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SECURITIES AND EXCHANGE COMMISSION

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C L U B I N C.

(Company's Full Name)

D O N C E L S O S T U A S O N
V I C T O R I A V A L L E Y A N T I P O L O C I T Y

Business Address: No. Street City / Town / Province

ROSANNA R. ARGUELLES

Contact Person

658-0089

Company Telephone Number

0 6

Month

3 0

Day

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Year

Fiscal Year

17 - A

FORM TYPE

0 9

Month

4th SUN

Day

Annual Meeting

Second License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

1,593

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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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 June 30, 2016
2. SEC Identification No. 13951
3. BIR Tax Identification No. 000-649-197
4. Exact name of issuer as specified in its charter - VALLEY GOLF & COUNTRY CLUB, INC.
5. Province, Country or other jurisdiction of incorporation or organization - Antipolo, City, Philippines.
6. (SEC Use only) Industry Classification Code
7. Address of principal office - Don Celso S. Tuason Ave. Victoria Valley, Antipolo, City
8. Issuer's telephone number - 658-4901 to 03, 658-4920, 658-0079 to 89
9. Former name, former address, and former fiscal year, if changed since last report - Not Applicable.
10. Securities registered pursuant to Sections 8 & 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of each class	Number of Shares of Ordinary Shares Outstanding and Subscribed
Common Shares	1,593 shares outstanding

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

Yes _____ No X

12. Check whether the issuer :

(a) has filed all reports to be filed by Section 17 of the SRC and SRC Rule 17.1 there under or Section 11 of the RSA and RSA Rule 11(a)-1 there under and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 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 90 days.

Yes No

13. The market value of the shares of stock of Valley Golf as of June 30, 2016 and 2015 is at P250,000.00 plus transfer fee of P56,000 (promo period for transfer fee) or P112,000.00 (regular transfer fee rate). For the years 2003 to 2014 market price is at P 400,000.00 to P 500,000.00 for Club subscription and P332,000 to P292,000 for third party market. Market prices include the transfer fee of P 112,000.00. Market prices were based on subscription rates and transactions processed in the club.

The aggregate market value therefore of the voting stock is 1,593 issued and outstanding shares @ P362,000.00 is equivalent to P576,666,000.00

14. Valley Golf is not involved in insolvency/suspension of payments proceeding during the preceding five years; this is not applicable to us.

DOCUMENTS INCORPORATED BY REFERENCE

A. Annual report to security holders

The Annual Report to stockholders contains the President's and Treasurer's Report, the Financial Report of the Independent Auditors, the accomplishments of the present Board of Directors, the pictures of the present Board of Directors, the roster of Committee members and various pictures of the events of the preceding year. The financial report and its discussion are incorporated in Part II – Operational and Financial Information, whereas the information on the Directors is included in Part III – Control and Compensation Information.

B. Proxy Form

The proxy form attached is the form sent to all stockholders in connection with the stockholders' meeting and included therein are the matters to be voted upon by the stockholders. This is incorporated in Part I – Business and General Information.

PROXY
No. S-2016-Members' Account Number

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, **NAME of STOCKHOLDER**, a **STOCKHOLDER/CORPORATE REPRESENTATIVE** of Valley Golf & Country Club, Inc., a Philippine Corporation, do hereby name, nominate, constitute and appoint:

as my **PROXY** to represent me at the **ANNUAL GENERAL MEETING** of Valley Golf & Country Club, Inc., to be held on **25 September 2016**, and/or any postponements or adjournments thereof, for me and in my stead, as fully to all intents and purposes as I might or could do if present and acting in person; hereby revoking any and all proxies issued prior hereto; ratifying and confirming all that my PROXY may do or cause to be done in said meeting by virtue of this presents, as follows:

1. Vote for Quorum purposes only(____);
 2. Vote for Approval of the Minutes of the 2015 Annual Stockholders' Meeting(____);
 3. Vote for the Approval of the Company's 2016 Annual Report and Audited Financial Statements(____);
 4. Vote for the Ratification/Confirmation of the Acts and Resolutions of the Board of Directors & Management (**July 1, 2015 to June 30, 2016** inclusive)(____);
 5. Amendment of the By-laws, Art. III Sec. 10. Committee on Election, Article IV Sec. 1. Board of Directors, Art III Sec. 5. Proxies. (____);
 6. Vote for the Appointment of independent auditors(____);
 7. Vote on all matters arising from the agenda (except the sale or disposition, total or partial, of the corporate assets)(____); and
 8. Vote for Candidates to the Board of Directors*(____).
- (Y)=Yes; (N)=No; (A)=Abstain.

In case of my absence and/or non-attendance of my PROXY at such meeting, I hereby authorize and duly empower the Chairman of the said Stockholders' Meeting to represent the undersigned on all matters related to above, EXCEPT TO VOTE FOR CANDIDATES to the Board of Directors.

CANDIDATES FOR DIRECTOR	Number of Votes Cast	Put (X) to withhold authority to vote for the following Candidates:
1. VIRGILIO C. BUCAT	_____	_____
2. AUGUSTO A. CRUZ, JR.	_____	_____
3. GERARDO B. MARCELO	_____	_____
4. JAIME VICTOR J. SANTOS	_____	_____

_____, 2016, Antipolo City, Philippines.

Name of Stockholder/Corporate Representative
 Member's Account No. (____)

(N.B.: Each Proxy is entitled to cast a single vote to as many position being voted upon. Accordingly, a Proxy may opt to vote singly or collectively in favor of one or more candidates.)

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

A.) DESCRIPTION OF BUSINESS.

1.) Business Development

Valley Golf & Country Club, Inc. is situated at the rolling hills of Antipolo, City, a private and non-profit club organized in 1958 by a group of golfers, well-known and influential businessmen headed by the late Don Celso S. Tuason. The property is about nine kilometers from EDSA and about seven kilometers from Antipolo. The site formerly owned by Hacienda Benito measures almost 210 hectares when it was originally purchased. On May 14, 1958 the original Articles of Incorporation was approved by SEC. At present the Club has an authorized capital stock of 1,800 shares at P 9,000 par value and 1,593 shares are issued and outstanding.

The building of this dream course has taken all of three years from the planning of the lay-out, the grading and the sculpturing of its contoured fairways and formidable greens, to the final touches on the key-shaped clubhouse Architect Gabriel Formoso designed in the Malayan motif. To get the best playing possibilities from the saucer-shaped course, the Valley authorities brought in not one but two reputable golf course architects, an Englishman named Fred Smith and an Australian named Jas H. Scott. It is a tribute to their artistry, skill and thoroughness that, with the exception of two holes, their plans coincided almost exactly. It was Scott's lay-out which was finally accepted.

The original seven (7) Board of Directors were Celso S. Tuason, Aurelio Montinola, Sr., Ernest Kahn, Henry Belden, J. Antonio Araneta, Francisco Ortigas, Jr. and Jaime Velasquez. The course was opened for play on November 1961 and attracted a great traffic of players and aficionados. With this encouraging trend, the Club was expanded to accommodate another par-69, 18-hole course on the north in addition to its original south course in 1994.

The South Course is a par-72 championship layout, sits on 90 hectares of rolling hills and meandering brooks. It played host to the famed Philippine Open in 1975, 1983, 1991 and 2011. It was during the 1983 Philippine Open that American Jeff Lewis established the course record of 65.

On November 1991, Valley Golf for the first time, became the venue of XVI Southeast Asian Games Golf Championship.

Valley's green are meticulously designed so that the golfer is challenged to use most, if not all, of his clubs in the bag. The terrain provides the contour which assures that no two shots will ever be alike. Some notable holes: the tight first, the picturesque Nos 4 and 10, the intriguing No. 16 and the short but tricky No. 18.

When play traffic increased at Valley, a nine hole all-weather course with a par 36 layout spread over 50 hectares was added. Valley acquired from the adjoining property owners through barter arrangements several parcels of land, enabling it to expand the nine holes into an 18-hole complex now known as the North Course (formerly Executive Course). This is open to non-members and tourists who wish to play at Valley. It exemplifies the finest the Philippines have to offer in international championship golf courses. Some notable holes: Hole No. 15 with its tee overlooking the entire golf course and a man-made terrace; and Hole No. 6 best known for its island green.

The North Clubhouse has been completed and was inaugurated last Nov. 1999. It is now fast becoming the favorite venue for tournaments and parties. We have a new Food & Beverage concessionaire in the North Clubhouse offering a variety of new menus and accepts catering for special events. A Sports Clubhouse equipped with modern sports facilities and other amenities that will suit every man's needs are still in the planning stages. The Main Clubhouse was renovated while preserving the original aesthetic design and concept of the architect as a reminder of the historical past of one of the oldest golf club in the country. The latest renovation is the Men's Locker Rooms which was completed and inaugurated last April 10, 2013. The new locker room is spacious and accommodating to the needs of the golfing public. The amenities include the air-conditioned locker rooms, newly rehabilitated wood lockers, sauna bath, clean bathrooms and a scenic pocket garden.

The South Course was rehabilitated into a world class golf course. The plans for the course upgrading and engineering studies were prepared by Planning Resources and Operations Systems, Inc. The Club hired the services of Eco-Turf and Turf Care Systems, Inc. as the Construction Manager and Golforce, Incorporated as the Contractor. Works started on the back 9 holes in August 2002 and was completed last October 2003 and it was playable in November 2003. As per approved plans the layout will not be changed only the drainage system will be improved and the course will be all weather. Funding came from the shares sold on installment basis and loan from members.

Rehabilitation works of the first nine south course started last November 2003 and works were completed and the first nine south course was inaugurated last Nov. 20, 2004. Contract for labor for the rehabilitation was awarded to bidder Philgolf Development & Equip, Inc. in the amount of P 20,000,000.00. Materials were purchased in-house with an initial budget of P 31,500,000 and additional budget of P 4,000,000.00 for the bunker sand and P 1,552,000.00 for herring bone installation. As of June 30, 2005 total cost of the renovation is P 130,000,000 (gross of vat) or P 125,000,000.00 (net of vat)

During the fiscal year 2009 the Board approved the renovation plans of the Main Clubhouse. Phase 1 shall include the Executive Offices, Board room, function rooms, upper and lower veranda and main lobby. The total estimated cost thereof amounts to P 9 Million, the Board awarded the contract to Reyes Interiors in the amount of P 4.5 Million excluding the cost of plumbing fixtures, electrical fixtures, grillwork on veranda, gutter works, glass and aluminum panels, floor and wall tiles and ceramic tiles on base columns. Works started last July 15, 2008 and was finished on September 2009.

For the fiscal year 2010, restoration works done to repair the damage caused by the typhoon Ondoy amounts to P 4,504,509.00, which was taken out of the special assessment to members with a total billing of P 4,886,000.00. The balance of the funds was used to continue the riprap works in the South Course. Capital expenditures during the year includes extension of Hole # 14 of the North Course, riprap of waterways in the South and North courses, concreting of the DCTA, purchase of varifold for the Founders' hall and purchase of grounds equipment.

For the fiscal year ending June 2011, the projects undertaken include the concreting of the Don Celso Tuason Avenue from the bridge gate up to Sumulong gate which is already 100% complete and total payment as of June 2011 amounts to P 5 Million. Other projects during the year include riprap of slope protection at the South and North courses, repair of the Caddie house and construction of new gasoline station. We also purchased 3 units Flymowers, 3 units Backpack blowers and 3 units Rotary mowers. By July we shall resume the Renovation of the Main Clubhouse which includes Phase 2 – Construction of Office Basement and the Coffee Bar with a budget of P 3.7 Million and P 450k respectively. Another project to be undertaken will be the Construction of the Golf car parking shed amounting to P 1.5 Million

For the fiscal year ending June 2012, the projects undertaken include Phase 2 of the Renovation of the Main Clubhouse – Construction/Renovation of the Office Basement – P 4.31 Million, Golf cart parking shed – P 1.08 Million, Air conditioning units for basement office – P1.21 Million, Coffee bar – P 512k and Valley Golf cart shed – P 478k. The ongoing projects are the Improvements of motorpool area and Riprap/slope protection at Hole # 17 of the South Course. The equipment purchased during the year includes the following: Fairway aerator, Flymowers, Rotary mowers, bush cutters, walk behind fertilizer spreader, backpack blowers, sound system, ID card maker and PABX telephone system.

