

COVER SHEET

1 3 9 5 1
S.E.C. Registration Number

V A L L E Y G O L F & C O U N T R Y
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 A V E .
B A R A N G A Y M U N T I N D I L A W
A N T I P O L O C I T Y
(Business Address: No. Street/City/Province)

ROSANNA R. ARGUELLES
Contact Person

8658-4901
Company Telephone Number

0 6 3 0
Month Day
Fiscal Year

SEC FORM 17-A
FORM TYPE

09 4th Sunday
Month Day
Annual Meeting

Secondary License Type, If Applicable

C G F D
Dept. Requiring this Doc.

Amended Articles Number/Section

1,594
Total No. of Stockholders
Owning at Least One Board Lot

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

Certification

I, DAN L. SALVADOR, the General Manager/Compliance Officer of VALLEY GOLF & COUNTRY CLUB, INC., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 13951 and with principal office at Don Celexo S. Tusson Victoria Valley Antipolo City, on oath state:

- 1) That I have caused this Annual Report (SEC Form 17-A) for the period ended June 30, 2021 to be prepared on behalf of VALLEY GOLF & COUNTRY CLUB, INC.
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the company VALLEY GOLF & COUNTRY CLUB, INC. will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this OCT 06 2021 day of _____, 20____.

Dan Salvador
DAN L. SALVADOR
Affiant

SUBSCRIBED AND SWORN to before me this OCT 06 2021 day of _____, 20____, in CAINTA, RIZAL City, Philippines.

Doc. No. 80
Page No. 16
Book No. 2871
Series of 100M

ANDREW V. FERRER
NOTARY PUBLIC UNTIL DECEMBER 31, 2021
PTR NO. 138721A, 0704/2017
IBP OR NO. 137329; 0704/2017
Rizal Chapter / MOLE Comptroller
No. VI-0020916, October 4, 2019
Roll No. 39814 / Appointment No. 2021
No. 9, A. Bonifacio Ave., Cainta, Rizal

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, 2021
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	1,594 shares outstanding

11. Are any or all 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 each share of stock of Valley Golf as of June 30, 2021 is P1,600,000.00 plus P200,000 transfer fee, for June 30, 2020 it was P1,300,000.00 plus P112,000.00 transfer fee; for June 30, 2019 it was P800,000 plus P112,000 transfer fee; for June 30, 2018 it was P400,000.00 plus P112,000.00 transfer fee; for June 30, 2017 it was P312,000.00 plus transfer fee of P67,200 (promo period for transfer fee) or P112,000.00 (regular transfer fee rate), and; for June 30, 2016 and 2015 it was 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 were based on subscription rates and transactions processed in the club.

The aggregate market value therefore of the 1,594 issued and outstanding shares of Valley Golf at P1,800,000.00 is P2,869,200,000.00

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.

VALLEY GOLF & COUNTRY CLUB, INC.
ANNUAL GENERAL MEETING
September 26, 2021 at 4:00 P.M.
Via Live Streaming, VGCCI

PROXY
No. 1 S-2021- ACCT. No.2220

I, _____ the undersigned member of Valley Golf & Country Club, Inc. do hereby appoint, name and constitute:

or, in the absence and/or non-attendance of my PROXY the Chairman of the Meeting, (EXCEPT THAT THE CHAIRMAN MAY NOT VOTE FOR CANDIDATES to the Board of Directors), as my attorney-in-fact and proxy, to represent me at the ANNUAL GENERAL MEETING of Valley Golf & Country Club, Inc., to be held on 26 September 2021 at 4:00pm¹, and/or any postponements or adjournment(s) thereof, as fully and to all intents and purposes as I lawfully might or could do if present and voting in person, hereby ratifying and confirming any and all actions taken on matters which may properly come before him during such meeting or adjournment(s) thereof. In particular, I hereby direct my said proxy to vote on the agenda items as I have expressly indicated by marking with a check "✓" the appropriate box below. I also authorize my proxy to vote for any of the candidates for the Board of Directors except the candidates marked with an "X" under the "AGAINST" column:

ITEMS	ACTION		
	FOR	AGAINST	ABSTAIN
1. To vote for Quorum purposes only.			
2. To approve the minutes of the 2020 Annual stockholders' meeting.			
3. To approve the Company's 2021 Annual Report and Audited Financial Statements.			
4. To confirm and ratify all acts and resolutions of the Board of Directors & Management (July 1, 2020 to June 30, 2021 inclusive).			
5. To appoint External Auditors.			
6. All matters arising from the agenda (except the sale or disposition, total or partial, of the corporate assets).			
7. Election of the Board of Directors			
a. Jason J. Alba			
b. Jose Ferdinand R. Guiang			
c. Constantine L. Kohchet-Chua			
d. Jose G. Razon			
e. Rio Sesanando E. Venturanza			
f. Others			

¹Stockholders may vote in person online from September 22 (starting at 8:00 a.m.) up to September 23, 2021 (5:00 p.m.). Voting by Proxyholders and attorneys-in-fact online shall be on September 24, 2021 from 8:00 a.m. to 5:00 p.m.

If no instructions are indicated on a returned and duly signed proxy or I left any items in blank, my PROXY may vote the membership certificates under my name on any blank item according to his sound discretion including electing members of the Board of Directors .By submitting this proxy, I hereby agree that I shall be counted as being present during the annual members' meeting for quorum purposes notwithstanding my or my proxy's physical absence during the meeting itself.

I understand that a proxy form that is returned without a signature shall not be valid. I also understand that should I choose to send back the signed proxy form online to the Club's website, I shall use my registered e-mail address to ensure the integrity of my vote otherwise the proxy shall be considered void.

Voting Rules

Each shareholder owning one share or his Proxy is entitled to cast one vote for as many positions for directors as are being voted upon or cumulate the votes and cast it in favor one or two candidates. Example -If there are 3 seats for directors open for voting, the shareholder or his proxy is entitled to 3 votes. He/she may either distribute the 3 votes among 3 candidates of his/her choice, cast all 3 votes in favor of one candidate or cast 2 votes in favor of 1 candidate and 1 vote for another candidate. If the shareholder owns more than one share, each share shall be entitled to 3 votes which he/she may distribute evenly or cumulate in favor of just one or two candidates.

Validation of Proxies

Proxy form shall be validated as these are received by the Club, provided that the proxy forms are submitted to the Club on or before 5:00 p.m. of September 19, 2021 which is consistent with the deadline provided under the Club's By-Laws.

Revocation of Proxies

A member giving a proxy has the power to revoke it any time before the right granted is exercised. A proxy is also considered revoked if the member decides to vote and actually votes online from Sept. 22 to 23, 2021

Signed this _____ at _____

21st CENTURY STEEL MILLS, INC.

Printed Name of Member

Signature of Member or Authorized Signatory

PLEASE DATE AND SIGN YOUR PROXY

PLEASE MARK, SIGN AND EMAIL BACK YOUR PROXY AT VALLEY WEBSITE USING YOUR REGISTERED EMAIL ADDRESS OR SEND IT THRU PRIVATE COURIER ON OR BEFORE 5:00 P.M. OF SEPTEMBER 19, 2021.

ADDRESS: VALLEY GOLF & COUNTRY CLUB, INC. DON CELSO S. TUASON AVE., ANTIPOLLO CITY.

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 1,594 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 tee-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, except for 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 greens 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. The Men's Locker was recently renovated, and the Registration and Cashiering services was provided in the North Clubhouse. The tournament participants in the North Course and Non-members are required to register and avail of locker services in the North Clubhouse. 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 front nine South Course started in November 2003 and after completion was inaugurated on 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 stood at 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 included the Executive Offices, Board room, function rooms, upper and lower veranda, and main lobby. With a total estimated cost of P 9 Million, the Board awarded the contract to Reyes Interiors for 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 on July 15, 2008 and were finished sometime in September 2009.

For the fiscal year 2010, restoration works were done to repair the damage caused by the typhoon Ondoy on the Club's properties. Total cost amounted to P 4,504,509.00, which was taken from 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 included 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 ground equipment.

For the fiscal year ending June 2011, the projects undertaken included the concreting of the Don Celso Tuason Avenue from the bridge gate up to Sumulong gate which was completed at the cost of P 5 Million. Other projects during the year include riprapping 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, Renovation of the Main Clubhouse resumed which included Phase 2 – Construction of Office Basement and the Coffee Bar with a budget of P 3.7 Million and P 450,000, respectively. Another project undertaken was the construction of the golf car parking shed amounting to P 1.5 Million

For the fiscal year ending June 2012, the projects undertaken included 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 478,000. Ongoing projects at the time included the improvement of motorpool area and Riprap/slope protection at Hole # 17 of the South Course. The equipment purchased during the year included 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 included Phase 3 of the Renovation of the Main clubhouse – which consisted of the Renovation of the Men's locker room with a total contract price of P5,000,000.00, (materials supplied by the Club amounted to P1,000,000.00), construction of the pocket garden for P 600,000, purchase of air con units for P430,000 and installation of double panel solar water heater for P675,000 (paid for with golf shares). The men's locker room in the North Clubhouse was likewise renovated at a cost of P535,000 and was used by members and guests from Jan. to Apr. 2013 during the renovation period of the locker room in the Main Clubhouse. Other projects undertaken were the: construction of the Wall of Honor – P88,000, satellite kitchen – P184,000, and guard house at Hole # 12 South Course – P201,000; Rehabilitation of the Koi Pond – P435,000; reblocking and asphalt overlay of DCTA – P 4 Million, and; riprapping works in the South Course – P191,000. Meanwhile, construction of the members' gym and lounge, renovation of the clinic and tee house in the North course were still on-going at the time.

Equipment purchased included the greens mower with groomer – P615,000 and Danfoss variable speed pump control – P250,000.

For the fiscal year ending June 30, 2014 the on-going projects from the previous year that were completed included – the Men’s Lounge and Gym – P419,000, tee house in the North Course Hole # 4 – P467,000 and renovation of the clinic – P247,000. Other projects completed during the year were – Phase 2 of the reblocking and asphalt overlay of DCTA – P3.88 Million, installation of roofing for the golf cart area – P773,000, Kitchen exhaust system – P217,000 and kitchen hood fire suppression system – P150,000. On-going projects at the time were the sanding of fairways and improvement of bridges in the North Course. Various equipment were purchased during the year which included – 10 units Golf carts – P 2.65 Million, 1 unit greens mower with groomer – P640,000, 2 units walk behind rotary mower – P150,000, 2 units flymower – P110,000, 1 unit Truck mounted man lifter – P690,000 and 1 server and computers.

Other projects of the Club included the streamlining of operations and the outsourcing of the grounds maintenance for both the South and North Courses. The Board of Directors approved on 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 backhoe	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
		<u>9,364,940.78</u>

The following were 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 following were the projects for Fiscal year 2017

PARTICULARS	AMOUNT DISBURSED
1. Repair of South Course pump (total project cost is P3.25 Million)	P 1,346,277.66 1,395,843.28
2. Irrigation system	
3. Construction of Expansion of Men's Locker room	225,000.00
4. Renovation of Secondary & Sumulong gates	199,988.00
5. Purchase of 20 units golf carts	5,880,000.00
6. Purchase of 8 units desktop computers	187,500.00
7. Rehabilitation of bunker sand	3,035,840.85
8. Repair of Bag drop area Phase 2	600,317.38
9. Repair of Pump North Course	245,000.00
10. Rehabilitation of South Course	5,379,464.16
11. Purchase of Suzuki carry for water delivery	160,000.00
12. Purchase of 2 units projectors	64,000.00
	P 18,719,231.33

The following were the projects for Fiscal Year 2018

1. Repair of the Main Clubhouse roofing (on-going)	P 1,654,387.30
2. Rehabilitation of the North Course bunkers (on-going)	2,321,428.57
3. Purchase of Service Vehicle	1,241,800.00
4. Purchase of 15 units electric golf carts	4,410,000.00
5. Purchase of Emergency vehicle	743,107.40
6. Purchase of Tables, Chairs and Sofa	250,000.00
7. Purchase of 11 units desk top computers	311,000.00
8. Purchase pf 1 unit welding generator	235,200.00
9. Purchase of 10 units Air coolers	159,950.00
10. Purchase of Sophos firewall	150,000.00
	P 11,476,873.27

The following are the projects for Fiscal Year 2019

1. Dredging works at South Course Hole # 12, 16 And 17 and North Course Hole # 15 (on-going)	P	1,749,438.54
2. Filter for pumps		959,576.00
3. Zoysia Matrella Turf Nursery		1,021,645.93
4. Reblocking and Drainage Improvement of DCT Avenue (on-going)		6,759,003.65
5. Men's Locker Roofing		2,052,998.41
6. Purchase of Forward Truck		1,450,000.00
7. Purchase of Manlift Truck		840,000.00
8. Purchase of 10 units Electric Golf Carts		2,940,000.00
9. Purchase of 20 units Electric Golf Carts		<u>6,500,000.00</u>
		24,272,662.53

The following are the projects for the fiscal Year 2020:

1. Dredging works at South Course Hole # 12, 16 And 17 and North Course Hole # 15 (completed)	P	4,221,428.56
2. Reblocking and Drainage Improvement of DCT Avenue (completed)		7,945,491.82
3. Purchase of 10 units Electric Golf Carts		2,767,857.14
4. Rehab of greens at South Course		1,964,285.72
5. Repair of Bunker at South Course		1,848,701.10
6. Purchase of 2 units Pumps and Accessories		1,067,857.14
7. Improvement of Motor pool Area roofing		559,933.60

The following are the projects for Fiscal Year 2021:

1. On-going renovation of swimming pool	P	5,027,436.32
2. On-going construction of 2-level golf cart garage		4,298,285.58
3. On-going construction of Cabana		501,678.11
4. On-going renovation of Locker hallway		400,529.96
5. On-going landscaping at swimming pool area		945,263.50
6. Renovation of Tee box South Course		816,316.30
7. Construction of Starter House – North Course		263,507.58
8. Purchase of photocopier		253,526.79
9. Construction of Gabion Filters		312,350.83

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 construction and 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. On January 20, 2017, the Club entered into a three-year contract with Anix's House of Kare as the F & B Concessionaire for the Main Clubhouse.

For the Fiscal year 2018 the following are the significant contracts of Valley Golf. On October 2017, the Club engaged the services of Cubacub Law and Accounting Office as the Internal Auditor of Valley Golf & Country Club, Inc. Mr. Rizaldy Legaspi was hired as Golf Director effective Sept. 16, 2017. The contract with Smart Communications was renewed last Oct. 1, 2017 for another 10 years. Golf Course Maintenance Service Agreement was entered into between Valley Golf and VMJ Evergreen Golf Maintenance and Construction Corporation effective Jan. 1, 2018 up to Dec. 31, 2020.

For the Fiscal year 2019, the significant contracts are as follows: Mr. Dan L. Salvador III was hired as General Manager effective July 14, 2018, Mr. Eugene Bunyi was hired as Golf Director effective Dec. 1, 2018 and upon expiration of the contract of Cubacub Law and Accounting Office as Internal Auditors, the Board of Directors in their Regular Meeting last Oct. 20, 2018 approved the hiring of Miss Marla Cristina T. Odon as Internal Audit Head and Miss Rachel Ann F. Magsakay as Internal Audit Assistant effective Dec. 1, 2018. The Club entered into a Memorandum of Agreement with Mulawin Homes Neighborhood Association Inc. on donation of a portion of a lot with an area of 1,362 sq. meters last Oct. 4, 2018. The Club hired a new security agency, Gold Cross Security and Investigation Agency Inc. last Dec. 1, 2018. On Jan. 17, 2019, the contract for the Reblocking and Improvement of Drainage of Don Celso Tuason Ave. with Verlin Konstrukt was approved by the Club. The dredging contract for the South and North courses was entered into with Z & S Diving and Marine Services Corp. last Jan. 21, 2019

For Fiscal Year 2020, the significant contracts are as follows: Abejo Rosario Tayag Santos Retainer Agreement, Dismantling and Installation of Motorpool Roofing, Rehabilitation of the Greens of the South Course and Rehabilitation of the Swimming pool.

