 51,708,279	P 53,969,821

The balance of the current portion of deferred income as at December 31, 2024 and 2023 reported in the statements of financial position includes advance payments and deferred dues and income amounting to P5,788,979 and P25,709,088 in 2024, respectively, and P2,083,068 and P26,481,829 in 2023, respectively.

### **Note 15 - Net Revenues**

The components of net revenues for the years ended December 31 follow:

	Note	2024	2023	2022
Sale of food, beverages and goods		<b>P 143,939,098</b>	P 136,472,934	P 135,534,806
Less: Discounts		<b>(7,287,990)</b>	(5,576,303)	(4,849,922)
		<b>136,651,108</b>	130,896,631	130,684,884
Membership dues		<b>49,904,213</b>	34,828,043	35,270,890
Amortization of deferred income	14	<b>22,469,208</b>	24,305,442	20,456,880
Less: Allowances		<b>(20,515,122)</b>	(9,672,599)	(12,849,373)
		<b>188,509,407</b>	180,357,517	173,563,281
Rentals and other income		<b>8,488,861</b>	4,796,557	3,756,818
Retail sales		<b>2,239,698</b>	2,596,104	3,622,251
<b>Net sales and services</b>		<b>P 199,237,966</b>	P 187,750,178	P 180,942,350

Retail sales were from sales of items such as pillows and hampers.

Rental and other income were derived from use of banquet space, ingress fee, cancellation fees and other income associated with banquet events.

Provision for allowances represent the expected annual membership dues that are yet to be collected as at December 31, 2024 and 2023. Since probability of collection under the definition of contract was not met therefore the revenue was provided for with a provision for allowance. The amount is based on observed historical trend of disallowances in the past three years. The corresponding credit is offset against the annual membership dues for presentation purposes.

#### **Note 16 - Payroll and Related Expenses**

The components of payroll and related expenses presented under cost of sales and services in the statements of total comprehensive income for the years ended December 31 follow:

	Note	2024	2023	2022
Salaries and wages		P 10,825,161	P 9,127,867	P 9,752,425
Employee benefits		5,409,581	4,295,772	3,417,159
Retirement benefit expense	12	878,036	1,115,054	1,176,134
		P 17,112,778	P 14,538,693	P 14,345,718

#### **Note 17 - Other Expenses**

The components of other expenses presented under cost of sales and services for the years ended December 31 follow:

	2024	2023	2022
Contract services	P 6,745,282	P 8,086,364	P 8,658,530
Operating and office supplies	1,787,065	1,578,824	2,374,707
Laundry services	1,230,849	997,703	-
Professional fees	933,333	1,335,344	36,676
Music and entertainment	720,454	1,470,321	264,000
Operating equipment	496,176	345,071	207,161
Housekeeping	333,301	556,881	635,314
Utensils	164,299	111,520	554,055
Uniforms	157,200	42,435	14,703
Representation and entertainment	71,696	88,845	166,984
Transportation	30,967	130,353	82,838
Others	1,073,359	693,553	635,940
	P 13,743,981	P 15,437,214	P 13,630,908

Others include cost of decorations, complimentary guest gifts and research and development for food menu.

### **Note 18 - Operating Expenses**

The components of operating expenses for the years ended December 31 follow:

	Notes	2024	2023	2022
Payroll and related expenses		<b>P 31,240,527</b>	P 24,544,130	P 24,611,048
Utilities		<b>8,277,656</b>	8,513,359	7,952,868
Repairs and maintenance		<b>6,423,231</b>	6,609,977	6,429,398
Bank charges		<b>3,566,264</b>	3,345,946	2,993,001
Taxes and licenses		<b>3,190,059</b>	1,274,921	1,433,382
Professional fees		<b>3,127,748</b>	2,150,693	2,522,728
Depreciation and amortization	6, 7	<b>1,642,999</b>	1,600,956	1,962,398
Representation expenses		<b>1,585,363</b>	1,365,702	1,072,146
Communication		<b>1,535,948</b>	1,308,298	1,223,144
Outside services		<b>1,358,990</b>	1,471,377	1,010,898
Supplies		<b>1,337,844</b>	1,971,968	1,137,502
Rent	7	<b>1,058,450</b>	829,000	645,000
Information systems		<b>491,786</b>	114,759	-
Trainings		<b>436,707</b>	701,075	246,885
Transportation		<b>344,350</b>	310,499	423,081
Provision for doubtful accounts	3	<b>314,928</b>	538,673	-
Advertising and promotion		<b>162,107</b>	203,385	911,783
Insurance		<b>75,070</b>	37,546	36,837
Other expenses		<b>11,409,809</b>	7,228,760	13,730,723
		<b>P 77,579,836</b>	P 64,121,024	P 68,342,822

Other expenses mainly pertain to duty meals and settlements of assessments during the year. Other expenses for 2023 mainly include duty meals and internship allowances.

### **Note 19 - Other Income**

The components of other income for the years ended December 31 follow:

	Notes	2024	2023	2022
Unused consumables		<b>P 6,160,718</b>	P 8,743,062	P 7,509,244
Interest income	2	<b>12,632</b>	10,228	6,148
Foreign exchange losses		<b>428</b>	1,187	(78,957)
Gain on disposal of assets	6	<b>18,405</b>	-	-
Miscellaneous income (expenses) - net		<b>15,522,967</b>	(1,765,664)	11,802,906
		<b>P 21,715,150</b>	P 6,988,813	P 19,239,341

Unused consumables pertain to expired consumables allocated to members that can be used for dining and takeaways. Consumables are forfeited quarterly and recognized as revenue under Unused Consumables.