For the fiscal year ending June 2013, the projects undertaken include the Phase 3 of the Renovation of the Main clubhouse – the Renovation of the Men's locker room with a total contract price of P5,000,000.00, materials supplied by the Club amount to P1,000,000.00, the pocket garden is P 600k, cost of air con units is P430k and the double panel solar water heater is P675k which was paid with golf shares. The men's locker room in the North Clubhouse was likewise renovated at a cost of P535k and was used by members and guests from Jan. to Apr. 2013 during the renovation period of the locker room in the Main clubhouse. At present it is being used by the Korean guests and other regular players and tournament participants in the North Course. Other projects undertaken were the construction of the Wall oh Honor – P88k, Satellite kitchen – P184k, Construction of guard house at Hole # 12 South course – P201k, Rehabilitation of the Koi pond – P435k, Reblocking and asphalt overlay of DCTA – P 4 Million and riprap works in the South course – P191k while the Members' gym and lounge, renovation of the clinic and Tee house in the North course are still on-going. Equipment purchased includes the Greens mower with groomer – P615k and danfoss variable speed pump control – P250k.

For the fiscal year ending June 30, 2014 the on-going projects from the previous year that were completed include – the Men's Lounge and Gym – P419k, Tee house in the North Course Hole # 4 – P467k and Renovation of the clinic – P247k. Other projects completed during the year are – Phase 2 of the Reblocking and Asphalt overlay of DCTA – P3.88 Million, Installation of roofing for the Golf cart area – P773k, Kitchen exhaust system – P217k and Kitchen hood fire suppression system – P150k. On-going projects are the sanding of fairways and improvement of bridges in the North Course. Various equipment were purchased during the year which include – 10 units Golf carts – P 2.65 Million, 1 unit greens mower with groomer – P640k, 2 units walk behind rotary mower – P150k, 2 units flymower – P110k, 1 unit Truck mounted man lifter – P690k and 1 server and computers.

Other projects of the Club include the Streamlining of Operations and the Outsourcing of the Grounds Maintenance for both the South and North Courses. The Board of Directors approved last Aug. 8, 2014 the engagement of the services of MJ Carr Golf Management, Inc. for the maintenance of both courses for a monthly service fee of P 2.7 Million inclusive of Vat for a period of three years. Likewise, a voluntary early retirement program for the employees was approved with payment of 125% and 150% of the basic pay for every year of service.

For the fiscal year ending June 30, 2015, the following projects were completed:

1. Purchase of one (1) unit back hoe	P	3,303,571.43
2. Purchase of ten (10) units golf carts		2,800,000.00
3. Purchase of 4 units desk top computers		160,000.00
4. Purchase of 2 units 2 way radio		23,000.00
5. Repair of controller pump of the South course		150,714.29
6. Renovation of satellite kitchen		45,471.00
7. Driving range shot area		81,194.10
8. Additional golf cart storage		70,058.94
9. Purchase of copying machine		243,000.00
10. Purchase of 17 units Samsung Galaxy tablets		407,830.00
11. Purchase of 7 units transformer book		156,100.00
12. Purchase of 3 units brush cutters		37,500.00
13. Purchase of projector		33,900.00
14. Purchase of 2 units tru cut edger		40,850.00
15. Purchase of steel lockers		62,400.00
16. Improvement of bridges		226,555.98
17. Improvement of drainage in Hole # 5 South course		535,714.28
18. Improvement of driving range facilities		48,901.79
19. Renovation of Bag drop area		938,178.97
		<hr/>
		9,364,940.78
		<hr/>

The following are the projects for Fiscal year 2016

PARTICULARS	AMOUNT DISBURSED
1. Controller for vertical turbine pump	P 621,012.58
2. Rehabilitation of bunker sand	P 2,817,418.14
3. Repair of pump in the North Course	P 186,000.00
4. Sound system for the Founders' Hall	P 363,248.45
5. Purchase of tablets, Laptop and printers	P 144,830.00
6. Purchase of Riso digital duplicator	P 125,000.00
7. Rehabilitation of the South course	P 5,454,400.38

For the fiscal year 2016, the Club engaged the services of Cafirma, Ong & Co., CPAs, represented by Mr. James A. Cafirma as the Internal Auditor of Valley Golf & Country Club, Inc. effective Jan. 12, 2016. This is the first time that the Club outsourced the Internal Audit services of the Club. The Club also entered into a Build Operate and Transfer Arrangement with Freeport Elite Resort Inc. for the operation of the Driving Range for a period of 15 years. Another food and beverage concessionaire, Jay-J's Food Management, Inc. was engaged by Valley Golf for the North Clubhouse for a period of 3 years.

THE PROJECTS FOR IMPLEMENTATION FOR FISCAL YEAR 2017 ARE AS FOLLOWS:

1 GOLF COURSES

South Course

- | | | | |
|---|---|--------------|--|
| 1 | Construction of drainage at cartpath # 5 | 85,000.00 | To prevent water ponding during rains. |
| 2 | Irrigation - Additional sprinklers
(100 pcs. X P14,300.00) | 1,430,000.00 | |

North Course

- | | | | |
|---|--|------------|--|
| 1 | Irrigation system
Part 1 - P 3,500,000.00
Part 2 - P 3,500,000.00
Part 3 - P 3,338,750.00
Total - P10,338,750.00 | Deferred | Sprinklers, satellite
controllers and pipes. |
| 2 | Renovation of pump room | 230,000.00 | To provide better facility for pump
maintenance and repair. |

2 CLUBHOUSES AND FACILITIES

1	Replacement of Roof of Motorpool area	460,000.00	To replace old and broken roofing sheets to prevent leaks during rainy season.
2	Painting of roof of Motorpool Fabrication area.	75,000.00	To prevent rusting and protect lifespan of roofing sheets.
3	Concreting of road from Driving range	150,000.00	To provide road accessibility

3

1	Eight (8) units Desktop computers @ 40,000 each	320,000.00	All computers yr. 2005 and below Logistics -3, Membership - 2, MIS - 1, Engineering - 1, HR - 1
2	MS Professional for Webhosting	10,000.00	For updating of Website
3	Printer for MIS	25,000.00	For printing of Statement of Accounts
4	One (1) unit Laptop	25,000.00	For Admin/HR for committee mtgs.
5	Timekeeping Software	75,000.00	Improve workforce productivity by reducing manual and timely administrative tasks, freeing staff for more value-added activities.
6	Biometric software	35,000.00	To replace the old unit.
7	Development of Passcard system and SOA Enhancement	167,000.00	For the new passcard system
8	Aircon for room on upper level of North Clubhouse	35,000.00	Malfunction of the present unit.
9	One (1) unit Electronic Defibrillator	175,000.00	For emergency purposes.

TOTAL FISCAL YEAR 2017

3,297,000.00

TOTAL PRIORITY 1

2,087,000.00

TOTAL PRIORITY 2

1,210,000.00

3,297,000.00

CAPEX OF PREVIOUS FISCAL YEAR

FISCAL YEAR 2016

1 GOLF COURSES

South Course

1	Improvement of Manhole - Hole # 5	850,000.00	To prevent overflowing of garbage during heavy rains.
2	Installation of lights at Hole Nos. 8, 9, 16 & 17 (cost P900,000.00)		Subject to sponsorship from members.
3	Vertical Turbine pump (2 units)	2,200,000.00	For sprinkler system in the South course.
	Filter	800,000.00	

2 CLUBHOUSES AND FACILITIES

1	Main Clubhouse/North Clubhouse Annual improvement of Club facilities	500,000.00	Includes painting of clubhouse, replacement of broken tiles, repair of ceilings and others
2	Phase 2 - Renovation of bag drop area (Includes the entrance right and left side, Interior of bagdrop and Caddie area) Phase 3 for FY 2017 - P 3,000,000 (Includes the Restaurant area) Phase 3 for FY 2018 - P 5,000,000 (Includes Grill room restarurant)	2,000,000.00	To improve the area for bag drop storage.
3	Construction of parking area beside the gasoline station including riprap wall	400,000.00	To provide parking for guests at Motorpool Area.

3

1	Computers and Printers Two (2) units POS Printers @ 16,000 each	32,000.00	For Registration use.
2	One (1) unit Epson 3,200 lumens ultra short throw projector	60,000.00	Ensures display of larger and brighter image w/ auto bright adj. Reduces shadow interference & obstruction. Wide range of connectivity & multi pc projection.
3	Aircon for the North Clubhouse (5 toner)	145,000.00	Additional unit because existing aircon

4	One (1) unit dumptruck 8 cum capacity	450,000.00	is not enough for the function room. To be used for hauling silts. Existing units purchased in 2006, 2008 and 2009
5	Suzuki carry for water delivery	300,000.00	For fairway water stations, existing unit with high maintenance costs & dilapidated.
6	Service Vehicle (L-300)	1,300,000.00	Existing unit purchased in 2003. Existing unit L-300 second hand to be sold due to high maintenance costs. Second hand unit purchased in 2003.

4 CLUB PROJECTS

1	Country Club activities such as Sunday mass, weekend barbecue, Easter egg hunt, Halloween party, Summer arts & craft, dance studio, Christmas party, reciprocity with other golf clubs, etc.	500,000.00	To provide activities for members and their families other than golf, for bonding and to increase customers in the Club.
2	Clubhouse Projects	500,000.00	To provide house projects for improvement of services and facilities in the Clubhouses, lockers, function rooms, etc.

5 CALAMITY FUND

		5,000,000.00	Provision for repair of the golf courses in case of calamities
--	--	--------------	--

TOTAL FISCAL YEAR 2016	15,037,000.00
TOTAL PRIORITY 1	8,992,000.00
TOTAL PRIORITY 2	6,045,000.00
	15,037,000.00

FISCAL YEAR 2015

1 GOLF COURSES

a.) SOUTH COURSE

1	Purchase of Tifeagle grass for propagation in the nursery (2,000 kls. @ P 950/kl.)	3,000,000.00	For the greens.
	a. Fumigation of nursery - P 145k		
	b. Fumigation of greens - P 942k		

2 CLUBHOUSES AND FACILITIES

1	Annual landscaping	100,000.00	
2	Phase 3 Concrete reblocking of DCTA	2,067,974.00	To repair dilapidated road.
3	Application of Thermoplastic reflectorized paint from secondary gate to Ortigas gate.	187,500.00	To provide road guide at night and to prevent road accident.
4	Renovation of adult swimming pool to Infinity type pool.	1,886,000.00	To replace old stained tiles and upgrade its design.
5	Repair of swimming pool area fence	500,000.00	For safety and security of swimmingpool area.
6	Repair of DCT road drainage system from Focolare, Sitio Elena to the out fall. (200 meters in length)	1,365,000.00	To stop overflowing of canal water and prevent damage to the concrete road.