For the Fiscal Year 2021, the significant contracts are as follows: SMC Transfer Agency Agreement, Robin Pest Control and Maintenance Services and Jet Pools Swimming Pool Services.

The projects for implementation for Fiscal Year 2022 are as follows:

1 GOLF COURSES	Project Cost	Notes
South Course		
1 Improvement of Sluice Gates & Additional Garbage Traps	1,500,000.00	As part of waterways management plan. Improving our sluice gates from Manually Operated to Mechanically/Electrically Operated will ease the opening and closing of sluice gate as it is critical during rainy season.
2 Cart Paths Repairs and Widening	1,000,000.00	Various repairs of Cart Paths in different locations and widening of some choke point areas
3 Fairway Topdressing	1,500,000.00	

North Course			
1	Purchase of New Pumps and Control for North Course	2,800,000.00	To help improve the efficiency of irrigatic system and reduce electric consumption costs, as well as pump maintenance costs. It is critical that water filtration systems be installed before purchasing any new pumps.
2 CLUBHOUSES, FACILITIES & OTHERS			
1	New Cabafia Fixtures	700,000.00	
2	Various Renovation of Clubhouses including Fine dining at Second Floor	15,000,000.00	
3 PURCHASE OF MAINTENANCE EQUIPMENT, VEHICLES & OTHER EQUIPMENT			
1	Apple Tablets, Headsets, Webcam	275,000.00	For use in BOD's online meeting
2	MS Office 365 Renewal	217,000.00	For all departments
3	Software Improvement - Online Voting	100,000.00	For Stockholders' Online Voting to include changes in provision
4	Hardware requirements for WIFI Connectivity	100,000.00	to improve Wi-Fi connectivity in the main clubhouse
5	One (1) unit Printer @ P20k each	20,000.00	For Admin/HR
6	Three (3) units Hand Held Radio @ 16k each	48,000.00	For Golf Department
		23,260,000.00	
	TOTAL PRIORITY 1	8,260,000.00	
	TOTAL PRIORITY 2	15,000,000.00	
		23,260,000.00	

PREVIOUS FISCAL YEARS

	Projected Cost	Notes	
1 GOLF COURSES			
South Course			
1	Construction of Filtration System at irrigation lakes for both the North and South Courses	500,000.00	In order to reduce maintenance costs on the pumps as well as reduce silt being irrigated onto the golf course. (500k/course), South Course will finish by 11/30/2020

2	Clearing works and restoration of ponds in Holes #2,4,5,6, and 7	3,400,000.00	The continuation of the desilting works of silt that has been built up over many year After #12 siltation control has been implemented, this should be a one time only project.
3	Additional maintenance for both courses but not covered by VMJ	750,000.00	Includes golf course maintenance such as cleaning work, and hiring of casual workers. Additional herringbone drainage as necessary. Entry/exit paths to south fairways.
4	Widening of Bag drop area	122,000.00	To accommodate more players during busy periods.
5	Waterways upkeep team	465,000.00	4 person team to constantly monitor the upkeep and beautification of both North and South Waterways
North Course			
1	Rehabilitation of Turbine Pumps and/or purchase of new pumps for North and South (2.5 M less 1.196 M)	1,304,000.00	To help improve the efficiency of irrigation system and reduce electric consumption costs, as well as pump maintenance costs. It is critical that water filtration systems be installed before purchasing any new pumps.
2	Improvement of bridges	2,500,000.00	So long as bridges are structurally sound, the aesthetics should be reviewed and considered under a total design and branding plan for all facilities.
3	Improvement of fences	700,000.00	Holes 3, 16 and other areas with low fences can be better protected and secured.
4	Improvement/Automation of North Course sprinkler and control system.	4,500,000.00	This plan would convert North Course Irrigation to Semi-automatic system. It would rehabilitate the controller boxes previously purchased but not yet in use, at a cost of about P900k. The estimated cost of the installation and commissioning of the system has not yet been determined. It will be required to have an accurate set of as-built drawings (cost of 100K) in order to determine the installation costs. We should NOT move forward with the rehabilitation of the controller boxes as a separate project, until we know and approve the cost of the installation. To do one without the other, would be a waste of resources. NOT AT THIS TIME.

5	Repair of Tee boxes	1,000,000.00	Includes sod cutting of existing turf, re-leveling, sand capping and stolonizing. We will get stolens from our existing grass nurseries at no cost except manpower. Can be done in house.
6	Trellis for North Course	250,000.00	Waiting area beautification should be reviewed under total design and branding plan.
2 CLUBHOUSES, FACILITIES & OTHERS			
1	Drivers' Waiting Lounge	200,000.00	
2	Annual Improvement of Club Facilities	500,000.00	This includes the annual improvements of Club facilities such as clubhouse painting and course amenities. This also covers the preparation of the DCT Tournament.
3	Improvement of Don Celso Tuason Ave. Main Gate to Sumulong streetlights	300,000.00	To improve driving condition from Sumulong
4	Concrete epoxy sealing Main Gate to Ortigas gate	600,000.00	Sealing of minor cracks to prevent major cracks and reblocking works.
5	Architectural Design for the Veranda	300,000.00	
6	Replace the railings in the veranda to wood.	500,000.00	The steel bars are out dated.
7	Improvement of Function room in the North Clubhouse	500,000.00	Upgrade the interior design and facilities.
8	Renovation of Ladies Locker Room	2,137,040.92	
9	Lower Lanai Multi Purpose Room	3,961,270.13	
10	Guest Locker Room Renovation	965,829.16	
3 PURCHASE OF MAINTENANCE EQUIPMENT, VEHICLES & OTHER EQUIPMENT			
1	Three (3) units Desktop computers @ P50k each	150,000.00	For the Registration to replace partially defective units
2	One (1) unit Laptop including MS Office License @ P60k each	60,000.00	For Admin
3	Two (2) units Printers @ P20k each	40,000.00	For MIS existing server and F & A Manager
4	One (1) unit UPS hardware 3000 VA	66,000.00	To replace defective unit of MIS
5	Server		Last purchase was in 2014. To upgrade existing IT infrastructure
	Computer unit for Server	450,000.00	

	Software/Windows Server Operating System	66,000.00	
	Thirty (30) pcs. Patch cord	5,000.00	
	Three (3) pcs. HUBS @P10K each	30,000.00	
6	Google drive space for back up purposes	5,000.00	
7	Payroll System and HRIS	350,000.00	
8	UPS for Server	79,500.00	
9	Data Privacy Audit	600,000.00	
10	Club Management & Accounting System	4,000,000.00	Being done in-house
11	Split type Aircon for Ladies' Locker	100,000.00	
12	Generator Set for North Clubhouse	600,000.00	
13	Service Vehicle	1,200,000.00	
14	Fire Resistant Vault for files of shares of stock booklets	92,000.00	
15	Filing cabinets (8 units @ P10,000)	80,000.00	For Credit & Collection, Acctg. And Controller
16	Wood chipper	130,000.00	To reduce wood to smaller chips
17	Centralized Grease Trap	1,000,000.00	For the Main and North Clubhouse
18	Rubber track pad	300,000.00	For the existing equipment to avoid additional damage to cart paths
19	Backhoe loader (Bobcat brand)	1,500,000.00	My recommendation is to rent equipment in this regard if it is supplemental to the current equipment we own.
20	Spray Gun Marker	10,000.00	For Operations
21	Full lockers for Men's Locker room 10 units with 6 doors @ 10,000	100,000.00	Additional units for guests.
22	Motorcycle for Marshal	75,000.00	
23	Green Speed Reader	20,000.00	To measure speed of greens
24	Backhoe 3/4 bucket (Long Arm) Wheel Type Electronic or Other Heavy Equipment needed	4,500,000.00	For desilting project
25	Air Coolers (10 units x P16,000)	160,000.00	
26	Indoor Manlift	560,000.00	For cleaning and minor repairs.

4 CLUB PROJECTS

1	Country Club activities such as Sunday Mass,	500,000.00
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	Weekend barbecue, Easter Egg Hunt, Halloween party, Summer arts & crafts, Dance studio, Christmas Party, etc.		
5	CALAMITY FUND	6,000,000.00	Provision for repair of the golf courses in case of calamities.
		<u>48,283,640.21</u>	
	TOTAL PRIORITY 1	23,469,640.21	
	TOTAL PRIORITY 2	24,814,000.00	
		<u>48,283,640.21</u>	

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 40% and 15% respectively of the gross income before the pandemic. Since the onset of the restrictions on the acceptance of guests our revenue ratio is now 39% for monthly dues from the members and 8% for green fees. Other revenue sources from processing of membership such as Transfer Fee and Service Charge comprises 14% of our revenue for the fiscal year 2021.

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. In 2017 the Club established reciprocity rights with the largest golf course operator in the world, Mission Hills Golf Club in China. Last June 18, 2019 another reciprocal agreement was signed between Valley Golf and Kelab Golf Sarawak.

The principal competitors near our area of operations are two privately owned golf courses, Forest Hills Golf and Country Club located in Cogeo, 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 base; whereas, Valley Golf having been in the business for 60 years old is already proud Golf Club with its roster of respectable membership. Valley Golf's luscious 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 has an 18-hole golf course and Forest Hills has a 36-hole golf course but Valley Golf's greens, fairways, trees, sand traps and meandering rivers will always make the difference. Each golf course may have its own unique characteristics, 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 one's round of golf an enjoyable and unforgettable experience. Valley Golf's all weather South Course has already made its impact on the members and their guests.

Our competitors are marketing their new facilities and in anticipation of this 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 design while still maintaining the unique architecture of our clubhouse. Financially, Valley Golf is more stable than our competitors because our focus now is maintenance and constant improvement. Moreover, our Stockholders' Equity has long been built up unlike our competitors who are still selling shares of stock to augment 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 a 3-year golf course maintenance agreement with MJ Carr Golf Management. Upon the expiration of the contract of MJ Carr, a Golf Course Maintenance Service Agreement was entered into between Valley Golf and VMJ Evergreen Golf Maintenance and Construction Corporation effective Jan. 1, 2018 up to Dec. 31, 2020. The golf course maintenance agreement with VMJ Evergreen Golf Maintenance and Construction Corporation was extended up to December 31, 2021 pending the bidding process for the services. We have concessionaires for golf supplies, restaurants and driving range but these are not part of the Club's major sources of income. We do not have patents, trademarks, copyrights etc.

Valley Golf has an approved registration from BIR of its VAT and NON VAT activities. The Club keeps up to date its annual Municipal Business, Sanitary Permits and Real Property Taxes from the City Government of Antipolo.

A governmental regulation which affected the Club was the implementation of the CTRP. Before the CTRP, the Club was exempted from the payment of income tax as per Sec. 27 of the NIRC. By reason of the CTRP, the

Club is now subject to 32 % income tax effective Jan. 1998 and upon recent amendments from the BIR our tax rate is now 30%.

The 26 International Financial Reporting Standards and revised International Accounting Standards by the Accounting Standards Council which took effect in January 2005 started affecting 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 caused a significant impact in our finances and adversely affected our cash flow forcing the Board of Directors on Sept. 15, 2012 to increase 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. This required all actuarial gains and losses to be recognized in the Other Comprehensive Income. Also, unvested past service costs previously recognized over the average vesting period, were recognized immediately, whether in income or loss, when incurred.

The Supreme Court issued a decision last August 13, 2019 that declared that Membership Dues, Assessments and fees of similar nature collected by Clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as: a) "the income of recreational clubs from whatever source" that are subject to income tax; and b) part of the "gross receipts of recreational clubs" that are subject to VAT. The decision became final and executory last February 18, 2020. Valley Golf duly complied with the Supreme Court decision. As such, the related Input Vat on expenses, inventories, completed projects and additions to property and equipment that is use for maintenance, preservation and upkeep of the Club's general operations and facilities related to members are to form part of the recorded amount of expenses, inventory and Property and Equipment.

The implementation of the Corporate Recovery and Tax Incentives for Enterprises Act "CREATE" Law effective July 1, 2020 reduced the income tax of Valley Golf under the Regular Corporate Income Tax to 25% and the Minimum Corporate Income Tax to 1% for the Fiscal year ending June 30, 2021.

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 equipment but these are either samples given 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 environmentally 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 greenhouse 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 81, all full time. We have 19 General Manager, Department Managers and Supervisors and 62 rank and file employees. The 62 rank and file are covered by a CBA which will expire on Oct. 2022. The breakdown of the employees are as follows; Office of the GM – 1, Golf Affairs – 20, Clubhouse – 19, Controllers - 19, Engineering –15, Administration/HR – 5 and Internal Auditor - 2. When we started engaging 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 include 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 members' equity as of June 30, 2021 is P 254 Million. We do not issue unsecured bonds. Valley Golf has been in business for 63 years.

ITEM 2. DESCRIPTION OF PROPERTY

Seen from the air, the Main 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 Main Clubhouse are two swimming pools with cabanas for men and women. The swimming pools and cabanas are now being renovated to be at par with modern designs. The Club now has a state-of-the-art fully lighted for night use driving range with amenities such as coffee shop and restaurant,

sports bar, members' lounge, pro-shop and shower rooms. The driving range has two-level driving bays, all equipped with convex mirrors while the upper-level bays feature the revolutionary TMAX-GOLF motor less dispensers. Adequate parking near the Main Clubhouse 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 land area is 1,222,971 sq. meters, part of which is in Antipolo City and another 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

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 is 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. An Entry of Judgment has been issued and hence, the decision has become final and executory. On 30 April 2018, undersigned counsel received a Motion for Issuance of Writ of Execution filed by the plaintiffs' counsel. We then filed on 11 May 2018 a Comment/Manifestation to the motion stating that while Valley Golf intends to comply with the Decision dated 05 August 2008 of the Court of Appeals which has already become final and executory, its compliance should be in accordance with law and consistent also with Valley Golf's own rules and procedures regarding stock ownership, transfer of shares and approval of membership and playing rights. The court in its Order dated 21 May 2018 has already granted the plaintiffs' Motion for Issuance of Writ of Execution. To forestall any inconvenience to Valley Golf and ensure orderly compliance with the Court of Appeals' decision, we met with plaintiffs' counsel on 30 May 2018 to explain to them the rules and procedures regarding stock ownership, transfer of shares and approval of membership and playing rights and inquired if plaintiffs are willing to accept a playing right instead of a golf share. Plaintiffs' counsel undertook to relay the information given to his clients and revert to us which to date, he has yet to do.

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.

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 (MOA).

On 24 October 2016, the RTC of Antipolo rendered an Order denying the Motion for Reconsideration of some of the defendants and approving the Compromise Agreement insofar as the defendants who were not opposing it. The defendants who filed the Motion for Reconsideration then filed a Notice of Appeal. On the other hand, upon the instructions of the Board of Directors, we filed on 21 December 2016 a Motion for Partial Reconsideration of the Order insofar as it approved the Compromise Agreement considering that a great number of defendants who are supposedly beneficiaries of the MOA are objecting to it thereby putting to naught the objective of the MOA to end the litigation, and that it will now be virtually impossible to implement the MOA based

on its original terms and premises. The Motion for Partial Reconsideration was approved and defendants' Motion for Reconsideration was denied.

Some of the plaintiffs thereafter filed a Notice of Appeal from the Regional Trial Court's decision. On 19 June 2018, we received an Order from the Court of Appeals directing the defendants-appellants to file their Brief within forty five (45) days from their receipt of the Order. We received a copy of the Brief of defendants-appellants on 06 August 2018. Valley Golf filed its Appellee's Brief on 30 October 2018. Defendants-appellants did not file any Reply Brief to Valley Golf's Brief. On 26 March 2019, we received a Resolution from the Court of Appeals stating that in the interest of justice, appellants are given twenty (20) days from notice within which to file reply brief, with warning that in case of non-compliance within the stated twenty (20) day period, the appeal will be deemed submitted for decision without reply brief.