Miscellaneous income (expenses) - net pertains to late payment charges of receivables arising from credit sales, net of the common utilities and services allocation for its club premises and storage areas.

## **Note 20 – Commitments and Contingencies**

There are other commitments and contingencies that may arise in the normal course of the Club's operations which are not reflected in the financial statements. As of December 31, 2024 and 2023, management is of the opinion that losses, if any, from these events and conditions will not have a material effect on the Club's financial statements.

## **Note 21 - Financial Risk and Capital Management**

### **21.1 Financial Risk Factors**

The Club's activities expose it to a variety of financial risks: market risks (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Club's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Club's financial performance.

#### **21.1.1 Market risks**

##### **(a) *Foreign Exchange Risk***

Currency risk arises when future commercial transactions, and recognized assets and liabilities are denominated in a currency that is not the Club's functional currency. In the normal course of business, the Club transacts with certain companies based outside the Philippines, with these transactions being settled in US Dollar. Such transactions are very minimal and does not expose the Club to foreign exchange risk.

##### **(b) *Cash Flow and Fair Value Interest Rate Risk***

This risk affects future cash flows as a result of changes in market interest rates. The Club's exposure to the risk of changes in interest rates is minimal since it only relates to interest on cash deposits.

#### **21.1.2 Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Club. Credit risk arises from the financial assets of the Club, which comprise of cash in bank, trade and other receivables (excluding advances to employees) and refundable deposits.

The maximum exposure to credit risk for the components of the statements of financial position approximates their carrying values as at December 31, 2024 and 2023.

The table below summarizes the credit quality of the Club's financial assets as at December 31, 2024 and 2023:

	Notes	Stage 1 Performing	Stage 2 Under- performing	Stage 3 Non- Performing	Total
<b>2024</b>					
Cash in bank	2	P 40,359,075	P -	P -	P 40,359,075
Trade and other receivables*	3	-	4,960,570	890,192	5,850,762
Refundable deposits	9	5,541,774	-	-	5,541,774
		<b>P 45,900,849</b>	<b>P 4,960,570</b>	<b>P 890,192</b>	<b>P 51,751,611</b>
<b>2023</b>					
Cash in bank	2	P 38,043,149	P -	P -	P 38,043,149
Trade and other receivables*	3	-	5,734,396	575,264	6,309,660
Refundable deposits	9	5,441,774	-	-	5,441,774
		<b>P 43,484,923</b>	<b>P 5,734,396</b>	<b>P 575,264</b>	<b>P 49,794,583</b>

*\*excluding advances to employees*

The assets were classified by the Club based on changes in credit quality under three-stage model for impairment. Stage 1 pertains to assets of the Club that is not credit-impaired on initial recognition. Stage 2 pertains to assets of the Club with significant increase in credit risk but not yet deemed to be credit-impaired. Financial assets that are credit-impaired are classified under Stage 3, which were fully provided for with an allowance for impairment.

(a) *Cash*

Included in the cash are cash in banks, insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million per depositor per banking institution, which are still subject to credit risk. Effective March 15, 2025, the PDIC increased the maximum coverage to P1.0 million per depositor per banking institution.

(b) *Trade and Other Receivables*

The Club has no significant concentrations of credit risk due to various customers comprising its portfolio and it has policies in place to ensure that the sale of goods and services is made only to customers with an appropriate credit history. The credit quality of receivables is evaluated both on the basis of the aging of the receivables as well as on the basis of individual case by case customer analysis in order to identify customers with a potential higher credit risk due to individual customer specific reasons. The impairment loss allowance for receivables is recognized on the basis of this credit quality evaluation and using the expected loss credit model. Nonetheless, the Club is still exposed to risk of non-collection arising from disputes and disagreements on billings, which may deter the collection of outstanding accounts on a timely basis.

The Club applies the simplified approach under PFRS 9, *Financial Instruments*, to measure ECL which uses a lifetime ECL for trade and other receivables, including due from related parties. To measure the ECL, receivables have been grouped based on shared credit risk characteristics and the days past due.

	Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
<b>2024</b>				
Expected loss rate	0.00%	0.00%	100.00%	
Trade receivables	- P	4,960,570	P 890,192	P 5,850,762
Loss allowance	-	-	<b>P 890,192</b>	<b>P 890,192</b>
<b>2023</b>				
Expected loss rate	0.00%	0.00%	100.00%	
Trade receivables	- P	5,734,396	P 575,264	P 6,309,660
Loss allowance	-	-	P 575,264	P 575,264

(c) *Refundable Deposits*

Credit exposure on refundable deposits arises from the Club's existing non-cancellable lease agreements and utility providers.

As at December 31, 2024 and 2023, management does not expect any counterparty to default in its payment obligations to the Club considering that the lessors and utility providers are creditworthy and in good financial standing.

### 21.1.3 Liquidity Risk

Liquidity risk arises from the possibility that the Club may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstance.

The Club monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Club maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows by monitoring on a monthly basis the expected cash inflows and outflows. Management believes there will be adequate financial asset to meet maturing financial obligations and readiness of related parties to extend financial assistance through advances, if necessary; hence, there is no significant liquidity risk.

The Club's financial liabilities mature within the next 30 to 60 days from reporting date. The amounts disclosed in the table are contractual undiscounted cash flows, as the impact of discounting is not significant.