3

1	Computers and Printers		
	One (1) unit Desktop computer	40,000.00	For Jonathan Lumagbas
	One (1) unit Desktop computers @ P40,000 each w/ OS and Office licenses	40,000.00	For Registration counter.
	One (1) unit Laptop	35,000.00	For Stockholders' mtg canvassing, bingo raffle, DCT and other related functions. Old laptop purchased in 2003 is defective.
	Smart UPS for server.	30,000.00	To enable the auto on/off function of server

TOTAL FISCAL YEAR 2015

9,251,474.00

TOTAL PRIORITY 1

8,563,974.00

TOTAL PRIORITY 2

687,500.00

9,251,474.00

The Board of Directors last July 3, 2013 approved the 3 year development plan for the Fiscal years 2014 – 2016. The 3 year development plan of Valley Golf is as follows:

A. GOLF COURSES

1. Sand capping in the South course	3,500,000.00
2. Improvement of bridges in the North Course	7,500,000.00
3. Improvement of Landscape	450,000.00
4. Installation of led flood lights at Hole #18 & 9 South Course	150,000.00
5. Installation of liners on all manmade lakes	

11,600,000.00

B. CLUBHOUSES AND AMENITIES

1. Improvement of Parking area	2,750,000.00
2. Installation of non skid floor tiles in the swimming pool area	850,000.00
3. Improvement of Driving range facilities	2,800,000.00
4. Construction of Bar and Grill Restaurant on existing bag drop area	2,600,000.00
5. Installation of roof on parking area of equipment	3,000,000.00
6. Construction of sports amenities in replacement of housing units	1,800,000.00
7. Asphalt overlay on main roads inside the Club	2,400,000.00
8. Installation of collapsible tent in the lower veranda	4,200,000.00
9. Installation of roofing at golf cart open area	900,000.00
10. Construction of game room from portion of Ladies' locker	700,000.00
11. Purchase of F & B equipment & renovation of kitchen	8,000,000.00
11. Installation of roll up doors in all Tee houses	400,000.00
12. Construction of Hotel Suites (BOT)	
13. Computerization of F & B and tee houses	857,000.00
14. Computerization of Main Clubhouse F & B	110,000.00

31,367,000.00

TOTAL

42,967,000.00

Valley Golf does not have any bankruptcy, receivership or similar proceedings.

Valley Golf does not have any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

2.) Business of Issuer

The main business of Valley Golf is golf and country club operations. Our main sources of income are monthly dues from the members and green fees from guests; they comprise 45% and 15% respectively of the gross income.

Valley Golf does not have foreign sales, distribution methods of products nor publicly announced new product.

International Opportunities - Being a member of Valley Golf & Country Club, Inc. allows the members the privilege of playing in foreign golf clubs like the Kelab Golf Negara Subang in Selangor, Malaysia; Singapore Island Golf and Country Club; and Royal Selangor Golf and Country Club in Kuala Lumpur, Malaysia. In the year 2002 we were able to establish reciprocal rights with Klub Golf Bogor Raya of Indonesia and Royal Palm Springs Golf Club of Malaysia.

The principal competitors in our area are two private golf courses Forest Hills Golf and Country Club located in Cogeno, Antipolo City and Eastridge Golf & Country Club in Binangonan and one public course Sun Valley Golf Course. These golf courses are relatively new and are still building up their membership whereas Valley Golf being 58 years old is already proud of its roster of respectable membership. Valley Golf's lush greens and fairways are still the best in the area and very well maintained. The rainforest trees in our courses that have matured through the years have provided a canopy on the fairways and its majestic beauty is something that other golf courses cannot duplicate. The friendly atmosphere and the camaraderie of the entire membership and employees are what make our golf course unique. Eastridge have an 18-holes golf course and Forest Hills have a 36-holes golf course but Valley Golf's greens, fairways, trees, sandtraps and rivers will always make the difference. Golf courses may have the different number of holes but Valley Golf's design and intriguing south course is something that has always attracted the enthusiasm of golfers. The challenging contour of the courses will always make your round of golf an enjoyable and unforgettable experience. Valley Golf's all weather South Course already made its impact to the members.

Our competitors are marketing their new facilities and in anticipation of these Valley Golf rehabilitated the South Course into an all-weather golf course. We have completed phases 1 and 2 of the renovation of our Main Clubhouse including the Men's locker room, the restaurant/veranda area and the offices to keep up with the modern trends in interior designs while still maintaining the unique architecture of our clubhouse. Financially Valley Golf is more stable than our competitors because our focus is maintenance and improvements since our Stockholders' Equity has long been built up unlike our competitors who are still selling their shares of stock to finance their capital.

Valley Golf has no branch or subsidiaries so we do not have transactions with related parties. The other parties we usually transact with are the suppliers of office, grounds and motorpool supplies. In Dec. 2015 the club entered into an 3-year golf course maintenance agreement with MJ Carr Golf Management. We have concessionaires for golf supplies, restaurant and driving range but these

are not part of the major sources of income of the Club. We do not have patents, trademarks, copyrights etc.

Valley Golf had already secured an approved registration from BIR of the Club's VAT and NON VAT activities. The annual Municipal Business and Sanitary Permit had already been approved by the City Government of Antipolo.

A governmental regulation which affected the Club was the implementation of the CTRP. Before the CTRP the Club was included amongst the corporations exempted from the payment of income tax as per Sec. 27 of the NIRC, but as per CTRP we are now subject to 32 % income tax effective Jan. 1998.

The newly issued 26 International Financial Reporting Standards and revised International Accounting Standards by the Accounting Standards Council effective January 2005 had started to affect the financial reports of the Club for the fiscal year ending June 30, 2006. The significant effects are on the recognition of income tax expense and derecognition of deferred tax assets in the absence of definite plans that operations for the coming years shall result to net income after depreciation. Other minor effects were in the recording of interest income, capital gains, property plant and equipment and depreciation and lease-finance expenses.

In August 2012, the BIR issued Revenue Memorandum Circular No. 35-2012 – Clarifying the Taxability of Clubs Organized and Operated Exclusively for Pleasure, Recreation and Other Non-profit purposes. Under Revenue Memorandum Circular No. 35-2012, membership dues which were previously exempted from VAT and income tax by virtue of BIR Rulings issued by the then Commissioner Chato and Asst. Commissioner Roldan in 1996 and 2006 respectively are now subject to VAT and income tax. Said Revenue Memo had a significant impact in our finances and adverse effects in our cash flow, thus the Board of Directors on Sept. 15, 2012 resolved to increase the membership dues effective Oct. 2012. The Club complied under protest with the mandate of Revenue Memorandum Circular No. 35-2012.

For fiscal year 2014 the Club applied certain accounting standards that require restatement of previous year's financial statements, particularly Revised PAS 19, Employees Benefits which requires all actuarial gains and losses to be recognized in the Other Comprehensive Income and unvested past service costs previously recognized over the average vesting period, to be recognized immediately in income or loss when incurred.

Being a golf course, we do not spend much for research and development since our major concern is the maintenance of the golf course. We sometimes test new products for our insecticides, fertilizers, sands and grounds equipments but these are usually samples for free or the amount involved is very minimal.

The Club strictly adheres to all environmental laws. Sources of water are from the running creeks along the fairways and fertilizers used are all environmental friendly and not hazardous to health. The Board signed a mutual

environmental protection project and tree planting and seedling propagation with the DENR. Organic materials are being used for the maintenance of the greens and fairways. During the year 2001 the Club had undertaken the planting of around 300 golden coconut seedlings near the perimeter fence and within the golf course. Animals such as ducks and wild birds are allowed to roam within the creeks and fairways. In 2010 we constructed a green house for seedlings of various trees and several tree saplings were planted in the courses or given to members. In our locker rooms we had eliminated the use of plastics and styropor. Instead we made use of cloth bags and paper cups. We also eliminated the use of plastic cups in the fairways and clubhouse instead we are using paper cups.

Total number of employees is 89. All are full time employees. We have 17 Department Managers and Supervisors and 72 rank and file employees. The 73 rank and file are subject to CBA and the CBA will expire on Oct. 2017. The breakdown of the employees are as follows; Golf Affairs – 12, Clubhouse – 23, Controllers - 18, Engineering –28, Administration/HR – 7 and Office of the GM - 1. Upon the engagement of MJ Carr Golf Management for the maintenance of the golf courses, the Grounds Department was abolished. Our employees have never been on strike for the past three years neither are they threatening to strike. Supplemental benefits includes free meals during overtime and holidays and special events in the Club, free coffee during break time and various gift items during Christmas seasons.

There is no major risk involved in the business of Valley Golf & Country Club.

The club's members' equity as of June 30, 2015 is P 240 Million. We do not issue unsecured bonds. Valley Golf has been in business for 58 years.

ITEM 2. DESCRIPTION OF PROPERTY

Seen from the air, the clubhouse, which was designed by noted Filipino Architect Gabriel Formoso, takes on the unmistakable shape of a golf ball perched on a tee. The "golf ball " houses the Men's Locker Room. The " tee " houses the upper veranda, the golfers' lounge and a viewing deck where one can enjoy the action on the 9th or 18th green.

Adjacent to the clubhouse are two swimming pools with cabanas for men and women. The driving range has ten covered berths for those who wish to further increase their consistency. Pitching and putting areas, as well as beverage services augment this facility. Adequate parking is assured for as many as 200 cars.

The North Clubhouse is furnished with modern facilities, complete with restaurant, function rooms, locker rooms and offices. The restaurant is now being managed by a concessionaire as part of innovations being introduced to the membership.

- a.) Location and area of the properties.

Valley Golf & Country Club, Inc. is located along Don Celso S. Tuason Ave., with entry and exit on Ortigas Ave., Extn. and Sumulong Highway. Total area is 1,222,971 sq. meters, part of the land is in Antipolo City and part in Cainta, Rizal.

- b.) Description and condition of the properties.

All properties are registered in the name of Valley Golf Club, Inc. and none of the properties are mortgaged nor encumbered. The Club does not lease any of its land.

Valley Golf does not intend to acquire any properties in the next twelve (12) months.

ITEM 3. LEGAL PROCEEDINGS

All pending legal cases are enumerated and discussed as per attached report of the Legal Counsel.



TEOFILO C. ABEJO II
AMADO DANILO G. TAYAG
BERNADETTE G. JUAREZ
RESIDA-ROSE T. ROSARIO
RONALDO L. SANTOS, JR.
PATRICK JOSEPH M. QUINIO

30 June 2016

SYCIP, GORRES, VELAYO & CO.
6760 Ayala Avenue, Makati City

Attn: **MR. JOSE PEPITO E. ZABAT, III**
Partner-In-Charge

MR. FLOYD P. DE LA CRUZ
Associate Director

Gentlemen:

Further to the letter request of Mr. Marquitos R. Pinga, General Manager of our client Valley Golf and Country Club, Inc., we are submitting a report on the cases handled for our client.

1. **Heirs of Victor Reyes vs. Valley Golf and Country Club, Inc.**
(SC GR No. 190641; CA-G.R Civil Case No. 80378; RTC-Makati City, Branch 138: Civil Case No. 01-528; SEC Case No. 01-97-5522)

This is a complaint by a former stockholder of VGCCI for reinstatement of playing rights and/or issuance of new shares of stocks. The complainant claims the auction sale in 1986 of his share for delinquency of his accounts was void for lack of notice to him. He is also claiming the amount of PhP20,000.00 as attorney's fees as well as costs of suit against the Club. In its Answer, the Club claims that the complainant's action is already barred by the statute of limitation and there was proper notice to him of his delinquency and the auction sale. As counterclaim, the Club is claiming PhP50,000.00 as moral damages, PhP50,000.00 as exemplary damages and PhP25,000.00 as attorney's fees. The Regional Trial Court has rendered judgment dismissing the complaint as there was no infirmity in the auction sale of complainant's share. Mr. Reyes has filed an Appeal with the Court of Appeals where the case of now pending. During the pendency of this appeal, the plaintiff passed away and the court, upon motion of his heirs, ordered their substitution as the plaintiffs.

