

PRESIDENT'S REPORT

Dear Fellow Club Members,

Having to contend with the “new normal” and serving as the new Club President since May 2022, the biggest task is how to entice our members to return and utilize the facilities of our beloved club. Due to the pandemic, very low patronage has left our club with reduced revenues to as low as Php15.82 million when we ended FY2021. Being a heavy user of the club myself since the early 1990s, we have decided to focus on one key element, which is **Member Satisfaction**, as the main platform on how to bring back our former level of patronage.

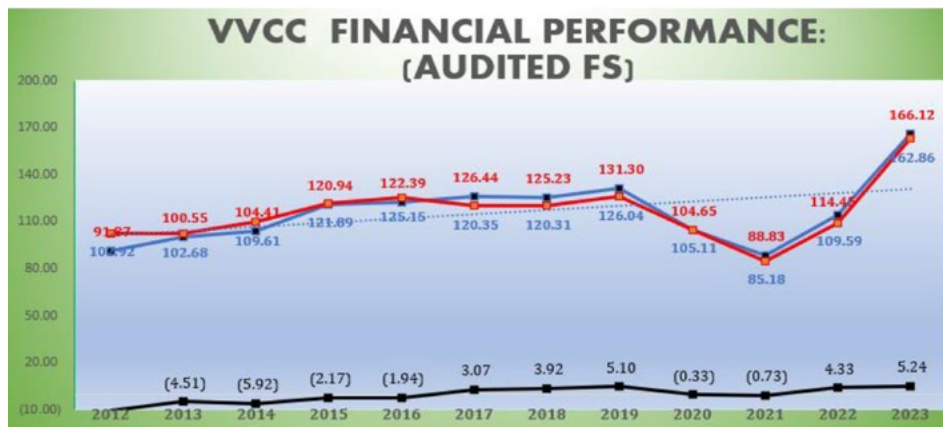
BACK TO OUR SECOND HOME

Growth and Success: A Year of Record Revenue Achievements

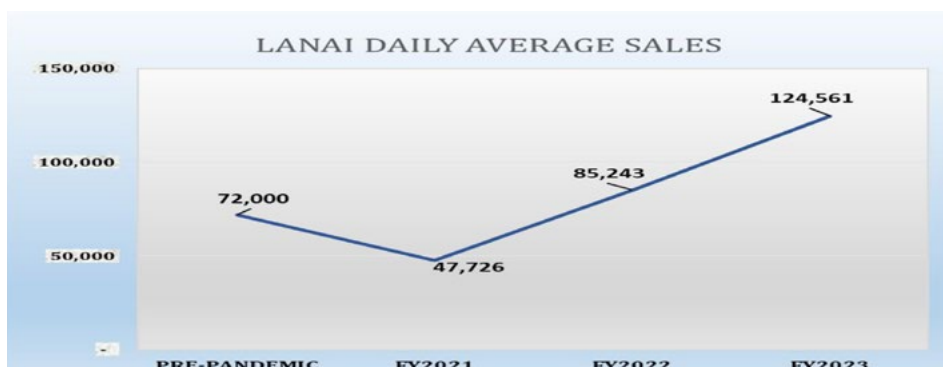
• Food and Beverage

I am very pleased to report that the Club's total revenue in FY2023 grew to Php166.12 million, marking an increase of Php51.67 million or +45.1% from FY2022's revenue of Php114.45 million and an increase of Php77.29 million or +87.0% from FY2021 revenues. In FY2023, the Club experienced growth in revenues primarily due to the overall increase in member patronage and the enhancement of club facilities. It is inspiring to mention that the F&B Lanai Restaurant average daily sales improved by +46.1%, averaging at Php124,560 per day compared to Php85,243 per day in FY2022 and significantly higher by +73% compared to the pre-pandemic level of Php72,000 per day. On the other hand, F&B Banquet Sales average of Php2.68 million per month in FY2023 were able to surpass the FY2022 average of Php0.73 million per month and the pre-pandemic average of Php2.20 million per month.

Below is a chart highlighting the Club's historical performance in the last eleven (11) years



Below is a chart highlighting the Lanai average daily sales from Pre-pandemic to FY2023.