	Notes	2024	2023
Trade and other payables*	10	P 31,848,507	P 17,273,774
Advances from shareholders	11	8,853,579	9,168,502
Lease liabilities**	7	49,198,597	74,051,216
		P 89,900,683	P 100,493,492

*\*excluding payable to government agencies and output VAT*

*\*\*including future interest payments*

### 21.2 Capital Management

Management's primary objective as regards capital is to ensure that the Club continues as a going concern, as well as to maintain optimal returns through dividend declarations. Capital consists of share capital and deficit as shown in the statement of financial position. There are no external restrictions imposed by third parties on the Club's capital nor it is subjected to minimum statutory requirements as at December 31, 2024 and 2023.

There were no changes made in the capital management policies as at December 31, 2024 and 2023.

### 21.3 Financial Instrument by Category

The accounting policies for financial instruments have been applied to the line items below.

	Notes	2024	2023
Financial assets			
Cash	2	P 41,140,566	P 38,744,010
Trade and other receivables*	3	5,850,762	6,309,660
Refundable deposits	9	5,541,774	5,441,774
		P 52,533,102	P 50,495,444
Financial liabilities			
Trade and other payables**	10	P 31,848,507	P 17,273,774
Advances from shareholders	11	8,853,579	9,168,502
Lease liabilities	7	46,666,649	68,266,330
		P 87,368,735	P 94,708,606

*\*excluding advances to employees*

*\*\*excluding payable to regulatory agencies and output VAT*

An analysis of net debt and the movements in net debt as at December 31 are as follows:

	Notes	2024	2023
Cash in banks	2	P 40,359,075	P 38,043,149
Advances from shareholders	11	(8,853,579)	(9,168,502)
Net debt		P 31,505,496	P 28,874,647

Movements in the Club's net debt for the year ended December 31 are as follows:

	Cash	Advances from shareholders	Total
Net debt as at January 1, 2023	P 12,671,105	(P 10,268,502)	P 2,402,603
Cash flows	25,372,044	1,100,000	26,472,044
Net debt as at December 31, 2023	38,043,149	(9,168,502)	28,874,647
Cash flows	2,315,926	314,923	2,630,849
<b>Net debt as at December 31, 2024</b>	<b>P 40,359,075</b>	<b>(P 8,853,579)</b>	<b>P 31,505,496</b>

Advances from shareholders are peso-denominated and non-interest bearing (see Note 11).

#### 21.4 Fair Value Measurement

The carrying values of cash, trade and other receivables (excluding advances to employees), rental deposits and trade and other payables (excluding payable to government agencies and output VAT) are assumed to approximate their fair values due to the liquidity, short maturity and nature of such items.

As at December 31, 2024 and 2023, the Club does not have financial assets and liabilities that are measured at fair value.

#### 21.5 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant Philippine Financial Reporting Standards (PFRS) Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As at December 31, 2024 and 2023, the Club does not hold financial and non-financial assets and liabilities at fair value.

## **Note 22 - Significant Accounting Judgments and Estimates**

The preparation of the Club's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates 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. Actual results may ultimately differ from these estimates.

### **22.1 Key Sources of Estimation Uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

#### *(a) Estimation of useful lives of property and equipment and right-of-use assets*

The Club estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets 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.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 6 and 7, respectively. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

#### *(b) Estimation of retirement benefit obligation*

The determination of the obligation and retirement costs is dependent on the selection of certain assumptions by management used by the actuary in calculating such amounts. Those assumptions are described in Note 12 and include, among others, discount rates and salary increase rates. While the Club believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement benefit obligation. The assumptions are reviewed at each reporting date and are adjusted as necessary to reflect the current circumstances.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as follows:

Rates		Increase (Decrease)	
		<b>2024</b>	<b>2023</b>
Discount rate	1.00%	<b>(P 103,011)</b>	(P 183,792)
	-1.00%	<b>114,929</b>	211,059
Salary increase rate	1.00%	<b>P 117,408</b>	P 215,674
	-1.00%	<b>(106,951)</b>	(190,698)

The 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 PUC method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the statements of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

*(c) Determination of incremental borrowing rate for leases*

To determine the incremental borrowing rate, the Club 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. Where third party financing cannot be obtained, the Club uses the government bond yield, adjusted for the (1) credit spread specific to the Club and (2) security using the right-of-use asset (see Note 7). Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

*(d) Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 21.1.2.

*(e) Determination of Realizable Amount of Deferred Tax Assets*

The Club reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The carrying value of recognized deferred tax assets, which management assessed may be fully utilized in the coming years, as of December 31, 2024 and 2023 is disclosed in Note 8. Certain deferred tax assets, however, were not recognized since management believes that there is no assurance that the related tax benefits will be realized in the coming years.

*(f) Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

The Club assessed that the recoverable amounts of property and equipment, right-of-use assets and other non-financial assets as of December 31, 2024 and 2023 are higher than their carrying values.

*(g) Determination of Net Realizable Value of Inventories*

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The Club's inventories, which include perishable goods, are affected by certain factors which may cause inventory losses. Moreover, future realization of the carrying amounts of inventories as presented in Note 4 is affected by price changes of food ingredients. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Club's inventories within the next reporting period.

*(h) Provision for Allowances on Membership Dues*

The allowances represent uncollected claims arising from membership contracts. Since the probability of collection under the definition of contract was not met, the revenue was provided for with allowances. The amount is based on observed historical trends in the past three years (see Note 15).

## **22.2 Critical Management Judgments in Applying Accounting Policies**

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

### *(a) Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the Club pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Club is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Club considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Club did not include the renewal period as part of the lease term for leases of its Club premises and storage areas due to the provision in its contracts that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

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 only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Club.