On 10 September 2019, we received the Decision of the Court of Appeals which affirmed the Decision dated 16 July 2015 and Order dated 24 October 2016 of Branch 71 of the Regional Trial Court of Antipolo. Defendants filed a Motion for Reconsideration to which we filed a Comment/Opposition on 04 November 2019. On 10 January 2020, we received the Resolution from the Court of Appeals which denied the defendants' Motion for Reconsideration. On 29 January 2020, defendants through their counsel filed a Manifestation stating that they "discovered" that the property subject of the case was registered in the name of another party, Harmony Homes, Inc. and not Valley Golf. They then said that they will forego further appeal to the Supreme Court but will resist execution of the judgment on the ground that an alleged indispensable party, Harmony Homes, Inc. was not impleaded as a party and the judgment is null and void. We have verified this claim of the defendants with the engineer of Valley Golf and the latter has confirmed that the claims of defendants are false as subject property is indeed under the title of Valley Golf.

With the foregoing of appeal by defendants, the decision of the Court of Appeals has become final and executory. An Entry of Judgment stating that the judgment has become final and executory as of 18 January 2020 was issued on 28 July 2020.

As the records of the case were already remanded back to the Regional Trial Court, on 19 January 2021, we filed a motion for issuance of writ of execution of the judgment. On 18 February 2021, some of the defendants filed an Opposition claiming that the mandatory requirements of Republic Act No. 7279, such as adequate relocation, should be complied with as they claimed to be underprivileged and homeless citizens. On 24 May 2021, we filed a Reply *Ad Cautelam* with Motion to Admit opposing the arguments of the defendants as they never raised before in their Answer that they are underprivileged and homeless citizens as defined by Republic Act No. 7279.

To date, the Regional Trial Court has yet to resolve our Motion for Issuance of Writ of Execution.

3. ***Jose B. Tayawa vs. Valley Golf & Country Club, Inc. , Jaime Victor Santos, Wilfredo G. Manahan, Albert G. Que, Leopoldo M. Garcia, and Albert D.G. San Gabriel***
(SCC Case No. 19-003, Regional Trial Court, Branch 70, Binangonan, Rizal)

The case filed by plaintiff, a member and stockholder of VGCCI as well as a Past President, is an Intra-Corporate Controversy insofar as the matter of his suspension of his membership by the Board of Directors for a period of one (1) year starting on 17 June 2019. As stated in his Complaint, he prayed that after due notice and hearing for the: 1) issuance of a Temporary Order valid for twenty (20) days for the immediate restoration of his full rights and privileges as member of VGCCI, 2) thereafter, but before the Temporary Order expires, 2) issuance of a Writ of Preliminary Mandatory Injunction for all defendants to immediately restore his full rights and privileges as member of Valley Golf, and that after trial, judgment be rendered: 3) dissolving the Writ of Preliminary Mandatory Injunction and replacing it with a Permanent Mandatory Injunction, 4) as First Cause of Action, declaring the 17 June 2019 Suspension Order as Null and Void, 5) as Second Cause of Action, ordering Defendant Board Members to pay him One Million and Five Hundred Thousand Pesos (Php1,500,000.00) as Moral Damages; 6) as Third Cause of Action, ordering Defendant Board Members to pay him Three Million Pesos (Php3,000,000.00) as Exemplary Damages, and 7) on the Fourth Cause of Action, ordering Defendant Board Members to pay him the amount of Five Hundred Thousand Pesos (Php500,000.00) as Attorney's Fees and Costs of Litigation.

The dispute arose when the Board of Directors imposed upon plaintiff the penalty of suspension for one (1) year. As stated in the Notice of Suspension, the grounds for suspension was for acts of cheating, in particular, for knowingly, deliberately and with intent to make a mockery of the election of the directors submitting to Valley Golf and using without the authority of the authorized signatory of Solid State Multi Product Corporation the Request for Duplicate/New Proxy Form (RFD) as well as replacement proxies of Solid State for one candidate, as the authorized signatory of Solid State himself certified that he only signed one set of proxies in favour of another candidate.

In his Complaint, plaintiff alleges that he did not commit any forgery or cheating or submission of an unauthorized proxy and hence, he should not have been suspended. He argues that even assuming that there was sufficient evidence of wrong doing on his part, the penalty of one (1) year suspension against him is harsh, oppressive and confiscatory since the Board of Directors has no authority to increase the penalty recommended by the Membership Committee. He also claims that there was no complaint against him to begin with and assuming there was, the complainant was not called upon to confirm the truthfulness and veracity of his complaint. He added that the defendant board members merely assumed the same and on the basis of their faulty reasoning and assumption, held that plaintiff cheated or has submitted an unauthorized

proxy. Plaintiff claims that on procedural and substantive grounds, the Suspension Order should be declared null and void.

Plaintiff likewise claims that as a result of defendants' acts, he suffered serious anxiety, sleepless nights, besmirched reputation and social humiliation which is why he is claiming for moral damages. Plaintiff likewise accuses defendants of acting in wanton, fraudulent, reckless, malevolent and oppressive manner for which he is claiming exemplary damages. He is likewise claiming for attorney's fees and costs of suit.

On the other hand, defendant VGCCI and board members argue in their Answer with Compulsory Counterclaim claim that there is sufficient evidence or substantial evidence as required in administrative proceedings for defendants to conclude that plaintiff submitted and used proxies for the five (5) shares of Solid State without the authority of the latter. The authorized signatory of Solid State, sent a letter addressed to the directors certifying that he signed only one set of proxy forms in favour of another candidate, and not the candidate appearing in the proxy forms submitted by plaintiff, thereby disowning the proxy forms submitted by the plaintiff. Defendants allege that the plaintiff readily admitted that he does not know the president or any of the officers and directors of Solid State Multi-Products corporation. Hence, it would not be possible for plaintiff to be able to secure proxies duly signed by its authorized representatives. Thus, defendants argue that they were justified in concluding that without a doubt, plaintiff willfully and maliciously submitted and used the proxies of Solid State without being authorized to do so.

Defendants further argue that plaintiff was fully accorded procedural due process as he was allowed to give letters in response to the accusations against him and was even allowed to appear before the Board of Directors to air his side. They likewise state that the penalty of one (1) year suspension is not harsh, oppressive and confiscatory considering the gravity and seriousness of the offense committed by plaintiff. Defendants also argue that the penalty of one (1) year suspension is also within the power of the Board of Directors pursuant to the Revised Corporation Code, the Amended By-Laws of VGCCI and the Member's Handbook as well.

Defendants also denied the claims for moral damages, exemplary damages as well as attorney's fees for lack of any factual or legal bases. Defendants also claim that there is no basis for the court to grant plaintiff's prayer for a Writ of Preliminary Mandatory Injunction as he has not demonstrated any injury that is incapable of pecuniary estimation and no clear and unmistakable right on his part that was violated when he was suspended by defendant Board members.

As counterclaim, individual defendants claim that by reason of the filing of this baseless, unwarranted complaint against them, considering that they were only performing their duties as directors to defend the interest, honor and integrity of the corporation's election process, they have suffered serious anxiety, sleepless nights, besmirched reputation thereby entitling each of them to claim

the amount of Five Hundred Thousand Pesos (Php500,000.00) as and by way of moral damages. And because of the malicious filing of the case which is devoid of any merit, defendant VGCCI was compelled to engage the service of counsel for which plaintiff should be held liable to pay Php175,000.00 acceptance fee, appearance fees of Php10,000.00 (partner) and Php7,500.00 (associate) for every appearance, pleading fees from Php10,000.00 to Php50,000.00, milestone fees and other litigation costs and costs of suit.

Proceedings were held before the Regional Trial Court of Binangonan, Antipolo to hear the plaintiff's prayer for a Writ of Preliminary Mandatory Injunction. Plaintiff completed his presentation of evidence and filed his Formal Offer of Exhibits to which defendants filed their Comment/Objections. Thereafter, Defendants presented their witnesses to oppose plaintiff's prayer for a Writ of Preliminary Mandatory Injunction.

After presentation of three (3) witnesses, the last hearing was scheduled for 25 March 2020 for the purpose of presenting defendants' last witness. However, this hearing was cancelled in view of the Enhanced Community Quarantine (ECQ) imposed by the Philippine government and no further hearings were set in view of the lockdown due to the COVID-19 pandemic. On 15 June 2020, defendants through counsel filed a Manifestation in Premises with the court manifesting that while defendants are willing to procure the attendance of the last witness, doing so may now be futile and inappropriate as the one-year suspension of the plaintiff's membership already lapsed on 15 June 2020. Hence, the prayer for Writ of Preliminary Mandatory Injunction has become moot and academic. We have yet to receive any order or resolution from the court as to the Manifestation in Premises filed.

On 26 October 2020, Plaintiff filed a Motion to Drop Valley Golf as a party defendant on the ground that since he has fully served his one-year suspension, the issue on the propriety of the issuance of a Writ of Preliminary Mandatory Injunction is now moot and academic; hence, there is no more reason for Valley Golf to remain impleaded as a party defendant in this case. Valley Golf and the individual Defendants filed a Comment/Opposition to the motion, arguing that: 1) the individual Defendants' act of suspending the Plaintiff was a valid corporate act which was already ratified by the stockholders, and hence, they are the acts of Valley Golf as well which it has a right to vindicate, 2) Valley Golf itself is an indispensable party as it was injured by the acts for which the Board suspended Plaintiff; and 3) Valley Golf has a counterclaim against Plaintiff particularly for attorney's fees and it will be deprived of its right to pursue such claim should it be dropped as a party defendant. In its Order dated 17 February 2021, the Regional Trial Court resolved to deny the Motion to Drop Valley Golf as party defendant as granting the motion would bring about multiplicity of suits.

The agreed settings for preliminary conference and pre-trial conference were cancelled in view of the declaration of the Enhanced Community Quarantine and Modified Enhanced Community Quarantine from late March 2021 to mid-May 2021. Last 28 June 2021, Valley Golf and individual defendants filed a Manifestation with Motion to Set Preliminary Conference and

Pre-Trial Conference suggesting dates in August 2021. We are still awaiting the court's Order on this pleading and the setting of the new dates.

4. ***Valley Golf and Country Club, Inc. (represented by Rosanna Arguelles) vs. Jetrick Nelson Tamayo***
(For Other Deceits, pending before Office of the Provincial Prosecutor of Rizal)

This is a criminal complaint for Other Deceits filed against Jetrick Nelson Tamayo, a person who was apprehended for having used fake Valley Golf car sticker in entering Don Celso Tuason Avenue on 16 October 2018. Upon his apprehension by Valley Golf's security guards, Tamayo admitted to using the fake Valley Golf car sticker and promised to pay the Php5,000.00 fine imposed by Valley Golf for the use of fake car stickers. However, he failed to do so. Demand letters were sent to him to pay the fine of Php5,000.00 but to no avail. Hence, Valley Golf authorized the filing of a criminal complaint for Other Deceits against him with the Office of the Provincial Prosecutor.

After the filing of the criminal complaint, we were informed that the Asst. Provincial Prosecutor decided not to hold preliminary investigations anymore and instead submitted the case for resolution. To date, we have yet to receive the prosecutor's Resolution.

5. ***In Re: Petition for Issuance of New Owner's Duplicate Copy of Original Transfer Certificate of Title No. 140578 in lieu of the Lost One***
(LRC Case No. 21-7784, Regional Trial Court of Antipolo)

This is a petition for the issuance of a new owner's duplicate copy of original Transfer Certificate of Title No. 140578.

On 6 April 2019, RealtyPro & Diligence, Inc. (hereinafter referred to as "RealtyPro") was hired by Valley Golf to survey lots in the VGCCI Complex. After the conduct of the survey, Realtypro reported to the Real Estate Committee of Valley Golf that during the course of its investigation of Lot 16 Block 1 (a parcel of land covered by Transfer Certificate of Title No. 140582), they identified that one of the boundary lots is Lot 12 Block 1 and the same is registered in the name of Valley Golf. .

Immediately thereafter, RealtyPro submitted a Lot Plan and identified TCT No. 140578 as Lot 12, Block 1. A copy of the *Lot Plan* is attached hereto as Annex "D" and made an integral part hereof. Immediately thereafter, Petitioner made an initial verification of its records as to whether or not TCT No. 140578 was in its files. The initial search verified that TCT No. 140578 was not in the records and files of Valley Golf.

Upon realizing that the Owner's Duplicate Copy of TCT No. 140578 was nowhere to be found, diligent efforts were immediately exerted to locate the Owner's Duplicate Copy in records of Petitioner VGCCI. The officers concerned of Petitioner spent several days searching the official repositories in their respective offices. However, despite diligent search and effort to locate the same, it was to no avail as they failed to locate the Owner's Duplicate Copy of TCT No. 140578. Thus, Valley Golf genuinely believed that the said title is now lost and beyond recovery. Accordingly, the Board of Directors authorized the filing of the petition for the issuance of a new owner's duplicate copy of TCT No. 140578 with the Regional Trial Court of Antipolo.

On 06 July 2021, the petition was filed with the Regional Trial Court of Antipolo, Office of the Clerk of Court. Thereafter, it will be raffled to a branch of the Regional Trial Court and summons are to be served upon the Registry of Deeds of Antipolo City as a necessary party.

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

For the fiscal year ended June 30, 2020, the Annual Stockholders' Meeting was held on Sept. 27, 2020. Out of the 1,594 issued and subscribed shares, 864 shares were represented by proxy or present in person, and majority being in attendance, the President, as Presiding Chairman, declared a quorum.

At the ensuing election, the following were elected as Directors:

- | | | |
|--------------------------------------------|---|-----------|
| 1. Mr. Jose Arsenio Isidro D. Borromeo III | - | 703 votes |
| 2. Mr. Rafael S. Raymundo | - | 663 votes |
| 3. Mr. Renato C. Ballbag | - | 626 votes |

The other directors whose term of office continued are Messrs. Leopoldo Garcia, Albert Que, Atty. Ronald O. Solis, Reginald Benjamin V. San Pedro, Pablito M. Gregore and Carlo J. Carpio.

Matters discussed during the Annual Stockholders' Meeting include the ratification of the acts of the Board of Directors from July 1, 2019 to June 30, 2020, approval of the minutes of the annual meeting held on September 22, 2019 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, 2021.

The details of the discussion are as follows:

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF

VALLEY GOLF & COUNTRY CLUB, INC.

Held at the Board Room, Main Clubhouse
Valley Golf & Country Club, Inc.,

Don Celso Tuason Avenue, Antipolo City
September 27, 2020 at 4:00 p.m.

TOTAL NUMBER OF SHARES OUTSTANDING	1,594
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	(864) (54%)

I. CALL TO ORDER

After the National Anthem, the President and Chairman of the Board of Directors, Mr. Wilfredo G. Manahan, called the meeting to order and presided over the same.

The Corporate Secretary, Atty. Marcus Antonius T. Andaya, recorded the minutes of the proceedings.

Before the meeting proper started, the Secretary stated for the record the names of Directors of Valley Golf & Country Club, Inc. who were present during the meeting. The following Directors were present:

Pres. Wilfredo G. Manahan
Dir. Carlo J. Carpio
Dir. Albert DG. San Gabriel
Dir. Leopoldo M. Garcia
Dir. Pablito M. Gregore
Dir. Atty. Jeremy Z. Parulan
Dir. Albert G. Que
Dir. Reginald Benjamin V. San Pedro
Dir. Atty. Ronald O. Solis

Also present were the members of the COMELEC namely:

Atty. Rio Venturanza
Atty. Allan Jocson
Judge J Ernest Ermin Louie Miguel

The Secretary laid down the seven (7) items for voting:

1. Approval of the Minutes of the 2019 Annual Stockholders' Meeting held on 22 September 2019;
2. Approval of the President's Report containing the Company's 2020 Annual Report and Financial Report of the Treasurer containing the Audited Financial Statements;
3. Approval, confirmation and ratification of all Acts and resolutions of the Board of Directors and the Management from July1, 2019 to June 30, 2020;

4. Appointment of External Auditor;
5. Election of Directors;
6. Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication; and
7. Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office.