—■— TOTAL REVENUES
—■— COST AND OPERATING EXPENSES
—■— TOTAL COMPREHENSIVE INCOME

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AFS FY 2022



AFS FY 2023

It is noteworthy to mention that we achieved this high level of revenues *without implementing price increases since 2018*, underscoring another aspect of member satisfaction and patronage. Furthermore, we have even lowered prices on some products such as soft drinks, beer, and crispy pata.

It is worth mentioning that in December 2022, we achieved the highest F&B sales ever recorded at Php 13,904,514, which includes the Member's Christmas party. This marks a significant increase compared to December 2021, which stood at Php 5,568,044, and the pre-pandemic December 2019 figure of Php 10,499,003. The month of December truly proved to be a remarkable one for the club in terms of revenue generation.

• Sports and Games

In addition to the impressive growth in revenues from lanai and banquet services, It is important to highlight that the overall sports revenues also experienced a substantial increase in patronage across various facilities. Notably, sports such as badminton, swimming, fencing, and tennis saw a surge in usage and revenue generation.

In particular, *tennis exhibited a remarkable growth in revenue*, reaching Php 6,747,300 in FY 2023, up from Php 3,814,054 in FY 2022. This represents a significant increase of approximately 77.3% from the previous fiscal year. Furthermore, compared to the revenue of Php 2,336,246 in FY 2021, the growth percentage for tennis revenue in FY 2023 stands at an impressive 188.7%. In comparison to the pre-pandemic level of FY2019, where tennis revenue was Php 3,216,799, the growth percentage for tennis revenue in FY 2023 is approximately 109.9%.

The cumulative sports revenue for FY 2023 reached Php 11,054,997, a substantial increase from both FY 2022, which recorded Php 7,078,754, and FY 2021, with revenue of Php 3,297,143. This demonstrates a significant growth of approximately 56.2% from FY 2022 and a substantial 235.8% increase from FY 2021, highlighting the positive trend in patronage and utilization of sports facilities within the club. In comparison to the pre-pandemic level of FY2019, where the cumulative sports revenue was Php 7,474,821, the growth percentage for FY 2023 is approximately 47.8%.

Sports Facilities	FY2023	FY2022	FY2021	FY2020	FY2019
Tennis Court	6,747,300	3,814,054	2,336,246	1,828,193	3,216,799
Badminton Court	1,471,886	1,023,210	504,910	590,638	1,183,068
Swimming Pool	1,044,283	1,051,114	357	85,004	633,410
Gym	988,137	967,027	378,019	793,843	1,715,407
Fencing	219,110	31,430	-	-	
Squash Court	28,750	17,522	250	19,254	26,518
Basketball Court	22,873	13,098	5,591	5,400	22,348
Billiard & Table Tennis	16,136	411	-	3,116	1,338
Training Income	516,522	160,888	71,770	216,172	675,933
	11,054,997	7,078,754	3,297,143	3,541,620	7,474,821

Reviving Financial Health: Successful Auction of Shares and Membership Growth

Our club has long struggled with huge delinquencies in members' accounts. However, through the diligent efforts of our Membership and Accounting departments, we have successfully collected a total of Php4.69 million through the auctioning of shares from December 2021 to September 2023.

In FY 2022, a total of 41 shares were sold through Auction.

- 38 Regular Proprietary with the highest bid at Php630,000
- 3 Corporate Proprietary with the highest bid at Php700,000

For FY2023 Auction of Shares, a total of 15 shares were sold.

- ***14 Regular Proprietary with the highest bid at Php1,350,000***
- ***1 Corporate Proprietary at Php2,000,005***

A special acknowledgment goes to Atty. Bong Ifurung and Dr. Enrique Ona, the key figures in the membership committee, who painstakingly conducted all interviews and warmly welcomed our new members. The influx of new and active members is gradually replacing passive and stagnant members, contributing to the notable increase in patronage that we are currently experiencing.