On August 5, 2008, the Court of Appeals rendered a Decision reversing the decision of the Regional Trial Court and declared the plaintiff (as substituted by his heirs) to be entitled to the reinstatement of his playing rights and/or the re-issuance of a new share of stock from Valley. The Court of Appeals said that the notice issued to the plaintiff as to the auction sale was defective as the registry receipt was not sufficiently authenticated and that even assuming there was notice of delinquency sent to the plaintiff, the payment of dues was the responsibility at the time of the playing guest to whom the playing rights of the share was assigned. The Club filed a Motion for Reconsideration on August 26, 2008 which was denied by the Court of Appeals in its Resolution dated November 25, 2009. On December 18, 2009, the Club filed a Petition for Review with the Supreme Court. The heirs of Victor Reyes already filed their Comment to which Valley Golf filed its Reply on 03 January 2011.

On 10 November 2015, the Supreme Court rendered its decision denying the Club's petition for review and affirming the Court of Appeals decision. On 16 February 2016, Valley Golf filed its Motion for Reconsideration. However, this was denied by the Supreme Court in its Notice dated 16 March 2016 which we received on 25 May 2016. Hence, once the decision becomes final and executory, we expect the heirs of the late Dr. Reyes to file a Motion for Execution with the Regional Trial Court of Makati to compel Valley Golf to issue a share of stock in their name. On the other hand, the legal effect of the invalidation of the auction sale is to revive the previous indebtedness of the late Dr. Reyes for unpaid monthly dues, which can also be claimed from the heirs of Dr. Reyes.

2. **Valley Golf and Country Club, Inc. vs. Gabina Maestre, et al.**
(Civil Case No. 09-8769, Branch 71 of the Regional Trial Court of Antipolo City)

This is a complaint for accion publiciana to recover possession of real property belonging to the Club under TCT No. 518354 currently being occupied by several squatters. The Club is seeking a decision from the Regional Trial Court ordering the defendants (about 37 in number), together with their families/households, and any and all persons claiming rights from them, at present and in the future, to vacate the subject properties in question and to restore the possession of the same to the Club. The Club is also seeking the payment of the attorney's fees in the amount of PHP50,000.00 acceptance fee and the amount of appearance fees, as and by way of attorney's fees, as well as for defendants to pay the costs of suit and litigation expenses.

Some of the defendants have filed an Answer claiming that they and their predecessors-in-interest have been in possession of the Club's property for more than thirty (30) years which will entitle them to the ownership and possession of the property. They also claim that the Club's title is not valid since the property was acquired from the Manila Railway Company and that under a 1900s law, the railway company was bound to give the property back to the public once it is no longer used for railway operation. As counterclaim, defendants are claiming PHP500,000.00 as moral damages and PHP20,000.00 attorney's fees for each of them.

Valley Golf has previously filed a motion to declare in default some of the defendants who failed to file their Answer and this motion was already granted by the court. On 04 September 2013, in view of the failure of the defendants represented by counsel to file their Pre-Trial Brief, the court allowed Valley Golf to present its evidence *ex-parte*. These defendants filed a Motion for Reconsideration which Valley opposed and the court denied this motion. Valley Golf presented its evidence *ex-parte* and filed its Formal Offer of Evidence. The other defendants filed another Manifestation with Motion, seeking that they be allowed to present their own evidence which was denied by the court after Valley Golf filed its opposition.

On 02 September 2015, Valley Golf through its counsels received the Decision of the Regional Trial Court which declared Valley Golf as the lawful owner of the property and ordered it to be placed in possession of it and the defendants were ordered to vacate the same to surrender it peacefully to Valley Golf. Some of the defendants filed a Motion for Reconsideration to which Valley Golf filed its Comment/Opposition on 27 October 2015. Hence, the defendants' Motion for Reconsideration remains pending to this date.

In the interval, Valley Golf signed in 2015 a Memorandum of Agreement with Malaya Valley Homeowners' Association, Inc., which, though not a party, claims to represent all the informal settlers on the subject property, some of which are already defendants in this case. Upon the instructions of the Board and management, Valley Golf's counsels filed a Motion for Approval of Compromise Agreement or the terms of the MOA. However, some of the individual defendants filed a Manifestation claiming that they did not sign and are vehemently opposing the Compromise Agreement. The Motion for Approval of Compromise Agreement is still pending resolution with the Regional Trial Court of Antipolo.

3. ***Valley Golf Hills Homeowners Association, Inc. vs. Valley Golf and Country Club, Inc.***
(HLURB Case No. NCRHOA-051016-2436, HLURB Expanded National Capital Region Field Office, Quezon City)

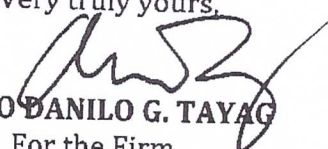
This a complaint filed by Valley Golf Hills Homeowners Association, Inc. against Valley Golf and Country Club, Inc. praying that the control, management, security, and maintenance of the gates to and roads within the subdivision be turned over to them. The complainant seeks to enforce Section 10, pars. (c) and (d) of R.A. 9904, otherwise known as the "Magna Carta for Homeowners and Homeowners' Associations" which provides that homeowners associations have the right to regulate management of common areas, as well as to regulate access to, or passage through subdivision/village roads for purposes of preserving privacy, tranquility, internal security, and safety and traffic order.

On 10 June 2016, Valley Golf, through counsel, filed its Answer (with Counterclaim). In the Answer, it was argued that the complaint ought to be dismissed on the ground of lack of jurisdiction considering that it does not fall under any of the disputes or controversies under the jurisdiction of the HLURB, as provided for under Section 2, Rule 1 of the Revised Rules of Procedure of the HLURB. In any case, it was likewise argued that the complaint ought to be dismissed for utter lack of merit. At the outset, it was pointed out that the Supreme Court had already ruled with finality that the property (Don Celso Tuason Avenue) is private property solely owned by Valley Golf. Furthermore, the law sought to be enforced by the Complainant, in particular, Section 10 of R.A. No. 9904, does not apply in the present case. Lastly, it was stressed that to turn over the management of the gates and roads on property owned by Valley Golf would be tantamount to a taking without due process and without payment of just compensation in violation of the Respondent's property rights.

The mandatory mediation conference was scheduled on 23 June 2016 for purposes of exploring the possibility of an amicable settlement of the case. However, since the Complainant's representative failed to bring the Board Resolution or Special Power of Attorney showing that they are authorized to negotiate and sign a compromise agreement, the mediation conference was reset to 12 July 2016.

The Club has a monthly retainer agreement with the Firm. Valley Golf and Country Club, Inc. has no unpaid accounts with our Firm as of June 30, 2015. We trust that we have been of assistance.

Very truly yours,


AMADO DANILO G. TAYAG
For the Firm

CC: **MR. JAIME PANGANIBAN**
President
VALLEY GOLF AND COUNTRY CLUB, INC.
Antipolo City

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

For the fiscal year ended June 30, 2016, the Annual Stockholders' Meeting was held on Sept. 27, 2015. Out of the 1,588 issued and subscribed shares, 870 shares were represented by proxy or present in person, therefore, the President, as presiding chairman, declared a quorum.

On the Annual Stockholders' Meeting held on Sept. 27, 2015, the following were elected as Directors:

- | | | |
|----------------------|---|-----------|
| 1. Abraham dela Cruz | - | 854 votes |
| 2. Luis S. Polintan | - | 802 votes |
| 3. Luis G. Quiogue | - | 660 votes |

The other directors whose term of office continued are Messrs. Jaime Panganiban, Pablito Gregore, Michael Echavez, Alexander S. Marquez, Lakan Fonacier and Isauro San Pedro.

Matters discussed during the Annual Stockholders' Meeting include the ratification of the acts of the Board of Directors from July 1, 2014 to June 30, 2015, approval of the minutes of the annual meeting held on September 28, 2014 and the election of the external auditor. On the election of the External Auditor, the stockholders resolved to elect Sycip Gorres Velayo & Co. as the Club's External Auditor for the fiscal year ending June 30, 2016.

The details of the discussion are as follows:

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF VALLEY GOLF AND COUNTRY CLUB, INC.

Held at the Main Clubhouse, Valley Golf and Country Club
Antipolo City on 27 September 2015

I. Call to Order

Valley Golf and Country Club's Chairman, Jose B. Tayawa (Chairman Tayawa), called the meeting to order at 4:21 p.m., and presided over the same. The Corporate Secretary, Atty. Ronald O. Solis (Atty. Solis), recorded the minutes of the meeting.

II. Determination of Quorum

Director Jaime F. Panganiban moved for the appointment of General Manager (GM) Marquitos Pinga as Secretary of the Stockholders' meeting. Upon motion duly seconded, GM Pinga was temporarily appointed as Secretary of the Stockholders' Meeting until the arrival of the Corporate Secretary. Atty. Solis arrived a few minutes after the determination of quorum.

Chairman Tayawa inquired from the Secretary of the Meeting whether a quorum was present. GM Pinga replied in the affirmative. According to GM Pinga, the total attendance was Eight Hundred Seventy (870) members/shares, which were either personally present or represented by valid proxies. Hence, a quorum existed since the number already exceeded Seven Hundred Ninety Five (795) shares, which was only needed for purposes of having a quorum.

Upon inquiry as to how many shares were represented by proxies *vis a vis* the members who were personally present. It was determined that Eight Hundred Fifty Eight (858) shares were represented by proxies, and Twelve (12) members were personally present.

III. Proof of Due Notice of the Meeting

Chairman Tayawa asked whether there was proof of due notice of the meeting. GM Pinga replied in the affirmative. The pertinent registry return cards and/or delivery receipts are on file with the Club's secretariat as evidence of transmission and receipt of the said notices and other necessary documents to all stockholders of record. The said documents are present and available for inspection by any member who might wish to do so.

IV. Approval of the Minutes of the Annual Meeting Held on 28 September 2014

Chairman Tayawa proceeded with the next item on the agenda, which was the approval of the previous year's minutes. The stockholders were also provided with copies of the minutes of the previous year's annual stockholders' meeting and were given sufficient time to read the same. Samuel M. Paler moved for the approval of the minutes of the annual stockholders' meeting held on 28 September 2014, which motion was duly seconded by Gerardo B. Marcelo. There were no objections. Hence:

**RESOLVED, that the minutes of the annual
stockholders' meeting held on 28 September 2014 are
hereby approved and adopted.**

V. Matters Arising From the Minutes

Chairman Tayawa opened the floor for any inquiries relative to the previous year's minutes. After a moment, considering that there were no questions relative thereto, the Chairman proceeded with the next item on the agenda.

VI. Chairman's and Treasurer's Report

Chairman Tayawa manifested that all stockholders were provided copies of the Club's Annual Report. He inquired whether there were any questions relative thereto. Considering that there were no questions, Mr. Paler moved for the approval of the

Chairman's and Treasurer's Report for the fiscal year 2014-2015, which motion was duly seconded by Luis G. Quiogue. There were no objections. Hence:

RESOLVED, that the Chairman's Report, as well as the Treasurer's Report, for the fiscal year 2014 to 2015, as presented, are both hereby approved and adopted.

VII. Ratification of Prior Acts of the Board of Directors and Management

Chairman Tayawa stated that all stockholders were similarly furnished with copies of all the resolutions of the Board of Directors, and had more than sufficient time to peruse the same. Thus, Mr. Paler moved for the ratification of the prior acts of the Board of Directors and Management for the period 01 July 2014 to 30 June 2015, including the disposal of non-performing assets and settlement of cases which involve disposal of some properties of the Club, which motion was duly seconded to by Mr. Marcelo. There were no objections. Hence:

RESOLVED, that the acts of the Board of Directors and Management for the period 01 July 2014 up to 30 June 2015, including the disposal of non-performing assets and settlement of cases which involve disposal of some properties of the Club, are hereby ratified.

VIII. Appointment of External Auditor

Chairman Tayawa opened the floor for the election of the Club's external auditor. Mr. Paler moved to retain the services of Sycip Gorres Velayo & Co. as the Club's external auditor, which motion was duly seconded to by Mr. Quiogue. There were no objections. Hence:

RESOLVED, that Sycip Gorres Velayo & Co. is hereby retained as the independent external auditor of Valley Golf & Country Club, Inc.