The Secretary also informed everyone that the meeting was convened via zoom live streaming as approved by the Board of Directors and as authorized by SEC Memorandum Circular No. 6, Series of 2020. He reiterated that the meeting was being recorded in video and audio in accordance with the requirements of the Securities and Exchange Commission. Audio and video recordings of the 2020 ASM livestream broadcast will be adequately maintained by the Club and will be made available in the Club's website after the event.

II. CERTIFICATION OF NOTICE AND QUORUM

The Secretary confirmed that notices of the meeting were duly sent to all members of the Board of Directors together with a copy of the materials for the meeting.

The Secretary also confirmed that notices of the meeting were duly sent to all the Stockholders on records through electronic mail to the members' email addresses officially registered with Valley Golf on 04 September 2020 which was at least 21 days prior to this scheduled Annual Stockholders' Meeting in accordance with the Revised Corporation Code and at least ten (10) days under the By-Laws of Valley Golf & Country Club, Inc.

The Secretary also confirmed that Notice of the meeting was also posted on the front page of the Club website beginning on 04 September 2020.

The Secretary therefore certified that the Stockholders were duly notified of the Annual Stockholders' Meeting.

As to the existence of quorum, the Secretary announced that based on the tally of the number of stockholders who have successfully registered on line and have submitted verified and validated SPAs and Proxies on hand, the total number of voting on-line in person and represented by proxy was 864 shares or representing at least 54% out of the 1,594 total outstanding capital stock of the Club. The number of shares voting on-line in Person was 76 shares and by Proxy, 788 shares.

The Secretary therefore certified the existence of a quorum for the valid transaction of business at the meeting.

Before proceeding with the meeting proper, the Secretary briefly explained the rules in the conduct of today's meeting and the voting procedures for the virtual meeting pursuant to the Guidelines for the September 27, 2020 Stockholders' meeting as approved by the Board of Directors which was included in the Club's Definitive Information Statement that was submitted to the Securities and Exchange Commission.

The Secretary confirmed that the Administrative support was recording the numbers of stockholders who were connected to the Website and that they maintain a record of the same. Thus, the total numbers of stockholders who connected with the Website during the Annual Stockholders' meeting was 49 or 3% of the total numbers of stockholders.

III. APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on 22 September 2019 was dispensed with as the same had been previously circulated/distributed to the stockholders. The Secretary confirmed that no inquiries or objections submitted on-line, the Minutes of the last Stockholders' meeting was thereafter approved.

The votes for the Resolution on the approval of the Minutes of 2019 Annual Stockholders' Meeting are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	864 (54%)	0 (0.00%)	0 (0.00%)

Accordingly, the following resolution was thereafter passed:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of VALLEY GOLF & COUNTRY CLUB, INC. (the 'Corporation') held on 22 September 2019 is hereby approved.”

IV. MATTERS ARISING FROM THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

The Chairman, Mr. Wilfredo G. Manahan inquired if there are questions submitted on-line regarding the previous year's minutes.

The Secretary certified that there was no question submitted on-line regarding the matter.

V. APPROVAL OF THE PRESIDENT’S REPORT CONTAINING THE COMPANY’S 2020 ANNUAL REPORT AND FINANCIAL REPORT OF THE TREASURER CONTAINING THE AUDITED FINANCIAL STATEMENTS.

a. FINANCIAL REPORT OF THE TREASURER

The Chairman announced that the Financial Report of the Treasurer contains the Audited Financial Statements for Fiscal Year 2020 and that a copy of the Audited Financial Statements for the fiscal year 2020 was made available to the stockholders in the website of the club and was sent to the members via email.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

b. PRESIDENT’S REPORT

The Chairman announced that the President’s Report is the Company’s 2020 Annual Report and that a copy of the President’s Report was made available to the stockholders in the website of the club and was sent to the members via email.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval of the Financial Report of the Treasurer containing the Audited Financial Statements for Fiscal Year 2020 and the President’s Report containing the Company’s 2020 Annual Report were as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2019-2020 Annual Report and Financial Statements	893 (54%)	0 (0.00%)	0 (0.00%)

The herein below resolution was likewise approved:

“RESOLVED, the Audited Financial Statements for Fiscal Year 2020 as reflected in the Treasurer’s Financial Report together with the Company’s 2020 Annual Report as reflected in the President’s Report, be noted and approved.”

VII. APPROVAL, CONFIRMATION AND RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT FROM JULY 01, 2019 TO JUNE 30, 2020.

The Chairman announced that a copy of the list of Acts of the Board and Management from July 1, 2019 to June 30, 2020 was made available to the stockholders in the website of the club and the same was sent thru email to the registered email addresses of all the stockholders.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval, confirmation and ratification of all acts and resolutions of the Board of Directors and the Management from July 01, 2019 to June 30, 2020 were as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Management from the date of the last stockholders' meeting up to the date of the present meeting.	864 (54%)	0 (0.00%)	0 (0.00%)

The herein below resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Management for the period July 1, 2019 to June 30, 2020 are hereby confirmed, approved and ratified.”

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman announced that the present External Auditor is the Sycip, Gorres and Velayo & Co. So far, the Club is satisfied with their services, fees and reputation. The Audit Committee recommended to the Board the re-appointment of SGV as External Auditor and the recommendation was approved by the Board.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter

The votes for the approval of the re-appointment of Sycip, Gorres and Velayo & Co. as External Auditor were as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Re-appointment of Sycip Gorres Velayo & Company as External Auditor for 2019-2020	864 (54%)	0 (0.00%)	0 (0.00%)

The herein below resolution was likewise approved:

“RESOLVED, that the re-appointment of Sycip Gorres Velayo & Co. (SGV & Co) is hereby noted and approved.”

IX. ELECTION OF DIRECTORS

The Chairman announced that the members will elect 3 Directors for this Annual Stockholders’ Meeting for the ensuing year. There were initially 5 nominees whose nominations were verified and recommended to the Board for approval. However, one of the nominees withdrew his candidacy. The individual profiles were sent thru email to the email addresses of the members officially registered with the Valley Golf, posted in the Club’s bulletin board, website and appeared in the Definitive Information Statement.

The following were the official nominees:

Renato “Rene” C. Balibag
 Jose Arsenio Isidro “John” D. Borromeo III
 Constantine L. Kochet Chua
 Rafael “Chino” S. Raymundo

The Chairman of the COMELEC, Atty. Rio Venturanza explained briefly the on-line voting process in accordance with the Rules and Procedures regarding on-line voting. The other members of the Comelec were Judge J. Ernest Ermin Louie Miguel and Atty. Allan Jocson

Thereafter, the Chairman turned-over the tallying of votes to the representatives of SGV.

After all votes cast were counted, the following candidates were declared elected as new members of the Board of Directors of the Club for the year 2020-2021 after receiving the votes indicated opposite their names:

	Nominee	No. of Votes Received		
		In Person	By Proxy	Total
1.	Mr. Renato C. Balibag	100	526	626

2.	Mr. Jose Arsenio Isidro D. Borromeo III	46	657	703
3.	Mr. Constantine L. Kohchet-Chua	57	540	597
4.	Mr. Rafael S. Raymundo	22	641	663

The herein below resolution was likewise approved:

“RESOLVED, to elect the following as Directors of Valley Golf & Country Club, Inc., to serve as such until the election and qualification of their successors:

1. ***Jose Arsenio Isidro D. Borromeo III***
2. ***Rafael S. Raymundo***
3. ***Renato C. Balibag***

Consequently, the Chairman declared that the 3 winning candidates duly elected to serve as Directors until the election and qualification of their successors.

The newly elected Directors gave their short personal messages.

IX. Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication;

The Secretary briefly explained the need to amend the pertinent part of the By-Laws. It was explained that considering that the use of remote communication and other alternative modes of communication is not provided for under the by-laws, there is a need to amend the pertinent provisions of the by-laws regarding the matter, more particularly Article III, Section 1 of the By-Laws.

It was announced that the Board of Directors by a majority vote approved to amend Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval of the Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication were as follows:

IN FAVOR	NOT IN FAVOR	ABSTAIN
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857	5	2
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The herein below proposed resolution was approved.

“RESOLVED, to authorize the Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication is hereby noted and approved.”

- X. Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office.**

The Secretary explained the pertinent laws and SEC rulings and Memorandum Circular pertaining to the election of Independent Directors. Valley Golf is covered by the requirement for the nomination and election of Independent Directors. However, our current By-Laws do not provide for the election of Independent Directors. The members of Valley Golf regularly elect Regular Directors only. In order to accommodate the election of 2 Independent Directors, there is likewise a need to amend No. Sixth of Articles of Incorporation and Article IV, Section 1 of the By-Laws. to increase the number of Directors from 9-11

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval of Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office were as follows:

IN FAVOR	NOT IN FAVOR	ABSTAIN
647	214	3

The Secretary announced that based on the tally of votes received, 647 number of shares comprising of 40.5% only of the total number of shares issued voted in favor the approval of the Amendment. However, the tally of votes received shows failure to reach the required votes or assent of at least 2/3 of the members or at least 1063 number of shares. There is no approval from the members regarding this item in the agenda.

The Chairman declared the Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office was not approved.

XI. OTHER MATTERS

The Chairman inquired from the Corporate Secretary if there were other inquiries submitted on-line regarding other matters. The Corporate Secretary answered in affirmative and read the questions:

1. From Cecile Ng Esguerra – When will the starter house be completed at the North Course? What is the budget for this and who is the contractor?

The chairman answered on behalf of the Engineering Committee headed by Dir. Albert Que that the project will be completed in a week or two. The budget is ₱310,150.00 and was constructed via in house.

2. From Cecile Ng Esguerra – What is the status of the case between Mr. Joe Tayawa and the five (5) Board of Directors. Is it true that the case was filed against the 5 individuals and not Valley Golf? If so, why is Valley funding the case?

The Chairman directed the Legal Counsel to reply to the query. Atty. A-dan Tayag replied that the plaintiff himself included Valley Golf in the complaint because he was asking in his complaint to be reinstated or the suspension be lifted. He had to include Valley Golf as a necessary party because the individual directors cannot by themselves implement the reinstatement or lifting of suspension. Dir. Solis commented that this is the only reason why Valley Golf has been made a party defendant in case the court issues the prayer asked for in the complaint to reinstate or to lift the suspension of the plaintiff, it will be addressed to Valley Golf & Country Club.

Dir. Solis then made a clarification whether the plaintiff sought for damages against Valley or only against the 5 individual directors?

Atty. Tayag replied that the plaintiff sought for damages only against the 5 individual directors.

Going back to the question of Ms. Cecile Ng, why is it that Valley Golf is the one paying for expenses when it is not being assessed for damages. Atty. Tayag replied that the directors enacted the resolution to suspend not as individuals but in their capacity as members of the board of directors. It was procedurally valid, so it is an act of the board and Valley Golf. Valley Golf has the right to vindicate and defend this resolution.

Dir. Solis inquired how much has Valley paid by way of legal fees to the lawyers representing VGCC and the five directors. Ms. Arguelles replied that the total legal fees as of June 30, 2020 is 1.16million.

The chairman clarified that the board resolution of suspension was among those ratified by the stockholders during the last annual meeting. And that the engagement of the Legal Counsel was made in the previous board and not during the term of this Board.

3. From Cecile Ng Esguerra – What is Valley’s rule for members caught cheating during a tournament?

The Chairman replied that the procedure is that once a written incident report was submitted to the office of the General Manager, the erring member will be requested to submit written explanation. All the documents including the incident report, the statement from the witnesses and the explanation letter from the erring member will then be submitted to the Membership Committee. The Membership Committee, upon gathering all facts, will now submit its recommendation to the Board for appropriate action.

4. From Rogelio Avenido – Is there a schedule to improve DCT Avenue by way of asphalt overlay?

The Chairman replied that it will depend on if there will be a budget.

5. From Rogelio Avenido – The resolution to elect should be a resolution to confirm the three successful candidates.

The Corporate Secretary took note of the comment.

6. From Louie Quiogue – During my time as a director, we objected to the membership of any chairman of a committee that maintains a budget in the Audit Committee. This year, the Audit Committee has for its members are chairpersons of the Sports and Games and the Security Committee. The chairman of the Audit Committee is also a member of the Bids and Awards Committee. Among the projects that the committee reviewed was the DCT and Founders Cup Tournament. How can we rely on any audits that were conducted then?

The Chairman replied that the integrity of the Directors appointed is unquestionable and that the External Auditor is independent and prudent in checking all the records of the items to be audited.

ADJOURNMENT

There being no other matters to be discussed, the meeting was thereupon adjourned.

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 were 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.

For the fiscal years 2000 and 2001, the market price ranged from the club subscription rate of P 625,000.00 to P 500,000.00. For the year 2002 market price was between P 500,000.00 to P 450,000.00. For the years 2003 to 2014 market price ranged from P 400,000.00 to P 500,000.00 for Club subscription to P332,000 to P292,000 for third party market. Market prices included the transfer fee of P 112,000.00. For the fiscal year 2015 and 2016 the market price was P250,000.00 plus P56,000 transfer fee during the promo period or P112,000 after the promo. For the fiscal year 2017 the market price was P312,000.00 plus P67,2000 transfer fee during the promo period or P112,000 after the promo. The market value of the shares of stock of Valley Golf as of June 30, 2018 is P400,000.00 plus P112,000.00 transfer fee. For the Fiscal Year 2019, the market price is P800,000.00 plus P112,000.00 transfer fee. For the Fiscal Year 2020, the market price is P1,300,000.00 plus P112,000.00 transfer fee. Market prices were based on subscription rates and transactions processed in the Club. The market value of each share of stock of Valley Golf as of June 30, 2021 is P1,600,000.00 plus P200,000 transfer fee.

2.) Holders

Total number of shares issued and outstanding as of June 30, 2021 is 1,594 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	Amount subscribed	% Ownership	Citizenship
1 Fenestram Corporation	9	81,000.00	0.56%	FILIPINO
2 G7 Philippine Printing Corp.	7	63,000.00	0.44%	FILIPINO
3 Pae Ventures, Inc	6	54,000.00	0.38%	FILIPINO
4 Manila Electric Co.	5	45,000.00	0.31%	FILIPINO
5 Solid State Multi-Prod. Corp.	5	45,000.00	0.31%	FILIPINO
6 Squires Bingham Co.,Inc.	5	45,000.00	0.31%	FILIPINO
7 Tdr, Incorporated	5	45,000.00	0.31%	FILIPINO
8 First Phil. Holding Corp.	4	36,000.00	0.25%	FILIPINO
9 Madrigal, Vicente/Gerardo A.S.	4	36,000.00	0.25%	FILIPINO
10 Metropolitan Bank & Trust Co.	4	36,000.00	0.25%	FILIPINO
11 Philippine National Bank	4	36,000.00	0.25%	FILIPINO
12 Reliable Electric Co., Inc.	4	36,000.00	0.25%	FILIPINO
13 Cheok, Edward N.	3	27,000.00	0.19%	FILIPINO
14 Co, Val Constantine L.	3	27,000.00	0.19%	FILIPINO
15 Dee C. Chuan & Sons, Inc.	3	27,000.00	0.19%	FILIPINO
16 Severo A. Tuason & Co.Inc.	3	27,000.00	0.19%	FILIPINO
17 Tuason, Severo J.	3	27,000.00	0.19%	FILIPINO
18 Carmona, Manuel Y.	2	18,000.00	0.13%	FILIPINO
19 Metropolitan Insurance Co.	2	18,000.00	0.13%	FILIPINO
20 Phil. Long Distance Tel Co.	2	18,000.00	0.13%	FILIPINO

There is no acquisition, business combination or other reorganization that may affect the amount and percentage of the present equity holdings of each director and nominee and of all directors and officers as a group nor are there 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 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 ascertain that the ongoing processes for controlling operations throughout the organization are adequately designed and functioning in an effective manner.

ACTION PLAN:

1. Full Implementation of the following priority capital expenditures:
 - a. To complete the Swimming pool Landscaping and Cabana by August 2021.
 - b. To complete the construction of the 2-Level Golf Cart Garage.
 - c. Partial Implementation of the new Club Management and Accounting System with a Budget of P4 Million by Jan. 2022.