### *(b) Provision for Impairment of Trade and Other Receivables*

The allowance for impairment of trade and other receivables are based on assumptions about risk of default and expected loss rates. The Club uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Any change in the Club's assessment of collectability of receivables that was not previously provided for due to reassessment made as additional information is received could significantly impact the calculation of such provision and the results of operations. The amounts and timing of recorded provision for impairment of receivables for any period would differ if the Club made different assumptions or utilized different estimates.

The details of receivables are disclosed in Note 3.

### *(c) Recognition of Deferred Income*

The recognition policy for membership fee is deferred and recognized as revenue over the average life expectancy of member and lease term, whichever is shorter. Any change in the Club's assessment of amortization of revenue that was not previously accounted for due to reassessment made as additional information is received could significantly impact the calculation of such amortization and the results of operations. The amounts and timing of recorded amortization of membership fee for any period would differ if the Club made different assumptions or utilized different estimates. The details of unamortized membership fee are disclosed in Note 14.

*(d) Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 20.

**Note 23 - Material Accounting Policy Information**

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

**23.1 Basis of preparation**

*(a) Statement of Compliance with PFRS Accounting Standards*

The financial statements of the Club have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC), from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies that follow.

*(b) Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Club presents all items of income, expense and other comprehensive income or loss in a single statement of comprehensive income.

The Club presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

*(c) Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Club's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Club are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Club operates.

## 23.2 Adoption of New and Amended Standards

### (a) *Effective in 2024 that are Relevant to the Club*

The Club adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Lease Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Club's financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Club's financial statements.
- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Club's financial statements.
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments require the seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Club's financial statements.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Club's financial statements:

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

### **23.3 Financial Instruments**

(a) *Financial Assets*

(i) *Classification and Measurement of Financial Assets*

The only relevant financial asset classification applicable to the Club is financial assets at amortized cost.

The Club's financial assets at amortized cost include Cash, Trade and Other Receivables, and Security deposits and Utilities and water deposits presented under Other Non-current Assets account.

(ii) *Impairment*

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

For receivables, the Club applies the simplified approach permitted by PFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2024 and 2023, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Club has identified real interest rates and consumer price index to be the most relevant factors in 2024 and 2023, respectively, and accordingly adjusts the historical loss rates based on expected changes in this factor.

(b) *Financial Liabilities*

Financial liabilities include Trade and Other Payables (except payable to government agencies and output VAT), Advances from Shareholders, and Lease Liabilities.

### **23.4 Inventories**

The cost of inventories is determined using the first-in, first-out method.

### **23.5 Property and Equipment**

Depreciation is computed using the straight-line method over the five-year estimated useful lives of furniture, fixtures and equipment and transportation equipment.

Site improvements are amortized over the shorter of remaining lease term or useful life of the improvement.

### **23.6 Impairment of Non-financial Assets**

The Club's inventories, property and equipment, right-of-use assets and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

### **23.7 Equity**

Common shares are stated at par value and are classified as share capital.

Preferred shares have the following features, rights and privileges:

- to vote and be voted for in all meetings of the shareholders of the Club where such vote is called for;
- pro-rata share in the dividend declaration of the Club;
- cumulation of dividends;
- preference over holders of the common shares in the distribution of corporate assets in the event of dissolution and liquidation of the Club;
- non-convertible into common shares;
- entitled to nominate such number of individuals as may be set by the BOD to become Members of the Club upon fulfillment of the admissions, qualifications, maintenance and other requirements as prescribed by the Club;
- no pre-emptive rights over any sale or issuance of any share in the Clubs share capital; and right to use the facilities and services of the Club.

### **23.8 Revenue and Expense Recognition**

The Club's revenue streams are considered recognized at a point in time with no variable consideration and financing component.

The Club recognizes revenue when (or as) a performance obligation is satisfied at the amount of the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Club's activities, which normally approximates the invoice amount, net of VAT. The specific recognition criteria presented below and in the succeeding oage must also be met before revenue is recognized.

#### **(i) Sale of Food, Beverage and Goods**

The Club operates several food banquet and restaurants. Food and beverage revenue is recognized upon invoicing and coincides when the meals are served to customers. It is presented net of applicable taxes.

(ii) Retail Sales

Retail sales are recognized upon billing to customers which coincides with deliveries of goods. It is presented net of applicable taxes.

(iii) Membership Income

Membership in the Club is a privilege, which is subject to such restrictions, limitations and obligations as may be imposed by the Club in accordance with its By-Laws and the Club Rules. In granting membership to the Club, the BOD classified its members as Founding, Regular, Associate and Junior members.

Membership income comes from the membership fees and monthly dues. Such fees vary depending on their type of membership.

Membership fees are one-time upfront payment and is deferred and recognized as revenue over the average life expectancy of members and lease term, whichever is shorter. Founding and Regular membership are transferable after the required lock-up period of five years. Associate and Junior Membership are non-transferable.

Membership dues are billed on an annual basis and recognized as income during the relevant year.

Expenses are recognized in the period they are incurred.

### **23.9 Leases – Club as a Lessee**

The Club depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Club has elected to account for certain short-term leases and leases of low-value assets, if any, using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

### **23.10 Retirement Benefits**

The Club provides short-term and post-employment benefits to employees through defined benefit and defined contribution plans, and other employee benefits.

The Club's defined benefit post-employment plan covers all regular full-time employees.

The defined benefit obligation is calculated annually by independent actuaries using the PUC method.