IX. Other Matters

At this juncture, Mr. Jose Ferlu O. Sudario inquired why the Club was incurring losses of up to PhP 14 Million. Dir. Panganiban explained that starting December 2014, the Club engaged the services of MJ Carr, an independent contractor, so they had to terminate the services of 25 employees. Consequently, the Club had to extend severance pay amounting to PhP 4.7 Million and separation loss amounting to PhP 2.4 Million. There were also losses in revenue amounting to PhP 2.3 Million and also PhP

2.8 Million as a result of the reduction of transfer fees. Chairman Tayawa also mentioned that the revenue amounting to PhP 6 Million in the previous year was considered as Retained Earnings. He also explained that the income of PhP 6 Million was treated by SGV as Book Entries.

Ms. Evangeline R. Apuhin moved that a representative from Valley ladies be appointed as an ex-officio member of the Board of Directors. Chairman Tayawa noted the proposal and stated that this will be discussed by the next Board of Directors.

Mr. Renato C. Balibag, a member of the Board of Trustees of Senior members, moved that the President of the Valley Golf Seniors Association, Inc. be appointed also as an ex-officio member of the Board of Directors. Chairman Tayawa also noted the proposal and stated that this will also be discussed by the next Board of Directors.

At this juncture, plaques of appreciation were awarded to outgoing directors Messrs. Wilfredo G. Manahan, Servien S. Gatapia and Jose B. Tayawa.

Atty. Solis then called on the Chairman of the Administration Committee, Isauro V. San Pedro, for the awarding of plaques of appreciation to outgoing members and past presidents.

X. Election of Directors

Chairman Tayawa called on the Chairman of the Commission on Elections (Comelec), Atty. Jeremy Z. Parulan, to preside over the election of the new Directors and the canvassing of votes for the amendment of the By-Laws. The other members of the Comelec were Atty. Francisco B. Figura and Atty. Ben A. Delos Reyes. The following were the official nominees:

Luis S. Polintan
Luis G. Quiogue
Abraham C. Dela Cruz
Leslie Agoncillo.

GM Pinga then proceeded with the canvassing of the votes. After the canvassing, Atty. Parulan announced the results of the elections:

Candidates for Election:

Leslie Agoncillo - 1 in person /75 by proxy
Abraham C. Dela Cruz - 14 in person /840 by proxy
Luis S. Polintan - 6 votes in person / 796 by proxy
Luis G. Quiogue - 15 in person /645 by proxy

Amendment to By-Laws:

Article IV, Sec. 1, 2nd Paragraph - not approved
In Favor - 7 in person/772 by proxy
Not In Favor - 2 in person/10 by proxy
Abstain - 2 in person/6 by proxy

Article VIII, Sec. 3 – not approved
In Favor - 6 in person/306 by proxy
Not In Favor - 3 in person/477 by proxy
Abstain - 1 in person/6 by proxy

Article VIII, Sec. 4 – not approved
In Favor - 9 in person/729 by proxy
Not In Favor - 2 in person/53 by proxy
Abstain - 0 in person/6 by proxy

Thereafter, Atty. Parulan, together with the members of the Comelec, proclaimed the following as the newly elected Directors of Valley Golf & Country Club:

Abraham C. Dela Cruz
Luis S. Polintan
Luis G. Quiogue

Messrs. Dela Cruz, Polintan and Quiogue were called upon, and all of them gave a short acceptance message to their fellow members.

Chairman Tayawa thereafter congratulated the winning Directors.

XI. Adjournment

There being no other matters to be discussed, upon motion by Mr. Marcelo and duly seconded by Atty. Delos Reyes the meeting was adjourned at 6 p.m.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANTS COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

1.) Market Information

Valley Golf & Country Club, Inc. does not market its shares in the stock exchange and all stockholders have pre-emptive rights on the sale of club shares. Total number of authorized capital stock is 1,800 at P 9,000.00 par value. Valley Golf is a non-profit club and does not issue any stock or cash dividends.

The Board of Directors on their Special Meeting last June 22, 2009 approved the sale of 26 shares of stock with the following conditions:

1. The conditions of the sale are as follows:
 - 1.1 Cash basis

- 1.1.1. Outright sale of shares at Php380,000.00 each (minimum price for the first batch). Transfer Fee shall not be applicable.
- 1.1.2. For non-members, membership is subject to compliance to the Membership processing requirements and approval of the Membership Committee.
- 1.1.3. All shares must be activated within 30 days pursuant to Article VII, Section 3, of the By-Laws and Section 7 of the Articles of Incorporation.

1.2. Shares of stock will be sold in batches and prices as follows:

	Date of Sale
1.2.1. First batch - 3 shares of stock P 380,000.00	June 26 – 30
1.2.2. Second batch - 3 shares of stock P 400,000.00	Jul. 1 – Jul. 7 or after 1 st batch is sold whichever is earlier
1.2.3. Third batch - 3 shares of stock P 425,000.00	Jul. 8 – Jul. 14 or after 2 nd batch is sold whichever is earlier
1.2.4. Fourth batch - 3 shares of stock P 450,000.00	Jul. 15- Jul. 22 or after 3 rd batch is sold whichever is earlier
1.2.5. Fifth batch - 3 shares of stock P 475,000.00	Jul. 23 -Jul.31 or after 4 th batch is sold whichever is earlier

Note: Prices are subject to change without prior notice.

2. Sale will be as follows:

- 2.1 From June 26 – July 7, 2009, only to proprietary members on record as of May 31, 2009. Proprietary members who are interested to buy shares after July 7, 2009 will be given priority.
- 2.2 Assuming that shares are still available, Playing guests, Corporate Representatives, children and spouses of proprietary members will be allowed to buy shares beginning July 8, 2009.
- 2.3 Assuming that shares are still available, Non-members will be allowed to buy beginning July 15, 2009.

3. The mechanics of the sale are as follows:

- 3.1 Sales inquiry must be coursed through the Office of the President beginning June 26, 2009.
- 3.2 Sale will be on a first come, first serve basis.
- 3.3 If there are more than three (3) interested buyers at the same time, the winner will be selected by raffle.
- 3.4 No reservations will be entertained.

4. Utilization of the proceeds of the sale:

- 4.1. Payment of outstanding loans.
- 4.2. To fund the 3-year development program

As of June 30, 2013, there were fifteen (15) shares sold from this issuance.

The Board of Directors in their regular meeting last Nov. 15, 2014 approved the following:

1. INSTALLMENT SALE OF SHARES OF STOCK

- a.) Deferred payment of the share of stock and transfer fee.
- b.) "All in selling price" of P 350k.
- c.) Payable in 12 monthly installments.
- d.) Membership of the buyers is subject to compliance with the Membership processing requirements and approval of the Membership Committee.

As of June 30, 2015, there were five (5) shares sold from this issuance.

Valley Golf & Country Club, Inc. does not market its shares in the stock exchange. Frequency of trading is sporadic. For the fiscal years 2000 and 2001, the market price ranges from the club subscription rate of P 625,000.00 to P 500,000.00. For the year 2002 market price is from P 500,000.00 to P 450,000.00. For the years 2003 to 2014 market price is at P 400,000.00 to P 500,000.00 for Club subscription and P332,000 to P292,000 for third party market. Market prices include the transfer fee of P 112,000.00. For the fiscal year 2015 and 2016 the market price is P250,000.00 plus P56,000 transfer fee during the promo period or P112,000 after the promo. Market prices were based on subscription rates and transactions processed in the club.

2.) Holders

Total number of shares issued and outstanding as of June 30, 2016 is 1,593 shares. There is no individual or corporate stockholder who is the beneficial owner of at least five percent (5 %) of the total shares outstanding. The top twenty (20) shareholders are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES OWNED	PERCENTAGE
1. PAE Ventures, Inc.	6	0.38 %
2. TDR, Incorporated	5	0.31 %
3. Manila Electric Co.	5	0.31 %
4. Solid State Multi Products Corp.	5	0.31 %
5. Squires Bingham Co., Inc.	5	0.31 %
6. Dee C. Chuan & Sons, Inc.	4	0.25 %
7. First Phillippine Holdings Coporation	4	0.25 %
8. Vicente and Gerardo Madrigal	4	0.25 %
9. Metropolitan Bank and Trust Co.	4	0.25 %
10. Mitsubishi Motors Phils., Corp.	4	0.25 %
11. Phil. National Bank	4	0.25 %
12. Reliable Electric Co., Inc.	4	0.25 %
13. Edward Cheok	3	0.19 %
14. Jalandoni, Johnny	3	0.19 %
15. Severo A. Tuason & Co.	3	0.19 %
16. Severo Jose Tuason	3	0.19 %

17. Perry Y. Uy	3	0.19 %
18. Anna's Catering, Inc.	2	0.13 %
19. Metropolitan Insurance Company	2	0.13 %
20. Tuason, Demetrio R.	2	0.13 %

There is no acquisition, business combination or other reorganization that shall affect the amount and percentage of present holdings of the equity owned by each director and nominee, all directors and officers as a group or any present commitments to such persons with respect to the issuance of shares.

3.) Dividends

Valley Golf is a non-profit club and does not declare any form of dividends. Income earnings are being used for maintenance of the golf courses and to improve the services to the members.

4.) Recent sales of unregistered or exempt securities.

Valley Golf has not sold any unregistered or exempt securities during the present and previous fiscal years.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

1. PLAN OF OPERATION

OBJECTIVES:

- a. To have a timely scheduled improvement of Club facilities and services.
- b. Profitability and financial liquidity for operations and to fund various projects.
- c. To achieve the desired condition of both courses as per Rehab program of MJ Carr.

ACTION PLAN:

- 1. Full implementation of the 3-year development plan for FY 2014-2016 and to prioritize other capital expenditures as follows:
 - a.) Phase 2 of the renovation of the bag drop area by July 2016.
- 2. To generate new sources of revenue thru reviving previous country club activities and marketing of the North Course and North Clubhouse.
- 3. To develop new country club activities.
- 4. To ensure that all bunker sand will be completely rehabilitated by February 2017.
- 5. To ensure that all fairways will be soyzia by December 2017.

2. MANAGEMENT DISCUSSION AND ANALYSIS

Valley Golf & Country Club, Inc. is a private non-profit club incorporated on May 14, 1958. It has two golf courses composed of 36 holes and a main clubhouse and north clubhouse.

The rehabilitation of the second 9 south course, which started last August 2002, was completed last October 2003 and the course was playable last November 2003. The Club hired the services of Ecoturf Golf and Turf Care Systems as the Construction Manager and the Board approved the contract of Golforce, Inc. as the contractor for the project. To fund the construction, the Board approved the loans from members at P 45 Million, though only P 39.5 Million was actually incurred.

The second phase of the rehabilitation is the first 9 of the south course. To provide the funding thereof, the Board of Directors on their Regular Meeting on May 31, 2003 resolved to sell the 150 Unissued Shares of Stock subject to pre-emptive rights of proprietary/corporate members, playing guests, in the order indicated. The proceeds of the sale shall be exclusively used for the following specific purposes:

1. Rehabilitation of the South Course front nine
2. Payment of outstanding loans used in the rehabilitation of the golf course.
3. Improvement of the main clubhouse.

Selling price of the shares on installment basis is at P 500,000.00 per share payable with a down payment of P 125,000.00 and 23 equal monthly installments of P 15,000.00 and the 24th month at P 30,000.00. Cash basis is at P 450,000.00

The Board on their meeting last May 31, 2003 also approved the sale of prime lots of the Club located along Don Celso Tuason Ave. to augment funds for the projects.