2. MANAGEMENT DISCUSSION AND ANALYSIS

The results of operations for the Fiscal Year ending June 30, 2021 is reflected in the Audited Financial Reports. Gross Revenue from Operations amount to Php140.97 Million or an increase of Php1.27 Million from last year's figure of Php139.70 Million. Operating Expenses however decreased from Php154.99 Million in 2020 to Php131.22 Million in 2021 or a decrease of Php23.77 Million or 15%. Excess of revenue over expenses for the year amount to Php9.42 Million or an increase of Php26.62 Million from last year's deficit of Php17.20 Million.

In a more detailed analysis of our Revenue sources, the significant decreases are from our Green Fees by Php8.77 Million, Concessionaires' Fees by Php1.94 Million, Locators Fees by Php0.36 Million, Self Insurance Fee & Service Fee from Guests by Php0.73 Million, Tournament Fee by php1.32 Million and Miscellaneous Income by Php2.79 Million. On the other hand the following revenue sources increased during the year Golf Cart Rental by Php4.87 Million, Transfer Fee by Php5.70 Million, Service Charge by Php3.05 Million, Road Users' Fee by Php6.41 Million and Assessment for Road Maintenance by Php1.85 Million

Our Operating Expenses decreased due to diligent efforts to keep our cost and expenses at its minimal level during the pandemic. Our Cost and expenses decreased from Php154.99 Million in 2020 to Php131.22 Million in 2021 or a decrease of Php23.77 Million or 15%. Other contributing factors to the decrease in expenses is that our locker rooms remained closed during the year as per IATF Guidelines with savings of about Php7.4 Million per year. Club Tournaments were not allowed and thus with savings of P4.19 Million. Savings in Utilities of P6 Million, Outside Services of P2.31 Million and Personnel Expenses of P1.66 Million likewise contributed to the decrease in operating expenses.

During the year the Treasury was able to finance various projects such as the Renovation of the swimming pool, Construction of 2-level golf cart garage, Construction of Cabana, Landscaping at the swimming pool area, Renovation of locker hall way, Renovation of the Tee boxes in the South Course, Construction of Starter House in the North Course, Construction of Gabion Filters and Purchase of photocopier.

In the Audited Financial Reports our Current Ratio (this ratio represents the liquidity of the Club or the available current assets to settle the current liabilities) is an impressive rate of 1.8%. Cash flow wise our Club is very liquid with unprecedented Php61.70 Million in cash & cash equivalents and short-term investment as of June 30,

2021. Our receivables from Members' Accounts decreased by Php2 Million which is the result of intensified collection campaign as well as providing on-line payment options for the convenience of our members. Our total assets as of June 30, 2021 is Php305.86 Million.

The market value of our shares of stock has reached Php1.6 Million plus transfer fee of P200,000. Our keen business decisions, the continuing development of our golf courses and the upward trend of the golf clubs' market are contributing factors for our achievement. The Board is committed in its effort to maintain the steady increase in the market value of our shares of stock. The scheme to gradually return the exclusivity of the Club but at the same time introducing alternative revenue sources to cushion the financial impact is a matter we are considering to pursue. During the year the Club no longer accepts walk-in guests as part of the plan to retain the exclusivity of the Club and for safety protocol.

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 **FINANCIAL SOUNDNESS 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.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

	As of June 30, 2021	As of June 30, 2020
Current Assets	83,466,683.00	59,693,051.00
Current Liabilities	46,374,156.00	44,735,954.00
Current Ratio	1.80	1.33

This above ratio indicates that the Club is more liquid as compared to last year. The principal reason for the favorable liquidity ratio is the increase in cash and cash equivalents by P17.63 Million or 52% and short-term investment of P10.02 Million. However, the Current Liabilities increased by P1.6 Million due to increase in Cash deposit of new playing rights members.

2. **ACID TEST RATIO** – the ratio is an indicator of whether the Club has sufficient short-term assets to cover its short-term liabilities. This ratio is more useful in certain situations than the Current Ratio, also known as the working capital ratio, since it ignores assets such as inventory, which may be difficult to quickly liquidate.

$$\text{Acid Test Ratio} = \frac{\text{Current Assets Less Inventory}}{\text{Current Liabilities}}$$

	As of June 30, 2021	As of June 30, 2020
Current Assets less Inventory	79,869,420.00	55,848,377.00
Current Liabilities	46,374,156.00	44,735,954.00
Acid Test Ratio	1.72	1.25

The amount of Current Assets less Inventory for Fiscal year 2021 increased to P79.87 Million from P55.85 Million in 2020 or an increase of P24.02 Million, whereas the Current Liabilities increased by P1.6 Million. The increase in the ratio indicates that the Club is more liquid in FY 2021 than in FY 2020.

3. **SOLVENCY RATIOS** – are ratios that are calculated to judge the financial position of the Club from a long-term solvency point of view. These ratios measure the club's ability to satisfy its long-term obligations and are closely tracked by stockholders and investors to understand and appreciate the ability of the business to meet its long-term liabilities and help them to assess the long-term investment of their funds in the business.
 - a. **LONG-TERM DEBT TO EQUITY RATIO** – aims to determine the amount of long-term debt the Club has undertaken vis-à-vis the Equity and helps in finding leverage of the business. The ratio also helps in identifying how much long-term debt the Club has to raise compared to its equity contribution.

$$\text{Long-Term Debt to Equity Ratio} = \frac{\text{Long-Term Debt}}{\text{Total Equity}}$$

	As of June 30, 2021	As of June 30, 2020
Long-Term Liabilities	5,584,101.00	8,127,786.00
Total Members' Equity	253,904,262.00	242,712,820.00
Long Term Debt to Equity Ratio	.02	.03

The decrease in the Long-Term Debt Ratio from .03 in FY 2020 to .02 in FY 2021 indicates the decrease in the long-term debt by P2.54 Million in relation to the equity of the Club.

- b. **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. This is used to assess the total leverage of the business. The higher the ratio, the higher the leverage and higher the financial risk on account of a heavy debt obligation on the part of the business.

$$\text{Debt to Total Assets Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

	As of June 30, 2021	As of June 30, 2020
Total Liabilities	51,958,257.00	52,863,740.00
Total Assets	305,862,519.00	295,576,560.00
Debt to Total Assets Ratio	0.17	0.18

Liabilities for the year decreased by P905,483, while assets increased by P10,285,959 thereby increasing the ratio. The assets increased whereas the liabilities decreased, therefore there are more assets to settle the outstanding liabilities of the Club.

- c. **PROPRIETARY RATIO –** this ratio establishes between Stockholders' funds and total assets of the business. It indicates the extent to which stockholders funds have been invested in the assets of the business.

$$\text{Proprietary Ratio} = \frac{\text{Total Members' Equity}}{\text{Total Assets}}$$

	As of June 30, 2021	As of June 30, 2020
Total Members' Equity	253,904,262.00	242,712,820.00
Total Assets	305,862,519.00	295,576,560.00
Asset to Equity Ratio	0.83	0.82

The ratio increased from 0.82 in FY 2020 to 0.83 in FY 2021, the higher the ratio the lower the leverage and comparatively less is the financial risk on the part of the Club. For the Fiscal year 2021 more of the stockholders funds were invested in the assets of the Club.

4. **DEBT TO EQUITY RATIO** - the ratio is used to evaluate a company's financial leverage. It is a measure of the degree to which a company is financing its operation through debt versus wholly-owned funds. More specifically, it reflects the ability of shareholders equity to cover all outstanding debts in the event of a business downturn.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Members' Equity}}$$

	As of June 30, 2021	As of June 30, 2020
Total Liabilities	51,958,257.00	52,863,740.00
Total Members' Equity	253,904,262.00	242,712,820.00
Debt to Equity Ratio	0.20	0.22

This shows that in Fiscal Year 2021 the ratio decreased and thus the total liabilities comprise a lower percentage of the total stockholders' equity. This resulted from the decrease of the Retirement Benefit Obligation by P2,529,960 and on the other hand the Retained Earnings increased due to Excess of Revenue over Expenses of P9,422,193 for Fiscal Year 2021.

5. **ASSET TO EQUITY RATIO** – measures the proportion of the Club's assets that has been funded by the Stockholders

$$\text{Asset to Equity Ratio} = \frac{\text{Total Assets}}{\text{Total Members' Equity}}$$

	As of June 30, 2021	As of June 30, 2020
Total Assets	305,862,519.00	295,576,560.00
Total Members' Equity	253,904,262.00	242,712,820.00
Asset to Equity Ratio	1.20	1.22

The Total Assets increased by P10.28 Million in Fiscal Year 2021 while the Stockholders' Equity increased by P11.19 Million thus the ratio decreased, therefore less of the assets were funded by shareholders than funded by debt.

6. **INTEREST RATE COVERAGE RATIO** – measures the number of times a company can make interest payments on its debt with its earnings before interest and taxes. It is a debt ratio and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.

$$\text{Interest rate coverage ratio} = \frac{\text{Earnings Before Interest and Taxes}}{\text{Interest Expense}}$$

	As of June 30, 2021	As of June 30, 2020
EBIT	9,750,845.00	(15,289,709.00)
Interest Expense	0	0
Interest Rate Coverage Ratio	0	0

This ratio is not applicable since the Club has no outstanding loan.

7. **RETURN ON EQUITY** – is calculated by dividing net income by shareholders' equity. This is a profitability ratio that measures the ability of a firm to generate profits from its shareholders investments in the company. The Return on Equity ratio shows how much profit each Peso of stockholders' equity generates.

$$\text{Return on Equity} = \frac{\text{Net Income (Loss)}}{\text{Total Members' Equity}}$$

	As of June 30, 2021	As of June 30, 2020
Net Income (Loss)	9,422,193.00	(17,198,344)
Total Members' Equity	253,904,262.00	242,712,820
Return on Equity	0.04	(0.07)

The operations for Fiscal Year 2021 resulted to a net income of P9,422,193.00 thus the Return on Equity Ratio is 0.04 which is higher by 0.11 from the (0.07) in previous fiscal year. Each peso of Members' Equity generated an income of 0.04 in FY 2021.

8. **RETURN ON ASSETS (ROA)** - measures the amount of profit the company generates as a percentage of the value of its total assets.

$$\text{Return on Assets} = \frac{\text{Net Income/(Loss)}}{\text{Average Total Assets}}$$

	As of June 30, 2021	As of June 30, 2020
Net Income/ (Loss)	9,422,193.00	(17,198,344.00)
Average Total Assets	305,862,519.00	295,576,560.00
Return on Assets	0.03	(0.06)

Operations for Fiscal Year 2021 resulted to a net income of P9,422,193.00 as compared to net loss of (P17,198,344.00) in Fiscal year 2020 or higher by P26,620,537 and thus the rate of return on assets also increased.

9. **NET PROFIT MARGIN** – is a financial ratio used to calculate the percentage of profit a company produces from its total revenue. It measures the amount of net profit a company obtains per Peso of revenue gained.

$$\text{Net Profit Margin} = \frac{\text{Net Income/(Loss)}}{\text{Total Revenue}}$$

	As of June 30, 2021	As of June 30, 2020
Net Income/ (Loss)	9,422,193.00	(17,198,344.00)
Total Revenue	140,976,489.00	139,704,496.00
Net Profit Margin	6.68%	(12.31%)

Net income for the Fiscal Year 2021 is P9,422,193.00 with a Net profit Margin of 6.68% as compared to Fiscal Year 2020 negative Net profit margin of (12.31%), this year's profit margin is higher by 18.99%

10. OTHER RATIOS

EARNING PER SHARE (EPS) - this represents the net income per share of stock issued and outstanding and subscribed. The resulting number serves as an indicator of a company's profitability.

$$\text{Earnings Per Share} = \frac{\text{Net Income/(Loss)}}{\text{Common Shares Outstanding}}$$

	As of June 30, 2021	As of June 30, 2020
Net Income/ (Loss)	9,422,193.00	(17,198,344.00)
Common Shares Outstanding	1,594	1,594
Debt to Total Assets Ratio	5,911.04	(10,789.42)

For the Fiscal Year ended June 30, 2021 the Net Income per share is P5,911.04 as compared to Fiscal Year ended June 30, 2020 net loss per share of (P10,789.42) or higher by P16,700.46. Net income for the year is P9,422,193.00 or an increase of P26,620,537 from the net loss of (P17,198,344.00) for the year ended June 30, 2020.

The following are the details of the operations of the Club for the year 2021

A. OPERATING RESULTS

1. Revenues – revenues increased from P139,704,496 in 2020 to P140,976,489 in 2021 or an increase of P1,271,993 or 1%. Significant sources of the increase in revenue are Golf Cart rental by P4,876,691, Monthly Dues by P976,976, Transfer Fee by P5,699,600, Service Charge by P3,051,932, Road Users Fee by P6,407,957 and Assessment for Road Maintenance by P1,853,747. Revenue sources that decreased during the year are Green Fee by P8,773,553, Concessionaires Fees by P1,939,902, Locators Fees by P363,393, Self Insurance Fee by P446,220, Service Fee from Guests by P281,341, Tournament Fee by P1,318,697 and Miscellaneous Income by P2,797,716

Golf cart rental increased due to increase in number of rentals from 12,906 in FY 2020 to 19,842 in FY 2021 or an increase of 6,936 rentals due to implementation of mandatory golf cart for guests and one cart one user rule. Monthly Dues increased due to increase in Playing Rights members and Associate Dependents. Transfer Fee increased mainly due to increase in rate from P112,000 to P200,000 for third party market and from P11,200 to P20,000 for first degree effective Jan. 1, 2021. Service Charge increased due to increase in rate of Initial Service Charge from P75,000 to P150,000 and Renewal Fee from P30,000 to P80,000 (new member) or P50,000 (previous member) effective Jan. 1, 2021. Road Users Fee increased due to increase in the passing thru rate from P50.00 to P100.00 effective Feb. 1, 2021 and increase in number of deliveries. Assessment for Road Maintenance increased due to increase in number of sales of car stickers and stricter implementation of no sticker no entry policy.

Decrease in Green Fee is due to the decrease in total number of non-member golfers who played in our courses from 17,780 guests in 2020 to 6,807 in 2021 brought about by the Covid 19 Pandemic quarantine restrictions wherein only accompanied guests are allowed to play and closure of the operations of the Club for one month last April 2021 in accordance with IATF Guidelines. Green Fee rates however increased effective Jan 2021 at the South Course Weekday by P150 and Weekend P200 and at the North Course Weekday by P150 and Weekends by P300. Concessionaires Fees from the F & B Concessionaires decreased because of the decrease in sales of the restaurants that resulted from the decrease in guests and restrictions in the dining activities as well as the closure of the Club last April 2021. Locators Fees decreased due to the Board Resolution to cancel the implementation of the monthly Locators Fee and all deliveries will pay the Road Users Fee. Both the Self Insurance Fee and Service Fee from Guests decreased due to the restrictions on the acceptance of guests to accompanied guests only and non-acceptance of Walk-in players. In compliance with IATF Guidelines all private and Club tournaments were not allowed therefore resulting to the decrease in Tournament Fee. Miscellaneous Income decreased due to decrease in sale of gasoline and utility charges to the concessionaires.

2. Cost and Expenses - For the fiscal year 2021 the total cost of services and general and administrative expenses amount to P131,225,644 or a decrease of P23,768,561 or 15% from previous year's figure of P154,994,205

Personnel Expenses decreased from P29,334,697 in 2020 to P27,677,244 in 2021 or a decrease of P1,657,453 or 6%. Salaries and Wages decreased by P800,527.65 because of the resignation of the Golf Director, retirement of other positions without replacements and the salary of the General Manager recorded as Outside Services. Overtime decreased by P769,983, Meal Allowance decreased by P127,853, 13th month Pay decreased by P97,564, Vacation and Sick leave decreased by P116,245, Bonus & Gratuity decreased by P41,086 and Training and Seminar decreased by P47,280.42. Hazard Pay for the Club Nurse increased by P50,300, Allowance of the Committee Secretaries increased by P10,000, Covid 19 Supplementary Allowance increased by P21,000, Pag-Ibig Contribution increased by P550, SSS, PHIC & ECC increased by P5,394 and Retirement Benefit Expense increased by P255,843.