**Note 24 - Supplementary information required by the Bureau of Internal Revenue (BIR)**

Presented below and in the succeeding page is the supplementary information which is required by the BIR under Revenue Regulation (RR) No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

**(a) Output VAT**

Output VAT declared for the year ended December 31, 2024 and the revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT
Subject to 12% VAT		
Sale of goods	P 115,390,051	P 13,846,806
VAT-exempt sales	11,554,948	-
	P 126,944,999	P 13,846,806

The tax bases of the Club's revenues are based on gross receipts until the effectivity of RR No. 03-2024 on April 27, 2024. Subsequently, the accrual method was used. The tax bases are included as part of Revenues in the 2024 statement of comprehensive income.

The outstanding balance of Output VAT is presented as part of Trade and Other Payables account under current liabilities section in the 2024 statement of financial position.

**(b) Input VAT**

Movements in input VAT for the year ended December 31, 2024 are as follows:

Beginning balance	P	-
Add: Current year's domestic purchases/payments for:		
Domestic Purchase of Services		6,268,219
Domestic Purchases of Goods Other than Capital Goods		4,674,563
VAT Payments		2,394,006
Other Purchases		93,654
Purchase of Capital Goods exceeding 1,000,000		6,689
Less: Input VAT applied against output VAT		(13,437,131)
Ending balance	P	-

**(c) Taxes on Importation**

The Club did not have any importation subject to duties and tariff fees in 2024.

**(d) Excise Tax**

The Club did not have any transaction in 2024 which is subject to excise tax.

**(e) Documentary Stamp Tax (DST)**

The Club incurred and paid documentary stamp tax amounting to P30 and is presented as part of Taxes and Licenses under Operating Expenses in the 2024 statement of comprehensive income.

(f) *Taxes and Licenses*

All other local and national taxes paid for the year December 31, 2024 consist of:

	Amount
Mayor's permit	P 2,576,745
Real Property Tax	49,005
DST	30
Others	564,279
	P 3,190,059

The local and national taxes are presented as Taxes and licenses under the Operating Expenses account in the 2024 statement of comprehensive income.

(g) *Withholding Taxes*

The details of total withholding taxes for the year ended December 31, 2024 are shown below.

	Amount
Withholding tax on compensation	P 2,868,010
Expanded withholding tax	1,454,731
	P 4,322,741

There were no transactions entered into by the Club that were subjected to final taxes during the year.

(h) *Deficiency Tax Assessments and Tax Cases*

In 2024, the Company paid deficiency taxes amounting to P1,818,880 related to internal revenue taxes for the taxable year 2024, including interest charges amounting to P722,642. The deficiency taxes, which are non-deductible expenses (except for the interest portion), are recorded as part of Other expenses under Operating Expenses account in the 2024 statement of comprehensive income.

As of December 31, 2024, the Club does not have any pending final deficiency tax assessment with the BIR nor does it have tax cases outstanding or pending in courts or outside of the BIR in any of the open taxable years.



# **Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements**

**Punongbayan & Araullo**  
20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

**The Board of Directors and Shareholders**  
**Manila House Private Club, Inc.**  
8<sup>th</sup> Floor Seven/NEO (formerly Net Park)  
5<sup>th</sup> Avenue, Bonifacio Global City  
Taguig City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Manila House Private Club, Inc. for the year ended December 31, 2024, on which we have rendered our report dated April 10, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards as adopted from the pronouncements issued by the International Accounting Standards Board. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **PUNONGBAYAN & ARAULLO**

  
**By: James Joseph Benjamin J. Araullo**  
Partner

CPA Reg. No. 0111202  
TIN 212-755-957  
PTR No. 10465897, January 2, 2025, Makati City  
BIR AN 08-002511-039-2024 (until October 3, 2027)  
BOA/PRC Cert. of Reg. No. 0002/P-002 (until August 12, 2027)

April 10, 2025

**MANILA HOUSE PRIVATE CLUB, INC.**  
**LIST OF SEC SUPPLEMENTARY SCHEDULES**  
**COVERED BY INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2024**

<b>Schedule</b>	<b>Content</b>	<b>Page No.</b>
<b>Schedule Required under Annex 68-J of the Revised Securities Regulation Code Rule 68</b>		
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7
<b>Other Required Information</b>		
	Reconciliation of Retained Earnings Available for Dividend Declaration from the Parent Company	8
	Map Showing the Relationship Between the Company and its Related Entities	10

**Manila House Private Club, Inc.**

Schedule A  
Financial Assets  
December 31, 2024  
(Amounts in Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Value based on market quotation at statement date	Income received and accrued
Financial assets at fair value through other comprehensive income			
N/A	N/A	N/A	N/A

**Manila House Private Club, Inc.**

**Schedule B**

**Amounts Receivable from Directors, Officers, Employees,  
Related Parties and Principal Stockholders (Other than Related Parties)  
December 31, 2024  
(Amounts in Philippine Peso)**

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified			Balance at end of year
				Current	Non- current	
Employees	P 2,066,339	16,642,405	(16,735,756)	P 1,972,988	-	P 1,972,988

**Manila House Private Club, Inc.**

Schedule C  
Amounts Receivable from Related Parties which are Eliminated  
During the Consolidation of Financial Statements  
December 31, 2024  
(Amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts provided for/ written off	Current	Not current	Balance at end of year
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Manila House Private Club, Inc.**

Schedule D  
Long Term Debt  
December 31, 2024  
(Amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
N/A	N/A	N/A	N/A

**Manila House Private Club, Inc.**

Schedule E  
Indebtedness to Related Parties  
December 31, 2024  
(Amounts in Philippine Peso)