Rehabilitation works of the first nine south course started last November 2003 and works were completed and the first nine south course was inaugurated last Nov. 20, 2004. Contract for labor for the rehabilitation was awarded to bidder Philgolf Development & Equip, Inc. in the amount of P 20,000,000.00. Materials were purchased in-house with an initial budget of P 31,500,000 and additional budget of P 4,000,000.00 for the bunker sand and P 1,552,000.00 for herring bone installation. As of June 30, 2005 total cost of the renovation is P 130,000,000 (gross of vat) or P 125,000,000.00 (net of vat)

On December 2005 Valley Golf & Country Club, Inc. entered into a Contract of Lease with Agreement to Buy Green Fee Coupons with Global Golf & Leisure, Inc. (now Philippine Golf & Leisure, Inc.). The contract includes rental of the North Clubhouse in the amount of P 150,000.00 per month with yearly 5% escalation and purchase of green fee coupons with a minimum amount of 10,000 pieces per year at the rate of P 700.00 per coupon with an escalation rate of 10% per year. This is part of the effort of the Board of Directors to generate income from the North Clubhouse. The contract was terminated last January 5, 2008. For the fiscal years 2009 to 2013, the Club entered into contracts with Korea Golf & Members Leisure, Inc. for sale of green fee coupons for the North Course. Sale of coupons are as follows P 5 Million, P 2.3 Million, P 1.29 Million, P3.43 Million and P1.9 Million for the fiscal years 2009, 2010, 2011, 2012 and 2013

respectively. On July 1, 2013, the Club entered into a new contract with Korea Golf to purchase a minimum of P 4 Million green fee coupons for a period of 5 years.

In line with the revenue generation program of the Club, the Board of Directors implemented various green fee promotions which include No Frills Monday, Twilight Fee, Friday Free Lunch, Accompanied guests promo and Sunday Afternoon Delight. These promos are geared toward increasing the number of accompanied guests and walk-in players.

Renovation of the Main Clubhouse started in July 15, 2008. The Board of Directors on their regular meeting last July 12, 2008 approved the contract with Reyes Interiors in the amount of P 4.5 Million for the renovation, while Valley Golf will purchase the other supplies like tiles, aluminum frame and glass. The total cost of the project is estimated at P 9 Million.

The Board of Directors on their Special Meeting last June 22, 2009 approved the sale of 26 shares of stock with the following conditions:

1. The conditions of the sale are as follows:
 - 1.2 Cash basis
 - 1.2.1. Outright sale of shares at Php380,000.00 each (minimum price for the first batch). Transfer Fee shall not be applicable.
 - 1.2.2. For non-members, membership is subject to compliance to the Membership processing requirements and approval of the Membership Committee.
 - 1.2.3. All shares must be activated within 30 days pursuant to Article VII, Section 3, of the By-Laws and Section 7 of the Articles of Incorporation.

2. Shares of stock will be sold in batches and prices as follows:

				Date of Sale
2.1.	First batch	- 3 shares of stock	P 380,000.00	June 26 – 30
2.2.	Second batch	- 3 shares of stock	P 400,000.00	Jul. 1 – Jul. 7 or after 1 st batch is sold whichever is earlier
2.3.	Third batch	- 3 shares of stock	P 425,000.00	Jul. 8 – Jul.14 or after 2 nd batch is sold whichever is earlier
2.4.	Fourth batch	- 3 shares of stock	P 450,000.00	Jul. 15- Jul. 22 or after 3 rd batch is sold whichever is earlier
2.5.	Fifth batch	- 3 shares of stock	P 475,000.00	Jul. 23 -Jul.31 or after 4 th batch is sold whichever is earlier

Utilization of the proceeds of the sale will be the payment of outstanding loans and to fund the 3-year development program.

Part of the renovation project of the Main clubhouse is the basement offices. The contract was awarded to Reyes Interiors and renovation works started on Nov. 2011. The project was completed on March 2012 with a total cost of P 4.2 Million. The Men's locker room was likewise renovated with a total cost of P 6.1 Million including the pocket

garden. The project was awarded to Northstar Ibex Construction Corp. and works started on Jan. 2013 and completed on April 2013.

For the fiscal year ending June 30, 2014, the following projects were completed:

1	Improvement of bridges - North course	
	Hole # 1	78,625.01
	Hole # 2	35,741.07
2	Installation of lamp posts at the bridge near the main gate.	65,825.65
3	Phase 2 - Reblocking and asphalt overlay of DCTA	3,880,000.00
4	Renovation of Kid's swimming pool.	67,627.51
5	Maintenance of Golf cart station	158,980.71
6	Phase 1- CCTV project	101,933.72
7	Installation of roofing for Golf Cart Area	773,420.35
8	Furniture for the Members' lounge/gym	120,000.00
9	Kitchen Exhaust System (labor & materials)	217,145.00
10	Kitchen hood fire suppression system	150,000.00
11	Server	299,500.00
12	Two (2) units aircon for gym/lounge	95,000.00
13	Three (3) units brush cutters	37,500.00
14	One (1) unit greens mower with groomer	640,000.00
15	Two units two way radio for Eng'g & Grounds	25,000.00
16	Organizational Streamlining	250,000.00
17	1 unit Concrete cutter	35,000.00
18	1 unit Concrete vibrator	18,000.00
19	3 units Computer desktop w/OS & MS office	120,000.00
20	2 units Antivirus for servers	72,900.00
21	1 unit Laser printer	24,900.00
22	1 unit Base radio	14,500.00
23	1 unit Computer desktop w/OS & MS office	40,000.00
24	1 unit Computer desktop w/OS & MS office	40,000.00
25	2 units Computer desktop w/OS & MS office	37,000.00
26	1 unit Laptop	29,750.00
27	Proposed Gym/ Men's Lounge	418,663.75
28	Tee House North Course-Hole#4	467,001.52
29	Pocket Garden	535,714.29
30	Golf carts- 10 units	2,650,000.00
31	Walk behind rotary mower- 2 units	150,000.00
32	Fly mower- 2 units	110,000.00
33	Renovation of Clinic	247,872.61
34	Purchase of truck mounted man lifter	690,000.00
		<u>12,697,601.19</u>

For the fiscal year ending June 30, 2015, the following projects were completed:

1. Purchase of one (1) unit back hoe	P	3,303,571.43
2. Purchase of ten (10) units golf carts		2,800,000.00
3. Purchase of 4 units desk top computers		160,000.00
4. Purchase of 2 units 2 way radio		23,000.00
5. Repair of controller pump of the South course		150,714.29
6. Renovation of satellite kitchen		45,471.00
7. Driving range shot area		81,194.10
8. Additional golf cart storage		70,058.94
9. Purchase of copying machine		243,000.00
10. Purchase of 17 units Samsung Galaxy tablets		407,830.00
11. Purchase of 7 units transformer book		156,100.00
12. Purchase of 3 units brush cutters		37,500.00
13. Purchase of projector		33,900.00
14. Purchase of 2 units tru cut edger		40,850.00
15. Purchase of steel lockers		62,400.00
16. Improvement of bridges		226,555.98
17. Improvement of drainage in Hole # 5 South course		535,714.28
18. Improvement of driving range facilities		48,901.79
19. Renovation of Bag drop area		938,178.97
		9,364,940.78

The following are the projects for Fiscal year 2016

PARTICULARS	AMOUNT DISBURSED
1. Controller for vertical turbine pump	P 621,012.58
2. Rehabilitation of bunker sand	P 2,817,418.14
3. Repair of pump in the North Course	P 186,000.00
4. Sound system for the Founders' Hall	P 363,248.45
5. Purchase of tablets, Laptop and printers	P 144,830.00
6. Purchase of Riso digital duplicator	P 125,000.00
7. Rehabilitation of the South course	P 5,454,400.38

THE PROJECTS FOR IMPLEMENTATION FOR FISCAL YEAR 2017 ARE AS FOLLOWS:

1 GOLF COURSES

South Course

- | | | | |
|---|---|--------------|--|
| 1 | Construction of drainage at cartpath # 5 | 85,000.00 | To prevent water ponding during rains. |
| 2 | Irrigation - Additional sprinklers
(100 pcs. X P14,300.00) | 1,430,000.00 | |

North Course

1	Irrigation system	Deferred	Sprinklers, satellite controllers and pipes.
	Part 1 - P 3,500,000.00		
	Part 2 - P 3,500,000.00		
	Part 3 - P 3,338,750.00		
	Total - P10,338,750.00		
2	Renovation of pump room	230,000.00	To provide better facility for pump maintenance and repair.

2 CLUBHOUSES AND FACILITIES

1	Replacement of Roof of Motorpool area	460,000.00	To replace old and broken roofing sheets to prevent leaks during rainy season.
2	Painting of roof of Motorpool Fabrication area.	75,000.00	To prevent rusting and protect lifespan of roofing sheets.
3	Concreting of road from Driving range	150,000.00	To provide road accessibility

3

1	Eight (8) units Desktop computers @ 40,000 each	320,000.00	All computers yr. 2005 and below Logistics -3, Membership - 2, MIS - 1, Engineering - 1, HR - 1
2	MS Professional for Webhosting	10,000.00	For updating of Website
3	Printer for MIS	25,000.00	For printing of Statement of Accounts
4	One (1) unit Laptop	25,000.00	For Admin/HR for committee mtgs.
5	Timekeeping Software	75,000.00	Improve workforce productivity by reducing manual and timely administrative tasks, freeing staff for more value-added activities.
6	Biometric software	35,000.00	To replace the old unit.
7	Development of Passcard system and SOA Enhancement	167,000.00	For the new passcard system
8	Aircon for room on upper level of North	35,000.00	Malfunction of the present unit.

Clubhouse		
9 One (1) unit Electronic Defibrillator	175,000.00	For emergency purposes.

TOTAL FISCAL YEAR 2017	3,297,000.00	
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TOTAL PRIORITY 1	2,087,000.00	
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TOTAL PRIORITY 2	1,210,000.00	
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	3,297,000.00	
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CAPEX OF PREVIOUS FISCAL YEAR

FISCAL YEAR 2016

1 GOLF COURSES

South Course

1 Improvement of Manhole - Hole # 5	850,000.00	To prevent overflowing of garbage during heavy rains.
2 Installation of lights at Hole Nos. 8, 9, 16 & 17 (cost P900,000.00)		Subject to sponsorship from members.
3 Vertical Turbine pump (2 units)	2,200,000.00	For sprinkler system in the
Filter	800,000.00	South course.

2 CLUBHOUSES AND FACILITIES

1 Main Clubhouse/North Clubhouse Annual improvement of Club facilities	500,000.00	Includes painting of clubhouse, replacement of broken tiles, repair of ceilings and others
2 Phase 2 - Renovation of bag drop area (Includes the entrance right and left side, Interior of bagdrop and Caddie area) Phase 3 for FY 2017 - P 3,000,000 (Includes the Restaurant area) Phase 3 for FY 2018 - P 5,000,000 (Includes Grill room restarurant)	2,000,000.00	To improve the area for bag drop storage.
3 Construction of parking area beside the	400,000.00	To provide parking for guests at

gasoline station including riprap wall

Motorpool Area.

3

1	Computers and Printers			
	Two (2) units POS Printers @ 16,000 each	32,000.00		For Registration use.
2	One (1) unit Epson 3,200 lumens ultra short throw projector	60,000.00		Ensures display of larger and brighter image w/ auto bright adj. Reduces shadow interference & obstruction. Wide range of connectivity & multi pc projection.
3	Aircon for the North Clubhouse (5 toner)	145,000.00		Additional unit because existing aircon is not enough for the function room.
4	One (1) unit dumptruck 8 cum capacity	450,000.00		To be used for hauling silts. Existing units purchased in 2006, 2008 and 2009
5	Suzuki carry for water delivery	300,000.00		For fairway water stations, existing unit with high maintenance costs & dilapidated. Existing unit purchased in 2003.
6	Service Vehicle (L-300)	1,300,000.00		Existing unit L-300 second hand to be sold due to high maintenance costs. Second hand unit purchased in 2003.