Supplies increased from P18,354,808 in 2020 to P18,810,748 in 2021 or an increase of P455,940 or 2%. Stationeries and office supplies increased by P112,798, Repairs & Maintenance increased by P1,475,251, Janitorial supplies increased by P359,880, Medical and Dental supplies increased by P233,047, Motorpool and Ground supplies increased by P28,996 and Miscellaneous supplies increased by P1,200,333. Gasoline and Oil Supplies decreased by P403,610, Toilet and cleaning supplies decreased by P989,462, Service supplies decreased by P540,553. Swimming pool supplies decreased by P104,898, Linen supplies decreased by P845,110 and Uniforms decreased by P70,732

Utilities decreased from P14,673,327 in 2020 to P8,682,534 in 2021 or a decrease of P5,990,793 or 41%. Electricity decreased by P4,360,838, Communication by P91,227 and Water by P1,538,728.

Outside Services decreased from P42,377,884 in 2020 to P40,065,870 in 2021 or a decrease of P2,312,014 or 5%. Retainers Fee decreased by P118,935, Legal Fees by P980,682, Laundry Services by P907,957 and Maintenance Crew by P4,104,385. Audit Fees increased by P55,622, Security Services by P1,895,534 and Golf Course Maintenance by P1,848,790

Sundries decreased from P18,270,256 in 2020 to P10,720,107 in 2021 or a decrease of P7,550,148 or 41%. Taxes and Licenses decreased by P548,986, Transportation & travel by P19,347, Insurance by P22,302, Board, Committee and Stockholders Meeting by P173,223, Ads & Publication by P126,564, Marketing Expenses by P200,000, Promotional and Industrial by P162,410, Bank Charges by P161,009, Tournament expenses by P4,190,571 and Miscellaneous by P1,958,258. Self-insurance expense increased by P12,967.

B. BALANCE SHEET ACCOUNTS

1. Cash and cash equivalents – increased from P34,087,111 in 2020 to P51,715,093 in 2021 or an increase of P17,627,982 or 52%. Increase resulted from Net cash generated from operating activities amounting to P38.04 Million which is higher by P32.81 Million from last year's P5.23 Million. Net cash flow used in investing activities amount to (P20.41) Million due to increase in short term investment of P10 Million, Additions to property and equipment of P9.98 Million and other noncurrent assets of P0.45 Million. Cash and Cash Equivalents and the beginning of the year is P34.09 Million plus the Net increase in cash is P17.63 Million, Cash at the end of the year is P51.72 Million.
2. Trade and other receivables – decreased from P16,987,794 in 2020 to P13,731,908 in 2021 or a decrease of P3,255,886 or 19.17%. Decrease was due to decrease in Members account by P1.89 Million and Other Receivables by P1.37 Million.
3. Debt instruments at fair value – represents the short term investment of the funds from operations in UITF in the amount of P10.02 Million.
4. Other current assets – decreased from P8,618,146 in 2020 to P7,994,765 in 2021 or a decrease of P623,381 or 7.23%. Decrease resulted from decrease in supplies inventory by P247,411, prepayments by P76,214 and others by P354,066.
5. Property and equipment – decreased from P228,695,886 in 2020 to P215,385,047 in 2021 or a decrease of P13,310,839 or 5.82%. Additions for the Year 2021 includes the Construction in Progress – Swimming pool in the amount of P3.96 Million, Construction in Progress – Golf Cart Garage amounting to P3.97 Million, Construction in Progress – Swimming pool Cabana in the amount of P0.50 Million and Ground tools and service machinery and equipment of P1 Million. However, the Accumulated Depreciation increased by P23.29 Million thus the Property and Equipment decreased.
6. Investment properties – went down from P349,053 in 2020 to P214,565 in 2021 or a decrease of P134,488 or 38.53%. Depreciation for the fiscal year 2021 for the North clubhouse is P134,488.
7. Deferred tax asset – amount for year ended June 30, 2021 is P226,570. This figure is arrived at deducting the Provision for deferred tax during year in the amount of P140,521 and the Other Comprehensive Income of P317,900 from the balance at the beginning of the year of P684,991.
8. Other non-current assets – increased from P1,334,964 in 2020 to P1,758,125 in 2021 or an increase of P423,161 or 31.69%. Increase is due to Computerization Project in the amount of P658,561 and Advances to Suppliers of P52,000 less Advances to Suppliers Non-Current of P295,400.00.

9. Trade and other payables – decreased from P16,276,250 in 2020 to P16,006,859 in 2021 or a decrease of P269,391 or 1.65%. Decrease was due to decrease in Accounts Payable by P1.83 Million, Accrued Expenses by P0.28 Million and Vat Payable by P26,323 whereas Accounts Payable Others increased by P0.37 Million, Concessionaires by P0.38 Million and Payable to Organizations, Lessors and Cooperative by P1.11 Million
10. Members' Deposits and Others went up from P15,484,520 in 2020 to P16,888,951 in 2021 or an increase of P1,404,431 or 9.07%. Increase resulted from refundable cash deposits from members, Credit balances of former members and advance payments made by the members to avail of the 1 month discount promo of the Club upon payment of 1 year monthly dues.
11. Retirement benefit obligation –decreased from P7,976,808 in 2020 to P5,446,848 in 2021 or a decrease of P2,529,960 or 31.72% due to decrease in the present value of benefit obligation as per actuarial valuation.
12. Members' Equity –increased from P242,712,820 in 2020 to P253,904,262 in 2021 or an increase of P11,191,442 or 4.61% due to the increase in the accumulated excess of revenues over expenses by P11.19 Million.

Fiscal Year 2020

A. OPERATING RESULTS

1. Revenues – revenues decreased from P151,856,633 in 2019 to P139,704,496 in 2020 or a decrease of P12,152,137 or 8.00%. Significant sources of the decrease are the Green Fees that decreased by P4,200,532 and the Assessment for Road Maintenance that decreased by P1,817,327. Other Revenue sources that showed decreases include Golf cart rental by P314,848, Green Fee coupons by P968,347, Transfer Fee by P1,040,000, Concessionaires' Fee Main Clubhouse by P965,037, Concessionaires' Fee North Clubhouse by P396,062, Pro-shop rental by P243,557, Locators' Fee by P361,225, Self Insurance Fee by P184,200, Service Fee on Non Members by P136,257, Tournament Fee by P751,056 and Rental of Driving Range by P84,912.

Revenue sources that increased in the year 2020 include Patronage Fee by P60,320, Service Charge by P1,044,279, Golf Cart Storage by P116,433, Road Users' Fee by P1,508,459, Monthly Dues by P185,577 and Miscellaneous Income by P3,337,803.

Decrease in Green Fee is due to the decrease in total number of non-member golfers who played in our courses from 23,027 in 2019 to 17,780 guests in 2020 brought about by the Covid 19 Pandemic quarantine restrictions that closed the operations of the Club for almost three (3) months and since Mar. 17, 2020 the Club has not allowed guests to play in accordance with IATF Guidelines. Assessment for road maintenance

decreased due to decrease in quantity sold because of the closure of the Club. Golf cart rental decreased due to decrease in number of rentals by 1,164 units, from 14,070 in 2019 to 12,906 in 2020 because of the closure of the Club's operations during the pandemic and non-acceptance of guests. Income from Green Fee coupons decreased due to non-availment of the coupons purchased by Prime Sports because of the restrictions on the acceptance of guests during the quarantine period. Decrease in Transfer Fee is mainly due to the decrease in number of members willing to sell or transfer their shares to 3rd party, 1st degree and foreigner. Decrease in Concessionaires' Fee was due to decrease in total sales of Main Clubhouse Anix's by P7.53 Million, sales of North Clubhouse Jay's by P5.66 Million and Pro-shop Rental by P243,557 for this fiscal year. Locators' Fee decreased because of the Board Resolution that cancelled the imposition of the Locators' Fee and instead the establishments along Don Celso Tuason will pay the Road Users' Fee. The Self Insurance Fee, Service Fee and Tournament Fee decreased because of the decrease in the number of guests. Rental of Driving Range decreased because of the waiver of the rental fee for 3.5 months during the quarantine period.

Patronage Fee increased due to increase in number of members who availed of the food and beverage of the concessionaires. Service Charge increased because for the fiscal year 2020 there were 41 new members, 31 corporate members and 89 renewals. Golf cart storage fee increased due to conversion of some units from gasoline to electric with the difference in billing by P200 per unit. Increase in Road User's Fee is due to increase in passing thru vehicles by P1.5 Million. Monthly Dues increased due to assignment of playing rights of the Proprietary Members, thus higher membership dues from playing rights members. Miscellaneous Income increase due to change in accounting treatment of accounts receivable from concessionaires by P3.94 Million.

2. **Cost and Expenses** - For the fiscal year 2020 the total cost of services and general and administrative expenses amount to P154,994,205 or an increase of P11.37 Million or 7.91% from previous year's figure of P143,626,959

Personnel Expenses decreased from P30,380,488 in 2019 to P29,334,697 or a decrease of P1,045,791 or 3%. Salaries and Wages decreased by P673,437 because of the resignation of the Golf Director and the salary of the General Manager recorded as Outside Services. Meal Allowance increased by P4,760, 13th month Pay decreased by P48,528, Vacation, Sick leave increased by P74,228, Overtime decreased by P208,260, SSS, Philhealth and ECC increased by P126,638, Bonus and Gratuity Pay decreased by P186,722, Retirement Benefit Expense decreased by P105,931, Employee of the year decreased by P49,000 and Training and Seminar increased by P20,461.

Supplies decreased from P19,373,244 in 2019 to P18,354,808 in 2020 or a decrease of P1,018,437 or 5%. Stationeries and office supplies decreased by P157,653, Gasoline and Oil Supplies increased by P2,843,272, Repairs & Maintenance decreased by P3,314,704, Toilet and cleaning supplies increased by P225,645, Janitorial supplies decreased by P201,495, Medical

and Dental supplies increased by P84,742 and Service supplies decreased by P120,036. Swimming pool supplies decreased by P96,795, Linen supplies increased by P126,264, Motorpool and Ground supplies decreased by P19,091 and Miscellaneous supplies decreased by P398,887.

Utilities increased from P12,681,377 in 2019 to P14,673,327 in 2020 or an increase of P1,991,950 or 16%. Electricity increased by P100,539, Communication by P253,995 and Water by P1,637,416.

Outside Services increased from P35,848,969 in 2019 to P42,377,884 in 2020 or an increase of P6,528,916 or 18%. Legal Fees increased by P866,597, Retainers Fee by P1,675,742, Security Services by P1,362,817, Golf Course Maintenance by P2,018,639 and Maintenance Crew by P1,153,975. Audit Fees decreased by P54,351, Laundry Services by P194,504 and Internal Audit Services by P300,000.

Sundries increased from P17,853,997 in 2019 to P18,270,256 in 2020 or an increase of P416,258 or 2%. Taxes and Licenses increased by P1,027,601, Insurance by P122,027, Ads & Publication by P30,756, Marketing Expenses by P55,155, Provision for inventory obsolescence by P55,483 and Miscellaneous by P580,630. Transportation & travel decreased by P45,759, Board, Committee and Stockholders Meeting by P151,132, Dues & Registration fees by P32,318, Promotional and Industrial by P186,603, Bank Charges by P32,262, Self-insurance expense by P120,506 and Tournament expenses by P886,813.

B. BALANCE SHEET ACCOUNTS

1. Cash and cash equivalents – went down from P46,752,642 in 2019 to P34,087,111 or a decrease of P12,665,531 or 27.1%. Decrease resulted from the net cash generated from operating activities amounting to P5.53 which is lower by P15.8 Million from last year's P21.33 Million due to the net loss in the results of the operations of the Club. Net cash flow used in investing activities amounting to (P18.19) Million due to additions of property and equipment amounting to P17.93 Million offset by disposals of Land Improvements of P153,745, Ground Tools, Service Machinery & Equipment of P789,588, Furniture and fixtures of P35,179 and Transportation Equipment of P1,026,783.
2. Trade and other receivables – went up from P14,049,760 in 2019 to P16,987,794 in 2020 or an increase of P2,938,034 or 20.9%. Increase was due to increase in Members account by P805,550 and Other Receivables by P2,375,695 while Allowance for doubtful accounts increased by P243,212.
3. Other current assets – decreased from P9,688,312 in 2019 to P8,618,146 in 2020 or a decrease of P1,070,166 or 11%. Decrease resulted from decrease in supplies inventory and recoverable input vat amounting to

P317,631 and P290,113 respectively. Another source of the decrease is the short term investment of P666,224.

4. Property and equipment – decreased from P233,177,487 in 2019 to P228,695,886 in 2020 or a decrease of P4,481,601 or 1.9%. The decrease was due to Improvements in the South Course such as the Rehabilitation of the Greens – P1,964,285, Rehabilitation of Bunkers – P1,848,704 and Purchase of two units pumps and accessories – P1,210,491. Other increases include Reblocking along Don Celso Tuason Ave. – P7,945,491, Dredging of Ponds both in the South and North Courses – P4,221,428, Purchase of 10 units Electric Golf Carts – P2,767,857, Purchase of Operations and Maintenance Equipment – P2,501,304 and Improvement in the Motorpool Area roofing – P559,933. However, the Accumulated Depreciation increased by P20,556,954 thus the Property and Equipment decreased.
5. Investment properties – went down from P2,911,947 in 2019 to P349,053 in 2020 or a decrease of P2,562,894 or 88%. Depreciation for the fiscal year 2020 for the North clubhouse is P2.56 Million.
6. Deferred tax asset – amount for year ended June 30, 2020 is P684,991. This figure is arrived at deducting the Provision for deferred tax the year recognized in the Net Loss in the amount of P1,853,545 and adding the Other Comprehensive Income of P1,558,931.
7. Other non-current assets – increased from P863,123 in 2019 to P1,334,964 in 2020 or an increase of P471,841 or 54.7%. Increase is due to Computerization Project in the amount of P245,000 and Advances to Suppliers of P295,400.00
8. Trade and other payables – decreased from P24,514,832 in 2019 to P16,276,250 in 2020 or a decrease of P8,238,582 or 33.6%. Decrease was due to decrease in Accounts Payable by P5.39 Million, Accounts Payable Others by P 2.28 Million and Payable to Organizations, Lessors and Cooperative by P928,606
9. Members' Deposits and Others went up from P13,547,957 in 2019 to P15,484,520 in 2020 or an increase of P1,936,563 or 14.3%. Increase resulted from refundable cash deposits from members, Credit balances of former members and advance payments made by the members to avail of the 1 month discount promo of the Club upon payment of 1 year monthly dues.
10. Retirement benefit obligation –increased from P3,645,579 in 2019 to P7,976,808 in 2020 or an increase of P4,331,229 or 118.8% due to increase in the present value of benefit obligation as per actuarial valuation.
11. Members' Equity –decreased from P263,548,671 in 2019 to P242,712,820 in 2020 or a decrease of P20,835,851 or 7.9%.

ITEM 7. FINANCIAL STATEMENTS

Attached Reports :

- 1. Statement of Management Responsibility**
- 2. Audited Financial Statements for 2021 and 2020**
- 3. Schedules A – G under RSA Rule 68**

VALLEY GOLF & COUNTRY CLUB, INC.

ANTIPOLO CITY, PHILIPPINES
P.O. BOX 202 Q. PLAZA, CAINTA
TELS. 658-4901 TO 03, 658-4919 TO 20
FAX NO. 658-4918

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **VALLEY GOLF & COUNTRY CLUB, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended June 30, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its reports to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


Signature 
REGINALD BENJAMIN V. SAN PEDRO
Chairman of the Board/ President
TIN: 235-166-433-000

Signature 
PABLITO M. GREGORE
Chief Financial Officer/ Treasurer
TIN: 138-209-888-000

Signed this SEP 30 2021 day of _____

SEP 30 2021
SUBSCRIBED AND SWORN TO before me this _____ at CAINTA, RIZAL
Affiant exhibiting to me his/ her Tax Identification Number as indicated above.