The table below shows VVCCI's share prices for the past years:

<u>INDIVIDUAL</u>	2017	2018	2019	2020	2021	2022	2023
First Quarter	425,000	350,000	300,000	370,000	350,000	520,000	800,000
Second Quarter	380,000	350,000	350,000	350,000	350,000	630,000	1,180,000
Third Quarter	350,000	300,000	350,000	350,000	400,000	602,000	1,350,000
Fourth Quarter	300,000	300,000	400,000	350,000	450,000	670,000	1,350,000

<u>CORPORATE</u>	2017	2018	2019	2020	2021	2022	2023
First Quarter	510,000	500,000	525,000	600,000	600,000	700,000	700,000
Second Quarter	510,000	500,000	550,000	600,000	600,000	700,000	700,000
Third Quarter	510,000	500,000	550,000	600,000	650,000	700,000	2,000,005
Fourth Quarter	510,000	500,000	580,000	600,000	700,000	700,000	2,000,005

Elevating Excellence: Club Enhancements and Upgrades for a Bright Future

In line with the Board's Key Priorities to drive the Club's Growth and Continual Improvement, namely 1) Member Satisfaction and Patronage, 2) Strengthen and Professionalize the Organization, 3) Good Governance, and 4) Building for the Future, below are our initiatives:

- The most significant upgrade is the renovation of our ballroom, now named the Rizal Grand Ballroom. This renovation, costing around Php 5 million, includes a higher and modern ceiling, seven new air conditioning units, new light fixtures, painted walls, veneer claddings, and a soundproof wall partition dividing the ballroom into Rizal A and Rizal B. This enhancement allows us to host two events simultaneously without their sound systems interfering with each other. With its upgraded appearance, the Rizal Grand Ballroom can now rival those of major hotel chains. Additionally, we have established an exclusive catering agreement with Via Mare, one of the county's leading caterers, to meet our banqueting needs. This partnership enables us to host upscale events such as weddings and galas.

- The second significant project is the renovation of our Lanai kitchen, which greatly impacts our members. We have introduced an Asian station with hot and cold options. The new Lanai kitchen can be viewed through a glass opening from the hallway that leads to the employees' entrance facing the Phil Sports Arena. This new kitchen is not only aesthetically improved but also more efficient and promotes food safety. With the renovation of the Lanai kitchen, we aim to serve members' food orders within 15-20 minutes. Additionally, the Lanai kitchen upgrade includes two satellite kitchens: the Japanese (Kansha) with teppanyaki tables and the Chinese (Chinese Corner) to offer a wider variety of food options to satisfy members' cravings.

- The third major project is the renovation of the Tanay Deck. We have transformed this semi-outdoor space with an industrial look, providing a venue for members who prefer an open-air environment. Furthermore, we have installed

a Big Ass Fan, making the Tanay Deck a comfortable function room as well.

- The fourth major project is the additional lanai outlets: New Veranda connected to the pool will be operational that offers brick-oven pizza and happy hour cocktails for our members to enjoy. Improvement of Coffee Shop Lounge Area

- Furthermore, an achievement worth noting is the purchase of our club's very own service vehicle. We acquired a brand-new Toyota Lite Ace service utility vehicle to streamline the procurement of raw materials, especially for F&B and GSD. This vehicle will also help us reduce transportation costs when our staff needs to travel. Branded with the VVCC logo, our staff now proudly represent the club whenever they travel.

Enhancing Member Experience: Small Improvements, Big Impact

I also believe that significant contributions to our Member Satisfaction platform come from the often-overlooked small improvements made to our 49-year-old country club. Some of the considered small improvements include:

- Larger and standardized parking spaces in our basement parking.
- Introduction of a new parking area with an additional 15 parking spaces.
- Increased number of Senior and PWD parking spaces and the addition of a dedicated Wheelchair-only parking area.
- Provision of two free car parking stickers for each member.
- Offering free seminar workshops such as Fun Dance Classes, Urban Gardening, Scented Soy Candle Making
- Providing free satellite services such as flu shots and national ID applications.
- Granting free gym usage, towels, and sauna access for members and their spouses.
- Free Tahoe and Sorbetes (dirty ice cream) every 1st and 4th Sunday of the month.
- Free live musical nights every Saturday.
- Resurfacing and painting of sports facilities, particularly in tennis and badminton.
- Installation of new and improved lighting at the tennis and basketball courts.
- Upgrading waiting areas for the outdoor tennis courts and the swimming pool shade area.
- Upgrading the swimming pool to imported anti-wave lane lines.