4 CLUB PROJECTS

1	Country Club activities such as Sunday mass, weekend barbecue, Easter egg hunt, Halloween party, Summer arts & craft, dance studio, Christmas party, reciprocity with other golf clubs, etc.	500,000.00		To provide activities for members and their families other than golf, for bonding and to increase customers in the Club.
2	Clubhouse Projects	500,000.00		To provide house projects for improvement of services and facilities in the Clubhouses, lockers, function rooms, etc.

5 CALAMITY FUND

5,000,000.00
Provision for repair of the golf courses in case of calamities

TOTAL FISCAL YEAR 2016

15,037,000.00

TOTAL PRIORITY 1

8,992,000.00

TOTAL PRIORITY 2

6,045,000.00

15,037,000.00

FISCAL YEAR 2015

1 GOLF COURSES

a.) SOUTH COURSE

- | | | | |
|---|--|--------------|-----------------|
| 1 | Purchase of Tifeagle grass for propagation in the nursery (2,000 kls. @ P 950/kl.) | 3,000,000.00 | For the greens. |
| | a. Fumigation of nursery - P 145k | | |
| | b. Fumigation of greens - P 942k | | |

2 CLUBHOUSES AND FACILITIES

- | | | | |
|---|---|--------------|---|
| 1 | Annual landscaping | 100,000.00 | |
| 2 | Phase 3 Concrete reblocking of DCTA | 2,067,974.00 | To repair dilapidated road. |
| 3 | Application of Thermoplastic reflectorized paint from secondary gate to Ortigas gate. | 187,500.00 | To provide road guide at night and to prevent road accident. |
| 4 | Renovation of adult swimming pool to Infinity type pool. | 1,886,000.00 | To replace old stained tiles and upgrade its design. |
| 5 | Repair of swimming pool area fence | 500,000.00 | For safety and security of swimmingpool area. |
| 6 | Repair of DCT road drainage system from Focolare, Sitio Elena to the out fall. (200 meters in length) | 1,365,000.00 | To stop overflowing of canal water and prevent damage to the concrete road. |

3

- | | | | |
|---|---|-----------|---|
| 1 | Computers and Printers | | |
| | One (1) unit Desktop computer | 40,000.00 | For Jonathan Lumagbas |
| | One (1) unit Desktop computers @ P40,000 each w/ OS and Office licenses | 40,000.00 | For Registration counter. |
| | One (1) unit Laptop | 35,000.00 | For Stockholders' mtg canvassing, bingo raffle, DCT and other related functions. Old laptop purchased in 2003 is defective. |
| | Smart UPS for server. | 30,000.00 | To enable the auto on/off function of server |

TOTAL FISCAL YEAR 2015	9,251,474.00
TOTAL PRIORITY 1	8,563,974.00
TOTAL PRIORITY 2	687,500.00
	9,251,474.00

The Board of Directors last July 3, 2013 approved the 3 year development plan for the Fiscal years 2014 – 2016. The 3 year development plan of Valley Golf is as follows:

A. GOLF COURSES

1. Sand capping in the South course	3,500,000.00
2. Improvement of bridges in the North Course	7,500,000.00
3. Improvement of Landscape	450,000.00
4. Installation of led flood lights at Hole #18 & 9 South Course	150,000.00
5. Installation of liners on all manmade lakes	
	11,600,000.00

B. CLUBHOUSES AND AMENITIES

1. Improvement of Parking area	2,750,000.00
2. Installation of non skid floor tiles in the swimming pool area	850,000.00
3. Improvement of Driving range facilities	2,800,000.00
4. Construction of Bar and Grill Restaurant on existing bag drop area	2,600,000.00
5. Installation of roof on parking area of equipment	3,000,000.00
6. Construction of sports amenities in replacement of housing units	1,800,000.00
7. Asphalt overlay on main roads inside the Club	2,400,000.00
8. Installation of collapsible tent in the lower veranda	4,200,000.00
9. Installation of roofing at golf cart open area	900,000.00
10. Construction of game room from portion of Ladies' locker	700,000.00
11. Purchase of F & B equipment & renovation of kitchen	8,000,000.00
11. Installation of roll up doors in all Tee houses	400,000.00
12 Construction of Hotel Suites (BOT)	
13. Computerization of F & B and tee houses	857,000.00
14. Computerization of Main Clubhouse F & B	110,000.00
	31,367,000.00

TOTAL	42,967,000.00
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At the beginning of the 2016 fiscal year the Board set several operational and financial objectives to achieve a balance between member satisfaction and revenue

generation. For our fiscal year ending June 30, 2016 we have considerably achieved our objectives.

Our objectives include:

- a. To generate new sources of revenue.
- b. Improvement of Golf and Country Club facilities and services.
- c. To revive previous country club activities, improve existing and add new activities.

Our income sources increased by P6.84 Million, whereas our operating expenses decreased by P9.21 Million and thus resulted to a net income of P1.22 Million. Our monthly cost of operation for 2011 is P 6.6 Million, for 2012 the monthly average is P7.2 Million, in 2013 the monthly average is P7.7 Million, for 2014 the monthly average is P7.82 Million, for 2015 the monthly average is P 8.37 Million and for 2016 the monthly average cost of operations is P8.07 Million.

Gross revenue for the fiscal year 2016 amount to P 105.05 Million, our budget is P107.36 Million or an unfavorable variance of P 2.31 Million. Income sources that decreased in fiscal year 2016 are Korea Golf coupons, Transfer fee, and Miscellaneous Income which decreased by P1.17 Million, P240k and P2.79 Million respectively.

Total budget for operating expenses is P100.66 Million and actual operating expenses are P96.85 Million. Significant decreases were from Personnel and Supplies by P8.14 Million and Supplies.

Worth noting is the increase in Cash and Cash equivalent by P8.12 Million, decrease in Other receivables by P2.71 Million, decrease in property plant & equipment and CIP by P3.77 Million, decrease in loan from members by P3 Million and decrease in accounts payable by P2.93 Million.

Valley Golf has no liquidity problems on its operations and projects and does not anticipate any liquidity problems in the future. All interest payments are being paid on due date and funds are available for the termination of loans when the need arises. All trade payables are paid based on the credit terms.

There are no seasonal aspects that had a material effect on the financial condition or results of operation.

There are no events that will trigger direct or contingent financial obligation that is material to Valley Golf. There is no anticipated default or acceleration of obligation.

There are no off-balance sheet transactions, arrangements, obligations or other relationships of the Club with unconsolidated entities or other persons created during the fiscal year.

There are no material commitments for capital expenditures.

There are no other trends, events or uncertainties that would have a material favorable or unfavorable impact on net sales or revenues.

There are no significant elements of income or loss that did not arise from Valley Golf's continuing operations.

The newly issued 26 International Financial Reporting Standards and revised International Accounting Standards by the Accounting Standards Council effective January 2005 had started to affect the financial reports of the Club for the fiscal year ending June 30, 2005. The significant effects are on the recognition of income tax expense and derecognition of deferred tax assets in the absence of definite plans that operations for the coming years shall result to net income after depreciation. Other minor effects were in the recording of interest income, capital gains, property plant and equipment and depreciation and lease-finance expenses.

The imposition of income tax and value added tax on monthly dues as per Revenue Memorandum Circular 35-2012 of the BIR effective Aug. 3, 2012 is the latest revenue regulation that affected our revenues. The said revenue memorandum also amended the ruling on tax exemption of monthly dues of golf clubs.

The five key performance indicators are as follows:

1. Current Ratio - represents the ratio of current assets against current liabilities. This ratio represents the liquidity of the Club or the available current assets to settle the current liabilities. For the year ended June 30, 2015 the ratio is 1.03 (P34,291,410/P33,310,895) and for the year ended June 30, 2016 the ratio is 1.26 (P37,888,281/P30,075,893). This indicates an increase in the liquidity of the Club. The cash and cash equivalents increased by P8.12 Million while the short term loans decreased by P3 Million and accounts payable by P2.93 Million.
2. Rate of return on assets - represents the ratio of net income against assets. This represents the net earnings and the assets employed to arrive at the net earnings. For the year ended 2015 it is -5% (net loss of P14,184,920/P284,552,204) and for the year 2016 it is .43% (P1,218,113/P282,228,851) . Operations for the year resulted to a net income of P1,218,113 and thus the rate of return on assets increased to .43% Major sources of income that contributed to the favorable results of operation were golf cart rental, service charge, road user's fee and locators' fee.
3. Debt to total assets ratio - this represents the ratio of total liabilities to total assets or the assets available to settle outstanding liabilities of the Club. For the year ended 2015 it is 15.99% (P45,500,200/P284,552,204) while in 2016 it is 15% (P42,332,936/P282,228,851). Liabilities for the current year decreased by P3.17 Million while assets decreased by P2.32 Million thereby decreasing the ratio, therefore the ratio improved and thus there are more assets available to settle the liabilities of the Club.
4. Earnings per share - this represents the net income per share of stock issued and outstanding and subscribed. For the year ended year

ended June 30, 2015 the net loss per share is P8,932.57 (net loss of P14,184,920/1,588) while in fiscal year 2016 the net income per share is P764.67 (P1,218,113/1,593). Net income for the year is P1,218,113 or an increase of P15 Million from the net loss P14,184,920 of in 2015.

5. Debt to Equity ratio - this represents the ratio of total liabilities against total Stockholders' Equity. For the year ended for the year ended 2015 it is 19.03% (P45,500,200/P239,052,003) and for the fiscal year 2016 it is 17.65% (P42,332,936/P239,895,915). This shows that in 2016 the ratio decreased and thus the total liabilities comprise a lower percentage of the total stockholders' equity. This resulted from the decrease of the short-term loans and trade and other payables.

The following are the details of the operations of the Club for the year 2016

A. OPERATING RESULTS

1. Revenues – revenues increased from P108,420,338 in 2015 to P115,256,576 in 2016 or an increase of P 6,836,238 or 6.31%. Revenue sources that increased during the year include Green fees by P161,360, Golf cart rental by P339,465, Monthly dues by P178,380, Patronage fee by P94,128, Service Charge by P524,524, Locker rental by P160,361, Pro-shop rental by P44,800, Golf cart storage fee by P113,945, Road users' fee by P357,819, Locators' fee by P409,324, Swimming pool fee by P14,900, Interest Income by P14,428 and Gain on sale of Property by P7,852,308. Income sources that decreased during the year include Green fee coupons by P1,173,757, Transfer fee by P240,000, Concessionaires' Fee by P89,305, Assessment for road maintenance by P50,607, Miscellaneous income by P2,793,689 and Severance Pay by P4,691,085.

Green fee increased during the year due to increase in Walk in guests by 813, whereas accompanied guests decreased by 1,142 and Tournaments by 32 players. On the service charge, the increase was due to the 50% discount promo on the initial service charge and renewal fee. There were 18 new members, 88 renewals and 12 new corporate members. Transfer fee increased due to the promo rate of 50% discount with 53 members who availed of the promo. There were 12 shares bought in the auction during the year that contributed also to the increase in transfer fee.

Golf cart rentals increased due to increase in number of rentals by 695 during the year. Locker rentals increased due to the promo on sale of permanent lockers with 8 lockers sold at P20k each. Golf cart storage also increased due to the promo with 5 slots sold with total proceeds of P163k.

Road users' fee increased due to increase in number of deliveries for on-going construction within Valley Golf and Locators' Fee increased due to payment of companies along Don Celso Tuason Ave.

Gain on sale of property increased during the year because of the sale of two of the properties of the Club with a gain of P8.73 Million.

Miscellaneous income decreased due to reclassification entries for fiscal year 2015 and there are none for the fiscal year 2016. The reclassification entries include Unknown bank payments – P1.2 Million, Unclaimed credit balances – P783k, Unclaimed proceeds of auction – P781k and reclassification of sale of lot to Homeowners' Association – P458k.