Doc. No. 449
Page No. 20
Book No. XII
Series of 2021


ANDREW V. FERRER
NOTARY PUBLIC UNTIL DECEMBER 31, 2021
PTR NO. 15581721 A; 01/04/2021
IBP OR NO. 137329; 01/04/2021
Rizal Chapter / MCLE Compliance
No. VI-0028918, October 4, 2019
Roll No. 39811/Appointment No. 20-21
No. 9. A. Bonifacio Ave., Cainta, Rizal

Elda Jugo

From: eafs@bir.gov.ph
Sent: September 30, 2021 02:06 PM
To: INFO@VALLEYGOLF.COM.PH
Cc: ELDAJUGO@VALLEYGOLF.COM.PH
Subject: Your BIR AFS eSubmission uploads were received

HI VALLEY GOLF AND COUNTRY CLUB, INC.,

Valid files

- EAFS000649197AFSTY062021.pdf
- EAFS000649197ITRTY062021.pdf

Invalid file

- <None>

Transaction Code: AFS-0-CGDDLCE702ZPVV8Z2PTTNNZY404NZZZSMS
Submission Date/Time: Sep 30, 2021 02:06 PM
Company TIN: 000-648-197

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Elda Jugo

From: eafs@bir.gov.ph
Sent: September 30, 2021 02:08 PM
To: INFO@VALLEYGOLF.COM.PH
Cc: ELDAJUGO@VALLEYGOLF.COM.PH
Subject: Your BIR AFS eSubmission uploads were received

HI VALLEY GOLF AND COUNTRY CLUB, INC.,

Valid file

- EAFS000649197OTHTY062021.pdf

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- <None>

Transaction Code: AFS-0-6AHBE6A0QNSNV3SNPS151VMZ06GEGDE5J
Submission Date/Time: Sep 30, 2021 02:07 PM
Company TIN: 000-649-197

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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VALLEY GOLF &

ANTIPOLLO CITY, PHILIPPINES
P.O. BOX 202 Q. PLAZA, CAINTA
TELE. 658-4901 TO 03, 658-4919 TO 20
FAX NO. 658-4918

COUNTRY CLUB, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of VALLEY GOLF & COUNTRY CLUB, INC. is responsible for the preparation and fair presentation of the financial statements including the schedules attached thereto, for the years ended June 30, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorris Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its reports to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


Signature 
REGINALD BENJAMIN V. SAN PEDRO
Chairman of the Board/ President
TIN: 235-188-433-000

Signature 
PABLITO M. GREGORE
Chief Financial Officer/ Treasurer
TIN: 138-209-882-080

Signed this SEP 30 2021
day of

SUBSCRIBED AND SWORN TO before me this SEP 30 2021 at CAINTA, RIZAL
Affiant exhibiting to me his/ her Tax Identification Number as indicated above.

Doc. No. 449
Page No. 88
Book No. 881
Series of 2021


NOTARY ANDREW V. FERRER
PUBLIC UNTIL DECEMBER 31, 2021
PTR NO. 15581721 A; 01/04/2021
IBP OR NO. 137329; 01/04/2021
Rizal Chapter / MCLE Compliance
No. VI-0028918, October 4, 2019
Roll No. 39811/Appointment No. 20-2F
No. 9. A. Bonifacio Ave., Cainta, Rizal

COVER SHEET

FS FOR FILING WITH SEC

for
AUDITED FINANCIAL STATEMENTS

**AFTER THE BIR HAS DULY
STAMPED "RECEIVED."**

SEC Registration Number

1	3	9	5	1					
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COMPANY NAME

V	A	L	L	E	E	G	O	L	F	&	C	O	U	N	T	R	Y	C	L	U	B	,	I	N	
C	.	(A	N	O	N	P	R	O	F	I	T	O	R	G	A	N	I	Z	A	T	I	O	N)

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

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

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, if Applicable

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COMPANY INFORMATION

<p>Company's Email Address</p> <p style="text-align: center;">info@valleygolf.com.ph</p>	<p>Company's Telephone Number</p> <p style="text-align: center;">658-4901 to 03</p>	<p>Mobile Number</p> <p style="text-align: center;">N/A</p>
<p>No. of Stockholders</p> <p style="text-align: center;">1,594</p>	<p>Annual Meeting (Month / Day)</p> <p style="text-align: center;">4th Sunday of September</p>	<p>Fiscal Year (Month / Day)</p> <p style="text-align: center;">June 30</p>

CONTACT PERSON INFORMATION

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

<p>Name of Contact Person</p> <p style="text-align: center;">Rosanna R. Arguelles</p>	<p>Email Address</p> <p style="text-align: center;">rosannarguelles@valleygolf.com.ph</p>	<p>Telephone Number/s</p> <p style="text-align: center;">658-4901</p>	<p>Mobile Number</p> <p style="text-align: center;">0920-9762-483</p>
----------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------	------------------------------------------------------------------------------

CONTACT PERSON'S ADDRESS

Block 4A Lot 21, Modern St., Trails of Main Alta, Brgy. Dala, Antipolo City

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

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





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

BOAFRC Reg. No. 0001,
August 25, 2021, valid until April 15, 2024
SEC Accreditation No. 0012-PR-6 (Group A),
November 8, 2018, valid until November 8, 2021

INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Valley Golf & Country Club, Inc.
Don Celso S. Tuason Ave.
Antipolo City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Valley Golf & Country Club, Inc. (a nonprofit organization) (the Club), which comprise the statements of financial position as at June 30, 2021 and 2020, and the statements of income, statements of comprehensive income, statements of changes in members' equity and statements of cash flows for each of the three years in the period ended June 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at June 30, 2021 and 2020, and its financial performance and its cash flows for each of the three years in the period ended June 30, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

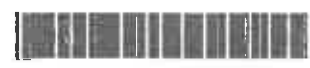
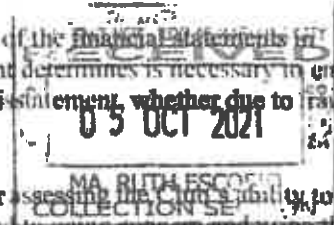
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on the Supplementary Information Required Under Revenue Regulations 34-2020 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 34-2020 and 15-2010 in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Valley Golf & Country Club, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura

Partner

CPA Certificate No. 0113172

SEC Accreditation No. 1735-A (Group A),

January 15, 2019, valid until January 14, 2022

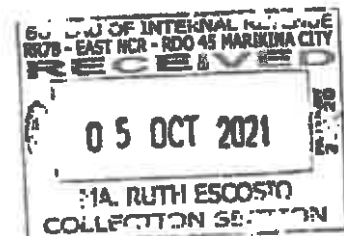
Tax Identification No. 301-106-741

BIR Accreditation No. 08-001998-140-2018,

December 17, 2018, valid until December 16, 2021

PTR No. 8534379, January 4, 2021, Makati City

September 1, 2021





ANTIPOLO CITY, PHILIPPINES
P.O. BOX 202 Q. PLAZA, CAINTA
TELS. 658-4901 TO 03, 658-4919 TO 20
FAX NO. 658-4918

COUNTRY CLUB, INC.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of VALLEY GOLF & COUNTRY CLUB, INC. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended June 30, 2021. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended June 30, 2021 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


Signature: 
REGINALD BENJAMIN V. SAN PEDRO
 Chairman of the Board/ President
 TIN: 235-166-433-000

Signature: 
PABLITO M. GREGORE
 Chief Financial Officer/ Treasurer
 TIN: 138-209-882-000

Signed this SEP 30 2021 day of SEP 30 2021

SUBSCRIBED AND SWORN TO before me this SEP 30 2021 at CAINTA, RIZAL
Affiant exhibiting to me his/her Tax Identification Number as indicated above.

Doc. No. 410
Page No. 90
Book No. XVI
Series of 2021

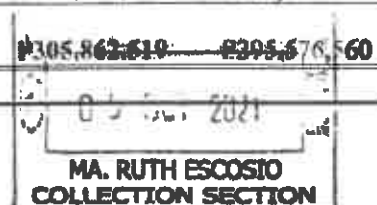

ANDREW V. FERRER
 NOTARY PUBLIC UNTIL DECEMBER 31, 2021
 PTR NO. 15581721 A, 01/04/2021
 IBP OR NO. 137329; 01/04/2021
 Rizal Chapter / MCLE Compliance
 No. VI-0028918, October 4, 2019
 Roll No. 39811/Appointment No. 20-25
 No. 9. A. Bonifacio Ave., Cainta, Rizal

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

STATEMENTS OF FINANCIAL POSITION

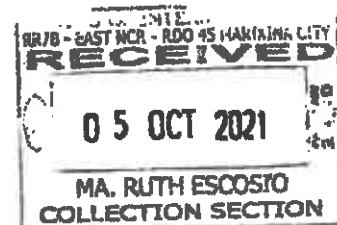
	June 30	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P51,715,093	P34,087,111
Trade and other receivables (Note 5)	13,731,908	16,987,794
Debt instruments at fair value through profit or loss (Note 9)	10,024,917	-
Other current assets (Note 6)	7,994,765	8,618,146
Total Current Assets	83,466,683	59,693,051
Noncurrent Assets		
Property and equipment (Note 7)	215,385,047	228,695,886
Investment properties (Note 8)	214,565	349,053
Trust fund (Note 9)	4,811,529	4,818,615
Deferred tax assets - net (Note 22)	226,570	684,991
Other noncurrent assets (Note 10)	1,758,125	1,334,964
Total Noncurrent Assets	222,395,836	235,883,509
TOTAL ASSETS	P305,862,519	P295,576,560
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Trade and other payables (Note 11)	P16,006,859	P16,276,250
Members' deposits and others (Note 12)	16,888,951	15,484,520
Contract liabilities (Note 13)	7,889,771	7,164,515
Provision for probable claims (Note 14)	5,668,575	5,810,669
Total Current Liabilities	46,374,156	44,735,954
Noncurrent Liabilities		
Retirement benefit obligation (Note 24)	5,446,848	7,976,808
Other noncurrent liability (Note 18)	137,253	150,978
Total Noncurrent Liabilities	5,584,101	8,127,786
Total Liabilities	51,958,257	52,863,740
Members' Equity		
Capital stock (Note 15)	14,346,000	14,346,000
Contributions in excess of par value	281,627,772	201,627,772
Accumulated excess of revenues over expenses (Note 15)	37,930,490	26,739,048
Total Members' Equity	253,904,262	242,712,820
TOTAL LIABILITIES AND MEMBERS' EQUITY	P305,862,519	P295,576,560

See accompanying Notes to Financial Statements.



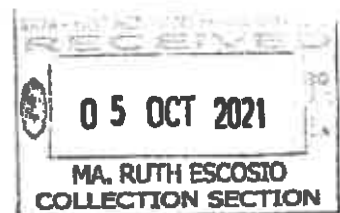
VALLEY GOLF & COUNTRY CLUB, INC.**(A Nonprofit Organization)****STATEMENTS OF INCOME**

	Years Ended June 30		
	2021	2020	2019
REVENUES			
Revenue from contracts with customers (Note 16)	₱122,163,041	₱123,666,014	₱135,105,293
Rentals (Note 18)	18,645,114	15,343,492	15,945,144
Interest income (Notes 4 and 9)	131,457	694,990	806,196
Unrealized gain on financial assets at fair value through profit or loss (Note 9)	36,877	—	—
	140,976,489	139,704,496	151,856,633
COST AND EXPENSES			
Cost of services (Note 19)	111,594,261	131,011,939	123,749,600
General and administrative (Note 20)	19,631,383	23,982,266	19,877,359
	131,225,644	154,994,205	143,626,959
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	9,750,845	(15,289,709)	8,229,674
PROVISION FOR INCOME TAXES (Note 22)	328,652	1,908,635	1,264,110
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	₱9,422,193	(₱17,198,344)	₱6,965,564

See accompanying Notes to Financial Statements.

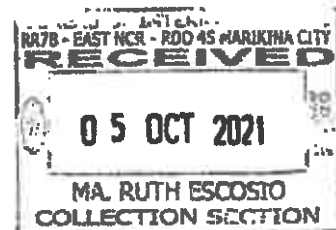
VALLEY GOLF & COUNTRY CLUB, INC.**(A Nonprofit Organization)****STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended June 30		
	2021	2020	2019
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	P9,422,193	(P17,198,344)	P6,965,564
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains (losses) on defined benefit obligation (Note 24)	2,887,149	(5,196,438)	951,175
Income tax effect	(317,900)	1,558,931	(285,353)
	1,769,249	(3,637,507)	665,822
TOTAL COMPREHENSIVE INCOME (LOSS)	P11,191,442	(P20,835,851)	P7,631,386

See accompanying Notes to Financial Statements.

VALLEY GOLF & COUNTRY CLUB, INC.**(A Nonprofit Organization)****STATEMENTS OF CHANGES IN MEMBERS' EQUITY**

	Years Ended June 30		
	2021	2020	2019
CAPITAL STOCK (Note 15)	₱14,346,000	₱14,346,000	₱14,346,000
CONTRIBUTIONS IN EXCESS OF PAR VALUE	201,627,772	201,627,772	201,627,772
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES (Note 15)			
Balances at beginning of year	26,739,048	47,574,899	39,943,513
Excess (deficiency) of revenues over expenses	9,422,193	(17,198,344)	6,965,564
Re-measurement gains (losses) on defined benefit obligation - net of tax	1,769,249	(3,637,507)	665,822
Total comprehensive income (loss)	11,191,442	(20,835,851)	7,631,386
Balance at end of year	37,930,490	26,739,048	47,574,899
TOTAL MEMBERS' EQUITY	₱253,904,262	₱242,712,820	₱263,548,671

See accompanying Notes to Financial Statements.

VALLEY GOLF & COUNTRY CLUB, INC.

(A Nonprofit Organization)

STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses before income taxes	P9,750,845	(P15,289,709)	P8,229,674
Adjustments for:			
Depreciation and amortization (Notes 7, 8 and 10)	23,455,146	25,040,564	21,978,752
Movements in:			
Retirement benefit obligation	(442,811)	(865,209)	(592,722)
Provision for probable claims	(142,894)	4,790,929	—
Interest income (Notes 4 and 9)	(131,457)	(694,990)	(806,196)
Unrealized gain on financial assets at fair value through profit or loss (Note 9)	(36,877)	—	—
Interest expense (Note 20)	11,894	10,575	10,081
Gain on sale of property and equipment and investment properties (Notes 7, 8 and 16)	(2,250)	(320,536)	(7,442,159)
Provision for expected credit losses on receivables (Note 5)	—	243,212	(7,067)
Reversal of inventory obsolescence	—	—	55,483
Operating income before working capital changes	32,461,596	12,914,836	21,314,880
Decrease (increase) in:			
Trades and other receivables	3,295,247	(3,139,966)	(2,093,772)
Other current assets	435,250	1,015,076	(3,716,636)
Increase (decrease) in:			
Trades and other payables	(269,391)	(8,238,582)	6,779,746
Members' deposits and others	1,404,431	1,936,563	1,663,582
Contract liabilities	645,256	409,326	1,204,989
Payable to contractor	—	—	14,523,504
Net cash generated from operations	37,972,389	4,897,253	20,629,285
Interest received	78,371	639,987	709,274
Interest paid	(11,094)	(10,575)	(10,081)
Net cash flows generated from operating activities	38,839,666	5,526,665	21,328,478
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (Note 7)	(9,983,686)	(17,926,910)	(25,794,656)
Decrease (increase) in:			
Debt instruments at fair value through profit or loss (Note 9)	(10,000,000)	—	—
Other noncurrent assets	(449,294)	(541,000)	(120,373)
Trust fund	19,046	(44,822)	(162,639)
Proceeds from sale of:			
Property and equipment (Note 7)	2,250	320,536	3,100,000
Investment properties (Note 8)	—	—	4,357,682
Net cash flows used in investing activities	(20,411,684)	(18,192,196)	(18,619,986)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	17,627,982	(12,665,531)	2,708,492
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	P34,087,111	P46,752,642	44,044,150
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)			
	P51,715,093	P34,087,111	P46,752,642

See accompanying Notes to Financial Statements.