Names of related parties	Balance at beginning of period	Balance at end of period
Doris Magsaysay Ho	P 3,096,978	P 3,096,978
Joselito Campos	1,000,000	1,000,000
Clinton Hess	1,000,000	1,000,000
Linda Lagdameo	1,000,000	1,000,000
Lisa Gokongwei-Cheng	999,875	999,875
Carlos Rufino	700,000	700,000
Celestina Ocampo	600,000	600,000
Patricia Coseteng	547,624	253,364
Antonio Raymundo San Diego	224,025	203,362
	P 9,168,502	P 8,853,579

**Manila House Private Club, Inc.**

Schedule F  
Guarantees of Securities of Other Issuers  
December 31, 2024  
(Amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the Club for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A				

**Manila House Private Club, Inc.**

Schedule G  
Capital Stock  
December 31, 2024

The details of authorized and paid-up capital stock are as follows:

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Outstanding common stock	200,000	100,005	-	-	30,003	70,002
Preferred stock	2,000	1,550	-	-	100	1,450
Total	202,000	101,555	-	-	30,103	71,452

**MANILA HOUSE PRIVATE CLUB, INC.**  
**8th Floor Seven/NEO (formerly Net Park), 5th Avenue**  
**Bonifacio Global City, Taguig City**  
**Reconciliation of Retained Earnings Available for Dividend Declaration**  
**December 31, 2024**  
**(Amounts in Philippine Pesos)**

<b>Deficit at Beginning of Year</b>		( P 244,423,523 )
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of retained earning appropriation/s	-	
Effect of restatements or prior period adjustments	-	
Others	-	
		-
<b>Less Category B: Items that are directly debited to Unappropriated</b>		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior period adjustments	-	
Others	-	
		-
<b>Deficit at Beginning of Year, as adjusted</b>		( <b>244,423,523</b> )
<b>Add: Net Income for the Current Year</b>		<b>24,407,498</b>
<b>Less Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-	
		-
Sub-total		-
<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
		-
Sub-total		-
<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
		-
Sub-total		-
<i>Balance carried forward</i>		
<b>Adjusted Net Income</b>		<b>P 24,407,498</b>

Balance brought forward

**Adjusted Net Income**

**P 24,407,498**

**Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)

-

Sub-total

-

**Add/ Less: Category E: Adjustments related to relief granted by the SEC**

Amortization of the effect of reporting relief

-

Total amount of reporting relief granted during the year

-

Others

-

Sub-total

-

**Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**

Net movement of treasury shares (except for reacquisition of redeemable

-

Net movement of deferred tax asset not considered in the reconciling items under the previous categories

-

Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable

1,661,423

Adjustment due to deviation from PFRS/GAAP - gain (loss)

-

Others

-

Sub-total

1,661,423

**Deficit at End of Year**

**( P 218,354,602 )**

**Manila House Private Club, Inc.**  
**8<sup>th</sup> Floor Seven/NEO, 5<sup>th</sup> Avenue, Bonifacio Global City, Taguig City**

Map Showing the Relationship Between the Company and its Related Entities  
December 31, 2024

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N/A

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The Club is not part of a group of companies.

**Manila House Private Club, Inc.**  
**8<sup>th</sup> Floor Seven/NEO, 5<sup>th</sup> Avenue, Bonifacio Global City, Taguig City**

External Auditor Fee-Related Information  
December 31, 2024

	2024	2023
<b>Total Audit Fees</b>	<b>P 520,000</b>	P 490,000
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit fees</b>	<b>-</b>	-
<b>Total Audit and Non-audit Fees</b>	<b>P 520,000</b>	P 490,000
<b>Audit and Non-audit fees of other related entities</b>		
	2024	2023
Audit fees	-	-
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Audit and Non-audit Fees of other related entities</b>	<b>-</b>	-

## **Report of Independent Auditors on Components of Financial Soundness Indicators**

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**Punongbayan & Araullo**  
20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

### **The Board of Directors and Shareholders**

**Manila House Private Club, Inc.**  
8<sup>th</sup> Floor Seven/NEO (formerly Net Park)  
5<sup>th</sup> Avenue, Bonifacio Global City  
Taguig City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Manila House Private Club, Inc. (the Club) for the years ended December 31, 2024 and 2023, on which we have rendered our report dated April 10, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Club's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Club's financial statements as at December 31, 2024 and 2023 and for the years then ended and no material exceptions were noted.

### **PUNONGBAYAN & ARAULLO**



**By: James Joseph Benjamin J. Araullo**  
Partner

CPA Reg. No. 0111202  
TIN 212-755-957  
PTR No. 10465897, January 2, 2025, Makati City  
BIR AN 08-002511-039-2024 (until October 3, 2027)  
BOA/PRC Cert. of Reg. No. 0002/P-002 (until August 12, 2027)