2. Cost and Expenses – For the fiscal year 2016 the total cost of services and general and administrative expenses amount to P113,488,074 or a decrease of P9,207,231 or 7.5% from previous year's figure of P 122,695,305.

Personnel Expenses decreased from P35,678,586 in fiscal year 2015 to P27,541,473 in fiscal year 2016 or a decrease of P8,137,114 or 22.81%. Salaries and Wages decreased by P2,99 Million, Meal allowance by P541k, SSS & Philhealth by P233k, 13th month pay by P711 k, Vacation and sick leave by P478k and Retirement and benefit expenses by P3.5 Million. The reduction in personnel expenses resulted from the decrease in manpower from 115 to 89 because of employees that availed of the early retirement program.

Supplies decreased from P14,957,762 in fiscal year 2015 to P8,781,910 in fiscal year 2016 or a decrease of P6,175,853 or 41%. Gasoline and oil supplies decreased by P1.32 Million, Repairs and maintenance by P3 Million, Fertilizers, sand and insecticides by P1.11 Million, toilet and cleaning supplies by P291k, Service supplies by P185k, Uniforms by P173k and Miscellaneous by P331k. The significant decrease in supplies resulted from the outsourcing of the golf course maintenance.

Utilities increased from P9,528,459 in fiscal year 2015 to P9,603,110 in fiscal year 2016 of an increase of P 74,651 or .78%. Electricity decreased by P225k while Water increased by P308k.

Outside services increased from P25,947,003 in fiscal year 2015 to P33,580,157 in fiscal year 2016 or an increase of P7,633,154 or 29%. Expense items that increased include Retainers' Fee by P103k, Legal Fees by P128k, Security services by P508k, Laundry services by P124k, Golf course maintenance by P11 Million and Internal Audit Services by P743k. The increase in outside services resulted from the outsourcing of the golf course maintenance and Internal Audit Services.

Sundries increased from P14,368,107 in fiscal year 2015 to P17,341,119 in fiscal year 2016 or an increase of P2,973,012 or 21%. Taxes and Licenses increased by P87k, Insurance by P30k, Ads and publication by P45k, Dues and registration fees by P65k, Bank charges by P90k, Loss in write off by P1.4K and Miscellaneous by P1.5k. Promotional and Industrial decreased by P41 and Self insurance expenses by P201k.

B. BALANCE SHEET ACCOUNTS

1. Cash and cash equivalents – increased from P13,912,174 in fiscal year 2015 to P22,029,184 in fiscal year 2016 or an increase of P8,117,010 or 58%. Increase resulted from proceeds from sale of property of P9.8 Million and Net cash flow from operating activities of P 11.66 Million. Significant cash outflow are for payment of loan from members of P3 Million and additions to property and equipment of P 9.8 Million.
2. Trade and other receivables – decreased from P13,665,396 in 2015 to P10,696,986 in 2016 or a decrease of P2,968,410 or 22%. Decrease resulted from decrease in Members' account by P442k, decrease in Subscription receivable of P1.2 Million and decrease in Other Receivables of P1.5 Million.
3. Other current assets – increased from P3,592,314 in 2015 to P3,840,807 in 2016 or an increase of P248,493 or 7%. Increase resulted from increase in Creditable withholding tax of P460k.
4. Property and equipment – decrease from P225,247,387 in 2015 to P221,472,751 in 2016 or a decrease of P3,774,636 or 1.7%. Total additions for the year amount to P9.84 M and disposals are P929k Accumulated depreciation increased by P13.55 M.
5. Investment properties – decreased from P13,840,219 in 2015 to P11,081,278 in 2016 or a decrease of P2,758,941 or 20%. Depreciation for the fy 2014 for the North clubhouse is P2.76 Million.
6. Deferred tax asset – amount for year ended June 30, 2016 is P3,410,425, this figure is arrived at by adding the deferred income tax asset on advance payment of membership dues of P1.4M, MCIT of P1 M, Allowance for impairment losses of P653k and Accrued provision for probable claims P306k.
7. Other non-current assets – Decreased from P3,722,019 in 2015 to P3,621,122 in 2016 or a decrease of P100,897 or 2.71%. Decrease is due to decrease in computer software by P199k.
8. Trade and other payables – Decreased from P11,190,283 in 2015 to P9,649,272 in 2016 or a decrease of P1,541,011 or 13.77%. Decrease resulted from decrease in Trade payables by P2.9 Million.
9. Short term loans – decrease from P5.5 Million in 2015 to P2.5 Million in 2016 or a decrease of P3 Million or 55%. Decrease resulted from payment of loan from members of P 3 Million.

10. Membership dues paid in advance – increase from P4,696,172 in 2015 to P4,812,886 in 2016 or an increase of P116k or 2.4%.
11. Retirement benefit obligation –increased from P10,075,738 in 2015 to P12,222,847 in 2016 or an increase of P2,147,109 or 21%.
12. Members' Equity –increased from P239,052,003 in 2015 to P239,895,915 or an increase of P 843,912 or .35%.

FISCAL years 2015 and 2014:

A. OPERATING RESULTS

1. Revenues - revenues decreased from P113,836,695 in 2014 to P108,382,776 in 2015 or a decrease of P5,453,919 or 4.79%. Revenue sources that decreased during the year include Green fees by P1,181,726, Korea Golf coupons by P 2,232,135, Transfer fee by P2,840,000, Service charge by P1,241,754, Road users' fee by P385,905, Locators' fee by P202,196, Self-insurance fee by P721,801 and Service fee – non-members by P1,144,542. Income sources that increase are Golf cart rental by P589,061, Concessionaire's Fee by P194,351, Golf cart storage fee by P115,209, Assessment for road maintenance by P288,923 and Miscellaneous income by P2,533,511.

Green fee decreased due to decrease in accompanied guests by 1,581, decrease in tourists by 36 and decrease in tournaments by 454 guests. Korea Golf purchased P4 Million coupons in 2014 and P1.5 Million in 2015. Transfer fee decreased from 85 in 2014 to 66 in 2015 or a decreased of 19 transfers. There were 21 transfers that availed of the promo rate of P56k or 50% discount of the transfer fee. Service charge decreased due to decrease in new members by 2, decrease in corporate representatives by 3 and decrease in renewals by 39. Self-insurance fee and service fee decreased due to reclassification entry of previous years in 2014 of P975k and P 1.29 Million respectively.

Golf cart rentals increased by 828 rentals due to purchase of additional 10 units last Feb. 2015. Concessionaire's fee increased due to increase in average monthly sales to P 1.8 Million. Miscellaneous income increased due to reclassification entries for Unknown bank payments – P1.2 Million, Unclaimed credit balances – P783k, Unclaimed proceeds of auction – P781k and reclassification of sale of lot to Homeowners' Association – P458k.

2. Cost and Expenses - For the Fiscal year ending June 30, 2015 the Cost and operating expenses amount to P122,619,534 while in 2014 the amount is P110,437,204 or an increase of P 12,182,330 or 11%. Significant expenses during the fiscal year ending June 30, 2015 is the Severance Pay of P4,691,085, Separation loss of P2,397,342, and Golf course maintenance of P12,428,571.

Personnel expenses decreased from P36,672,880 in 2014 to P35,678,586 in 2015 or a decrease of P994,294 or 2.71%. Salaries and wages decreased by P2,38 Million, Meal allowance by P230k, Vacation and sick leave by P306k, Contractual employees by P1.1 Million and SSS & Pag-ibig by P135k. Retirement benefit expenses increased by P2.80 Million.

Supplies decreased from P20,604,160 in 2014 to P14,957,762 or a decrease of P5,646,398 or 27%. Gasoline and oil supplies decreased by P1.4Million, Repairs and maintenance decreased by P3.18 Million, Fertilizers, sand & insecticide decreased by P2.14 Million. Linen supplies increased by P268k and Miscellaneous supplies increased by P779k.

Utilities decreased by P144,061 or 1.49%, from P9,672,520 in 2014 to P9,528,459 in 2015. Electricity decreased by P668k while water increased by P429k.

Outside services increased from P13,343,488 in 2014 to P25,947,003 in 2015 or an increase of P12,603,515 or 94%. Increase resulted from increase in Golf course maintenance on the engagement of MJ Carr Golf Management at the rate of P2.7 Million per month. Increase for the year is P12.43 Million. Security services increase by P771k.

Sundries increased from P13,568,468 in 2014 to P14,368,107 in 2015 or an increase of P 799,639 or 6%. Items that increased include Board and committee meetings by P277k, Self-insurance expense by P273k, and Miscellaneous expenses by P1.5 Million. Taxes and Licenses decreased by P427k, Loss on write-off by P864k and donation by P473k.

B. BALANCE SHEET ACCOUNTS

1. Cash and cash equivalents – decreased from P25,499,646 in 2014 to P13,912,176 in 2015 or a decrease of P11,587,470 or 45%. Decrease resulted from negative net cash generated from operating activities of P145k and cash used for investing activities by P15.63 Million. Cash from Loan from members is P 3 Million and cash from proceeds of issuance of shares of stock is P1.19 Million.
2. Trade and other receivables – increased from P9,015,486 in 2014 to P13,665,396 in 2015 or an increase of P4,649,910 or 52%. Increase resulted from increase in Members' account by P2 Million, Subscription receivable of P1.2 Million and receivable from MJ Carr in the amount of P 1.8 Million on sale of grounds equipment.
3. Other current assets – increase from P4,673,735 in 2014 to P 6,713,838 in 2015 or an increase of P2,040,103 or 44%. Increase resulted from increase in Prepayments by P1.59 Million representing prepaid taxes of P1.89 Million, medical expenses and insurance premiums, increase in

deferred tax asset by P258k and increase in advances on purchases by P318k.

4. Property and equipment – decrease from P227,606,528 in 2014 to P225,247,385 in 2015 or a decrease of P2,359,143 or 1.04%. Total additions for the year amount to P13 M and disposals are P25 M Accumulated depreciation increased by P13 M.
5. Investment properties – decreased from P16,599,160 in 2014 to P13,840,220 or a decrease of P2,758,940 or 17%. Depreciation for the fy 2014 for the North clubhouse is P2.76 Million.
6. Deferred tax asset – amount for year ended June 30, 2015 is P3,552,237, this figure is arrived at by adding the deferred income tax asset on advance payment of membership dues of P1.4M, MCIT of P1.13 M, Allowance for impairment losses of P710k and Accrued provision for probable claims P306k.
7. Other non-current assets – increased from P1,635,052 in 2014 to P3,837,973 in 2015 or an increase of P2.2 Million or 135%. Increase is due to one month deposit on the contract with MJ Carr in the amount of P2.7 Million (gross of vat).
8. Trade and other payables – increased from P9,313,612 in 2014 to P11,190,282 in 2015 or an increase of P1.88 Million or 20%. Increase resulted from reclassification of unreleased checks in the amount of P2.5 Million
9. Short term loans – increase from P 2.5 Million in 2014 to P5.5 Million in 2015 or an increase of P3 Million or 120%. Additional loan from members of P3 Million was availed to purchase 10 units golf carts.
10. Membership dues paid in advance – decrease from P 4,789,624 in 2014 to P4,696,172 in 2015 or a decrease of P93,452 or 2%.
11. Retirement benefit obligation –decreased from P13,585,657 in 2014 to P10,075,738 in 2015 or a decrease of P3,509,919 or 26%.
12. Members' Equity – decreased from P247,378,898 in 2014 to P239,090,212 in 2015 or a decrease of P8,288,686 or 3.35%.

ITEM 7. FINANCIAL STATEMENTS

Attached Reports :

1. Statement of Management Responsibility
2. Audited Financial Statements for 2016 and 2015
3. Schedules A – I under RSA Rule 68