Rewarding Excellence: Employee Incentives and Appreciation at the Club

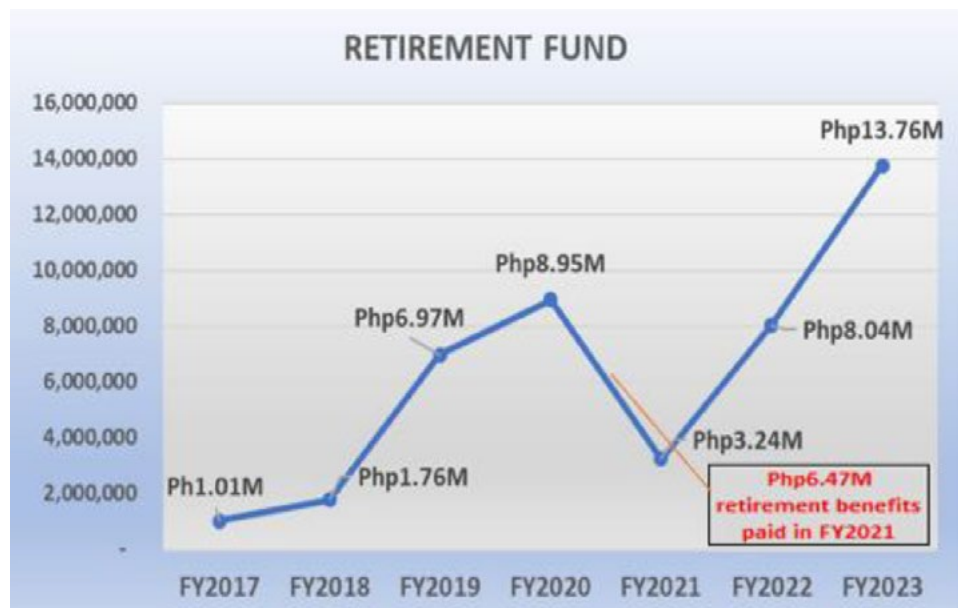
With the success the Club is currently experiencing, we were only able to achieve it with the help of our employees. They can be considered our best asset, to which the Board of Directors, under the leadership of Chairman Frankie Eizmendi, the Board approved and granted the following:

- One-time bonus for the extraordinary year that we have had last FY2022—an unprecedented achievement for our club was disbursed last November 2022.

- Php500 or 3% per month salary increase to all regular rank & file employees effective June 01, 2023

- An average of 3% to 8% merit increase to Managers and Supervisors effective June 01, 2023.

- An average of Php901 or 5% per month salary increase to all regular rank & file employees as a result of wage distortion in compliance with Wage Order No. 24 effective July 16, 2023



- Php15,000 lumpsum per each covered regular rank & file employees covering the CBA period 01 July 2023 to 30 June 2024.
- The VVCC Employee's Retirement Trust Fund has shown remarkable growth, increasing from a modest Php1.0 million in FY2017 to a significant Php13.76 million in FY2023. The total contributions to the fund amount to Php18.65 million, after accounting for retirement payments of Php6.47 million. Additionally, the Club disbursed a total of Php18.12 million in retirement benefits from its operations. In total, *the club has contributed a substantial sum of Php36 million towards the employees' retirement funds*, demonstrating a strong commitment to supporting the financial well-being and security of its workforce.

Exciting Developments Ahead: Club Projects and Enhancements for 2024

Looking ahead to 2024, our members can anticipate the completion of several major projects. These include the construction of the game room and a guest shower area near the lower badminton and squash courts. Additionally, we will upgrade and merge the Angono and Baras function rooms into a modern function room. The capacity of this room will exceed that of La Colina but be smaller than half of the Rizal Ballroom, providing our members with an option for a function room accommodating 100-150 guests.

We will also completely upgrade the Men's locker room, add a lounge area, renovate the gym, and transform the Ladies locker room and gym area into a unisex dance/gym studio for group activities. Furthermore, as part of the upcoming projects, we will be adding a pickleball court.

Lastly, we will complete the Pasig Corporate Rooms and renovate Montalban and the Members Business Center. The Pasig and Montalban rooms will be equipped with smart boards to cater to office meetings. These enhancements are aimed at providing our members with a much better meeting place and modernized club experience.

See you around the club, and here's to an exciting journey towards our 50th anniversary next year!

Cheers!!


RODOLFO ENRICO "Ritchie" LOZADA
 President and General Manager

PS.

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