April 10, 2025

## Manila House Private Club, Inc.

### Financial Soundness Indicators December 31, 2024 and 2023

Financial ratio	Calculation	2024	2023
Liquidity/current ratio	Total current assets divided by total current liabilities  Total current assets 56,315,405 Divided by: Total current liabilities 142,861,516 Liquidity/current ratio 0.39	0.39:1	0.47:1
Acid test ratio	Quick assets (total current assets less prepayments and other current assets) divided by total current liabilities  Total current assets 56,315,405 Less: Prepayments and other current assets 4,600,542 51,714,863 Divided by: Total current liabilities 142,861,516 0.36	0.36:1	0.39:1
Solvency ratio	Net income after tax plus non-cash expenses (e.g. depreciation etc.) divided by total liabilities  Net income after tax 24,407,498 Add: Depreciation and amortization 21,205,974 45,613,472 Divided by: Total liabilities 206,188,922 0.22	0.22:1	0.16:1
Debt-to-equity ratio	Total liabilities divided by total capital deficiency  Total liabilities 206,188,922 Divided by: Total capital deficiency (61,813,649) (3.34)	-3.34:1	-2.67:1
Asset-to-equity ratio	Total assets divided by total capital deficiency  Total assets 144,375,273 Divided by: Total capital deficiency (61,813,649) (2.34)	-2.34:1	-1.67:1
Return on equity	Net income after tax divided by average total capital deficiency  Net income after tax 24,407,498 Divided by: Average total capital deficiency (74,058,688) (0.33)	-0.33:1	-0.17:1
Return on assets	Net income after tax divided by average total assets  Net income after tax 24,407,498 Divided by: Average total assets 144,255,973 0.17	0.17:1	0.11:1
Net profit margin	Net income after tax divided by total revenue and income  Net income after tax 24,407,498 Divided by: Total revenue and income 220,953,116 0.11	0.11:1	0.08:1
Earnings per share	Net income divided by number of common stock outstanding  Net income after tax 24,407,498 Divided by: Number of common stock outstanding 100,005 244.06	244.06	156.91




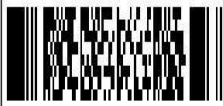

Reference No : 462500065260364  
Date Filed : April 10, 2025 05:10 PM  
Batch Number : 0

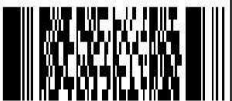



Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 1		<b>Annual Income Tax Return</b> For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate <i>Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.</i>		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal 2 Year Ended (MM/20YY) 12/2024		3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No 4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/> IC010 <input checked="" type="checkbox"/> DOMESTIC CORPORATION IN GENERAL <input checked="" type="checkbox"/>	
<b>Part I - Background Information</b>					
6 Taxpayer Identification Number (TIN) 009 - 243 - 591 - 000		7 RDO Code 044			
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) MANILA HOUSE PRIVATE CLUB, INC.					
9A Registered Address (Indicate complete registered address) NET PARK, 5TH AVENUE, BONIFACIO FORT BONIFACIO TAGUIG CITY					
9B Zipcode 1630					
10 Date of Incorporation/Organization (MM/DD/YYYY)				03/15/2016	
11 Contact Number 09260532427			12 Email Address finance@manilahouseinc.com		
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
<b>Part II - Total Tax Payable</b> (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				2,089,722	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				4,137,436	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(2,047,714)	
<b>Add Penalties</b>					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(2,047,714)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory		TIN	Title of Signatory		TIN
				22 Number of Attachments 4	
<b>Part III - Details of Payment</b>					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to <b>REGULAR Income Tax Rate</b>	 1702-RT 01/18ENCS P2
<b>Taxpayer Identification Number (TIN)</b> 009 - 243 - 591 - 000		<b>Registered Name</b> MANILA HOUSE PRIVATE CLUB, INC.
<b>Part IV - Computation of Tax</b> <i>(Do NOT enter Centavos)</i>		
27 Sales/Receipts/Revenues/Fees		199,237,966
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees <i>(Item 27 Less Item 28)</i>		199,237,966
30 Less: Cost of Sales/Services		120,207,621
31 Gross Income from Operation <i>(Item 29 Less Item 30)</i>		79,030,345
32 Add: Other Taxable Income Not Subjected to Final Tax		25,455,773
33 Total Taxable Income <i>(Sum of Items 31 and 32)</i>		104,486,118
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions <i>(From Part VI Schedule I Item 18)</i>	79,849,144	
35 Special Allowable Itemized Deductions <i>(From Part VI Schedule II Item 5)</i>	0	
36 NOLCO <i>(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) &amp; (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)</i>	24,636,974	
37 Total Deductions <i>(Sum of Items 34 to 36)</i>	104,486,118	
<b>OR</b> <i>[in case taxable under Sec 27(A) &amp; 28(A)(1)]</i>		
38 Optional Standard Deduction <i>(40% of Item 33)</i>	0	
39 Net Taxable Income(Loss) <i>(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)</i>		0
40 Applicable Income Tax Rate		25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) <i>(Item 39 x Item 40)</i>		0
42 MCIT Due <i>(2% of Item 33)</i>		2,089,722
43 Tax Due <i>(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)</i>		2,089,722
Less: Tax Credits/Payments <i>(attach proof)</i>		
44 Prior Year's Excess Credits Other Than MCIT		2,580,231
45 Income Tax Payment under MCIT from Previous Quarter/s		0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year <i>(From Part VI Schedule IV Item 4)</i>		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		937,877
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		619,328
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits <i>(To Part V Item 58)</i>		0
Other Credits/Payments <i>(Specify)</i>		
53		0
54		0
		
55 Total Tax Credits/Payments <i>(Sum of Items 44 to 54) (To Part II Item 15)</i>		4,137,436
56 Net Tax Payable / (Overpayment) <i>(Item 43 Less Item 55) (To Part II Item 16)</i>		(2,047,714)
<b>Part V - Tax Relief Availment</b>		
57 Special Allowable Itemized Deductions <i>(Item 35 of Part IV x Applicable Income Tax Rate)</i>		0
58 Add: Special Tax Credits <i>(From Part IV Item 52)</i>		0
59 Total Tax Relief Availment <i>(Sum of Items 57 and 58)</i>		0

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 3		<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate		 1702-RT 01/18ENCS P3	
<b>Taxpayer Identification Number (TIN)</b>			<b>Registered Name</b>		
009 243 591 000			MANILA HOUSE PRIVATE CLUB, INC.		
<b>Schedule I - Ordinary Allowable Itemized Deductions</b> (Attach additional sheet/s, if necessary)					
1 Amortizations				0	
2 Bad Debts				0	
3 Charitable Contributions				0	
4 Depletion				0	
5 Depreciation				2,415,036	
6 Entertainment, Amusement and Recreation				1,226,230	
7 Fringe Benefits				0	
8 Interest				0	
9 Losses				0	
10 Pension Trust				1,058,450	
11 Rental				0	
12 Research and Development				0	
13 Salaries, Wages and Allowances				29,664,909	
14 SSS, GSIS, Philhealth, HDMF and Other Contributions				1,575,618	
15 Taxes and Licenses				3,190,059	
16 Transportation and Travel				344,350	
17 Others (Deductions Subject to Withholding Tax and Other Expenses) (Specify below; Add additional sheet(s), if necessary)					
a Janitorial and Messengerial Services				0	
b Professional Fees				3,127,748	
c Security Services				0	
d UTILITIES				8,277,656	
e REPAIR AND MAINTENANCE				6,423,231	
f BANK CHARGES				3,566,264	
g COMMUNICATION				1,535,948	
h OUTSIDE SERVICES				1,358,990	
i OTHERS				16,084,655	
▼					
i.1 SUPPLIES				1,337,844	
i.2 INFORMATION SYSTEMS				491,786	
i.3 TRAINING				436,707	
i.4 ADVERTISING AND PROMOTION				162,107	
i.5 INSURANCE				75,070	
i.6 OTHER EXPENSES				13,581,141	
<b>18 Total Ordinary Allowable Itemized Deductions</b> (Sum of Items 1 to 17i) (To Part IV Item 34)				79,849,144	
<b>Schedule II - Special Allowable Itemized Deductions</b> (Attach additional sheet/s, if necessary)					
Description		Legal Basis		Amount	
1				0	
2				0	
3				0	
4				0	
▼					
<b>5 Total Special Allowable Itemized Deductions</b> (Sum of Items 1 to 4) (To Part IV Item 35)				0	

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 4	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
<b>Taxpayer Identification Number (TIN)</b> 009 -243 -591 -000		<b>Registered Name</b> MANILA HOUSE PRIVATE CLUB, INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	0
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	0
3 Net Operating Loss/(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)		
Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4	0	0
5 2023	1,285,865	0
6 2021	63,053,545	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [ E = A Less (B + C + D) ]
4 0	0	0
5 0	0	1,285,865
6 0	24,636,974	38,416,571
7 0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	24,636,974	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2023	0	944,646	944,646
2 2022	0	929,524	929,524
3 2021	0	276,074	276,074

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [ G = C Less (D + E + F) ]
1 0	0	0	944,646
2 0	0	0	929,524
3 0	276,074	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	28,161,276
Add: Non-deductible Expenses/Taxable Other Income	
2 DEPRECIATION OF RIGHT OF USE ASSETS	16,088,047
3 OTHERS	6,455,087
▼	
3.1 INTEREST EXPENSE ON LEASE LIAB	3,318,882
3.2 NON DEDUCTIBLE PENALTIES	1,581,164
3.3 RETIREMENT BENEFIT EXPENSES	878,036
3.4 NON DEDUCTIBLE REPRESENTATION EXP	359,133
3.5 IMPAIRMENT LOSS ON RECEIVABLE	314,928
3.6 UNREALIZED FOREX LOSS IN 2024	1,757
3.7 UNREALIZED FOREX GAIN IN 2023 REALIZED IN 2024	1,187
4 Total (Sum of Items 1 to 3)	50,704,410
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME SUBJECT TO FINAL TAX	12,632
6 UNREALIZED FOREX GAIN IN 2024	2,185
▼	
B) Special Deductions	
7 LEASE PAYMENT	26,052,619
8 APPLICATION OF NOLCO	24,636,974
▼	
9 Total (Sum of Items 5 to 8)	50,704,410
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	0

**From:** no-reply@bir.gov.ph <no-reply@bir.gov.ph>  
**Sent:** Thursday, April 10, 2025 5:13 PM  
**To:** MHPCI Finance <finance@manilahouseinc.com>  
**Subject:** BIR Email Notification (eFiling of Tax Return)

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This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,  
Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**  
**FILING REFERENCE NO.**

<b>TIN</b>	: 009-243-591-000
<b>Name</b>	: MANILA HOUSE PRIVATE CLUB, INC.
<b>RDO</b>	: 044
<b>Form Type</b>	: 1702
<b>Reference No.</b>	: <b>462500065260364</b>
<b>Amount Payable / (Over Remittance)</b>	: -2047714.00
<b>Accounting Type</b>	: C - Calendar
<b>For Tax Period</b>	: 12/31/2024
<b>Date Filed</b>	: 04/10/2025
<b>Tax Type</b>	: IT

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Transaction Code: **AFS-0-6G5E9EA704TSRV4NXPWR4WVST08KDC7A77**Submission Date/Time: **Apr 11, 2025 02:57 PM**Company TIN: **009-243-591**

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## SEC eFast Initial Acceptance



**From** <noreply-cifssost@sec.gov.ph>

**Date** 2025-04-15 11:11

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**SEC Registration No:** CS201604652

**Company Name:** MANILA HOUSE PRIVATE CLUB, INC.

**Document Code:** AFS

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Subject to verification of form and quality of files of the submitted report.

Another email will be sent as proof of review and acceptance.

Thank you.

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2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

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