34,087,111
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 05 OCT 2021
 MA. RUTH ESCOSTO
 COLLECTION SECTION



VALLEY GOLF & COUNTRY CLUB, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Valley Golf & Country Club, Inc. (the Club) was organized in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on May 14, 1958 as a nonprofit organization for a term of 50 years up to 2008. The Club's corporate life was extended for another 50 years from May 15, 2008 as confirmed and ratified by the members on November 18, 2007 and was subsequently approved by the SEC on April 29, 2008. On July 17, 1963, the SEC granted the Club a secondary license to sell its securities to the public.

The primary purpose of the Club is to foster and promote the game of golf and operate and maintain a golf course and country club and, generally, to do and perform all such acts and things, and exercise such powers as are ordinarily done, performed and exercised by social and athletic clubs and associations.

Prior to 2012, the Club is exempt from payment of income tax on income received from social, recreational, and athletic activities on a nonprofit basis provided that no part of the Club's income shall inure to the benefit of any of its members, trustees and officers. Under Section 30 (E) of the Tax Reform Act of 1997, an organization organized for recreational, sports and athletic activities shall be exempt from payment of income tax on income received from aforementioned activities.

On August 3, 2012, the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 35-2012 clarifying that clubs organized and operated exclusively for pleasure, recreation and other non-profit purposes are subject to income tax and value-added tax (VAT) on their income from whatever source, including but not limited to membership fees, assessment dues, rental income, and service fees.

On August 13, 2019, the Supreme Court declared that membership fees, assessment dues, and fees of similar nature collected by Clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as: (a) "the income of recreational clubs from whatever source" that are "subject to income tax"; and (b) part of the "gross receipts of recreational clubs" that are "subject to VAT". Accordingly, the Club did not collect the related output VAT for membership fees, assessment dues, and fees of similar nature.

The registered office of the Club, which is also its principal place of business, is located at Don Colso S. Tusson Ave., Antipolo City.

The Club's Board of Directors (BOD) approved the issuance of the financial statements as at June 30, 2021 and 2020 and for each of the three years in the period ended June 30, 2021 on September 1, 2021.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of the Club have been prepared on a historical cost basis, except for the debt instruments at fair value through profit or loss (FVTPL) and trust fund which are measured at fair value. The financial statements are presented in Philippine peso (₱), which is the Club's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.



The financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Club has adopted the following new accounting pronouncements starting July 1, 2020. Adoption of these pronouncements did not have any significant impact on the Club's financial position or performance.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*
- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
- Amendments to Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
- Conceptual Framework for Financial Reporting issued on March 29, 2018
- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Club does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements. The Club intends to adopt the following pronouncements when they become effective.

Effective beginning on or after July 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

Effective beginning on or after July 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after July 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*



Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Current versus non-current classification

The Club presents assets and liabilities in the statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Club classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to insignificant risk of changes in value.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement of Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing the financial assets. With the exception of trade receivables that do not contain a significant financing component the Club initially measures a financial asset at its fair value plus, in the case of financial assets not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.



The Club's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Club commits to purchase or sell the asset.

The Club's financial assets are in the nature of financial assets at amortized cost and financial assets at FVTPL. The Club has no financial assets at FVTPL as of June 30, 2020, and no financial assets at FVOCI as of June 30, 2021 and 2020.

Subsequent Measurement of Financial Assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)

The Club measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of income when the asset is derecognized, modified or impaired.

The Club's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and trust fund (see Notes 4, 5 and 9).

Financial assets at FVTPL

This include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of income.

The Club's financial assets at FVTPL includes its investments in unit investment trust fund (UITF) (see Note 9).



Impairment of Financial Assets

The Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in bank and cash equivalents, debt instrument at FVTPL, and trust fund, the Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Club's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Club considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For trade and other receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Definition of default

The Club considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Club, in full (without taking into account any collaterals held by the Club).

Irrespective of the above analysis, the Club considers that default has occurred when a financial asset is more than 120 days past due unless the Club has reasonable and supportable information to demonstrate that a more conservative default criterion is more appropriate.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Club compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Club considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Club's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Club's core operations.



Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

The Club implements a policy on its receivables, wherein members in the delinquent list or those with accounts that are past due for a certain period are reported to the BOD. The respective shares of the members or of the juridical entities they represent shall be ordered sold by the BOD, through an auction, to satisfy the claims of the Club.

Write-off policy

The Club writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Club's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized the statement of income.

Derecognition of Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Club retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Club has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Club has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Club's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Club could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Club's continuing involvement is the amount of the transferred asset that the Club may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Club's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.



Financial Liabilities

Initial Recognition and Measurement of Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivative designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in case of loans borrowings and payables, net of directly attributable transaction costs.

The Club has no financial liabilities at FVTPL and derivative instruments as at June 30, 2021 and 2020.

Subsequent Measurement of Financial Liabilities

Loans and borrowings and Payables

This is the category most relevant to the Club. After initial recognition, loans and borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

This category applies to trade and other payables and members' deposit and others (see Notes 11 and 12).

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

Offsetting of Financial Instruments

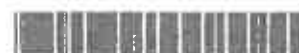
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Club assesses that it has currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Club and all of the counterparties.

Fair Value Measurement

The Club measures financial instruments and non-financial assets at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to by the Club.



The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

Inventories

Inventories consist of gasoline, maintenance supplies, spare parts, office supplies and others. Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for using the first-in, first-out method.

NRV of the saleable merchandise is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. NRV of gasoline, maintenance supplies, spare parts and others is the estimated replacement costs. In determining NRV, the Club considers any adjustment necessary for spoilage, breakage and obsolescence. An allowance for inventory obsolescence is determined based on a regular review and management evaluation of movement and condition of supplies.

Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment losses, if any. Land is stated at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable taxes, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when the recognition criteria are met. Expenditures incurred after the property and



equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to the statement of income in the period when the costs are incurred.

Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

<u>Category</u>	<u>Number of Years</u>
Land improvements	3-50
Building and structures	5-50
Ground tools and services machinery and equipment	3-10
Furniture, fixtures and equipment	3-10
Transportation equipment	5

Construction in progress is stated at cost. Depreciation is computed when the construction is completed.

The remaining useful lives and the depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

Investment Properties

Investment properties consist of land and building held for rentals or capital appreciation or both. Except for land, investment property is stated at cost less accumulated depreciation and impairment in value for building. The cost of the investment property comprises its purchase price and other direct costs. Depreciation on the building is computed on a straight-line basis over the estimated useful life of 20 years. Land is stated at cost less any impairment in value.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment property at the date of the change in use.

Gains or losses resulting from the sale of an investment property are recognized in statement of income.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the statement of income in the year of retirement or disposal.

Computer Software

Computer software included as part of "Other noncurrent assets" is initially recognized at cost. Following initial recognition, computer software is carried at cost, less accumulated amortization and any accumulated impairment in value.

Computer software is amortized on a straight-line basis over its estimated useful economic life of three (3) years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization commences when the computer software is available for use. The period and method of amortization for the computer software are reviewed at each end of the reporting period.



Changes in the estimated useful life is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in the statement of income in the expense category consistent with the function of the computer software.

Impairment of Property and Equipment, Investment Properties and Computer Software

The Club assesses at each reporting date whether there is an indication that a nonfinancial asset may be impaired. If any such indication exists, the Club makes a formal estimate of recoverable amount. The nonfinancial asset's estimated recoverable amount is the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other nonfinancial assets or group of nonfinancial assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of the nonfinancial asset exceeds its estimated recoverable amount, the nonfinancial asset is considered impaired and is written down to its estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the nonfinancial asset. Fair value less costs to sell is the amount obtainable from the sale of the nonfinancial asset or cash-generating unit in an arm's-length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the nonfinancial asset.

Impairment losses of continuing operations are recognized in the statement of income in those expense categories consistent with the function of the impaired nonfinancial asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the nonfinancial asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its estimated recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

Capital Stock

Capital stock is measured at par value for all shares issued.

Contribution in Excess of Par Value

Amount of contribution in excess of par value is accounted for as an additional paid-in capital. Additional paid-in capital also arises from additional capital contribution from the members.

Accumulated Excess of Revenue Over Expenses

Accumulated excess of revenue over expenses represents accumulated net profits (losses).

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements, except for the concessionaire services, because it typically controls the goods or services before transferring them to the customer.



The following are the Club's performance obligations:

Membership Dues

Membership dues pertain to monthly member's dues and administration fee charged to the Club's members and past Club presidents, respectively. Revenues are recognized over time when membership dues are due and demandable, net of any discount. Any advance payments are recorded under "Contract liabilities" account in the statement of financial position.

(i) Variable Consideration

- a. Discount on annual dues are provided to the members when they pay the annual dues in advance. The discount is equivalent to one-month membership dues and is presented as a reduction to the revenue recognized.
- b. Discount on prompt payments are provided to members when they pay their account balance in full within one month after billing. To estimate the variable consideration for the expected discount on prompt payments, the Club applies the most likely amount.

Sports and Recreation

Sports and recreation pertain to fees charged for use of the Club's golf and swimming pool facilities. This also includes the service fee charged for every play of golf. Revenues are recognized overtime when the related services have been rendered.

(i) Variable Consideration

- a. Discount on green fees are provided to guests when they purchase coupons which may be redeemed at a later date. Upon redemption, the green fee revenue recognized is net of the discount.

Assessment for Road Maintenance

Assessment for road maintenance is income generated from the use of the Club's main road, Don Celso S. Tuason Avenue. Revenues are recognized overtime when the related services have been rendered.

Corporate Services

Corporate services pertain to fees charged by the Club for processing members transactions. This includes transfer fees and service charge on playing guests. Transfer fees are transaction fees for transfers of members shares of stocks. Service charges on playing guests are transaction fees or cash requirements in order to process the Club's playing rights to outside individuals. Revenues are recognized overtime when the related services have been rendered.

Concession Fees

Concession fees pertain to a fee charged by the Club to its concessionaires in exchange for the right granted to the latter to render food and beverage services and sale of goods to its members and guests. The amount of the commission income is based on the terms of the concessionaires' agreements. The Club acts as an agent on its concession agreements since it does not have control over the specified goods or services that will be delivered by the concessionaires to the Club's members and guests. Revenues are recognized at a point in time when the concessionaire has delivered the goods to the members and guests and the related services have been rendered.

Revenue from Special Events

Revenue from special events pertain to fees charged for golf tournaments and Club's social events. Revenue is recognized overtime upon occurrence of the event.



Patronage Fees

Patronage fees are consumables that members are entitled to for the consumption of food provided by the Club's concessionaire. Revenue are recognized overtime upon determination of the expired and unconsumed portion of the minimum required purchase of food and beverage, subject to the Club's policy. Any advance payments are recorded under "Contract liabilities" account in the statement of financial position.

Sale of Properties

Revenue from sale of properties are recognized at the point in time when control of the asset is transferred to the customer. The Club considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of properties, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Surcharge on Past Due Accounts

Surcharge on past due accounts are penalties charged to members with delinquent accounts for over 45 days from the statement or cut-off date of the later statement of account until the account is paid in full. Revenues are recognized at a point in time upon collection of the amount charged to the member for delayed payment.

Contract Balances

Receivables

A receivable represents the Club's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Club performs under the contract.

Interest Income

Interest is recognized as income when it accrues, taking into account the effective yield on the asset.

Cost and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized when incurred.

Leases

Determination of Whether an Arrangement Contains a Lease

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Club as a Lessor

Leases in which the Club does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Retirement Benefit Obligation

Defined Benefit Plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the financial reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

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

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

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Re-measurements are not reclassified to statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Club, nor can they be paid directly to the Club. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



The Club's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and the prior period are measured at the amount expected to be recovered from or paid to the taxation authority. The income tax rates and income tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each financial reporting period.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits and unused tax losses can be utilized except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at each end of reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each end of reporting period and are recognized to the extent that it has become probable that sufficient future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the income tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on income tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. Deferred tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

The Club offsets deferred tax assets and deferred tax liabilities if and only if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.



When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

For the non-VAT registered activities, the amount of VAT passed on from its purchase of goods or service is recognized as part of the cost of goods/asset acquired or as part of expense item, as applicable.

Provisions

Provisions are recognized when the Club has a present obligation (legal and constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Where the Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement.

Contingencies

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

Events After the Reporting Date

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

3. Significant Accounting Judgments, Estimates, and Assumptions

The preparation and fair presentation of the accompanying financial statements in compliance with PFRSs requires management to make judgments and estimates that affect the amounts reported in the financial statements and the accompanying notes. The judgments and estimates used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Future event may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimate are reflected in the financial statements as they become reasonably determinable. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.



Judgments

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

Revenue from contracts with customers

The Club applied the following judgement that significantly affect the determination of the amount of revenue from contracts with customers:

- *Principal versus agent considerations*

The Club enters into contracts with its concessionaires to perform, on their behalf, sale of goods and services to its members. The Club determined that it does not control the goods before they are transferred to customers. The following factors indicate that the Club does not control the goods before they are being transferred to customers. Therefore, the Club determined that it is an agent in these contracts.

- The Club is not primarily responsible for fulfilling the promise to provide the goods or services.
- The Club's revenue is in the form of a fixed commission income as established in the concession contract with the concessionaires.
- The Club does not have inventory risk before or after the goods has been transferred to the customer.
- The Club has no discretion in establishing the price for the goods and services.

Operating Lease - Club as Lessor

The Club has entered into commercial property leases. The Club has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Rental income pertaining to these leases for the years ended June 30, 2021, 2020 and 2019 amounted to ₱18.6 million, ₱15.3 million, and ₱15.9 million, respectively (see Note 18).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Provision for Expected Credit Losses (ECLs) of Trade and Other Receivables

The Club uses a provision matrix to calculate ECLs for its trade and other receivables. The provision rates are based on days past due of each member that have similar loss pattern. The provision matrix is initially based on the Club's historical observed default rates. The Club calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions expected to deteriorate over the next year which can lead to an increased number of defaults in its members, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Club's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



Receivables from members that are considered as delinquent for a certain period and the amount due the Club has exceeded the credit limit of members as maybe fixed by the BOD from time to time shall be reported to the BOD and their shares of the juridical entities they represent shall thereafter be ordered sold by the BOD at auction to satisfy the claims of the Club as stated in the By-laws. It shall be absolutely prohibited to auction the share of a member whose overdue/delinquent account does not exceed such member's credit limit. As approved by the BOD, the members' credit limit shall be fixed at ₱50,000. A member may pay the overdue account at any time before the auction sale.

The carrying value of trade and other receivables amounted to ₱13.7 million and ₱17.0 million as at June 30, 2021 and 2020, respectively. Allowance for ECL amounted to ₱2.0 million as at June 30, 2021 and 2020 (see Note 5).

Estimation of Useful Lives of Property and Equipment and Investment Properties

The Club estimates the useful lives of property and equipment and investment properties based on the period over which the Club's property and equipment and investment properties are expected to be available for use. The estimated useful lives of property and equipment and investment properties are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, the Club's estimation of the useful lives of property and equipment and investment properties are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible that the future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

As of June 30, 2021, and 2020, there were no changes made in the estimated useful lives of the Club's property and equipment and investment properties. The carrying amount of property and equipment as of June 30, 2021 and 2020 amounted to ₱215.4 million and ₱228.7 million, respectively (see Note 7). The carrying amount of investment properties as of June 30, 2021 and 2020 amounted to ₱0.2 million and ₱0.3 million, respectively (see Note 8).

Determining Retirement Benefit Costs

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuation. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, turnover rate and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at end of the reporting periods.

The mortality rate is based on publicly available mortality tables and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the Philippines.

Retirement benefit obligation amounted to ₱5.4 million and ₱8.0 million as of June 30, 2021 and 2020, respectively (see Note 24).

Assessing Recoverability of Deferred Tax Assets

The Club reviews the carrying amounts of deferred tax assets at each reporting date and reduced the amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Club can generate sufficient taxable profit to allow all or part of its deferred taxable assets to be utilized.



As of June 30, 2021 and 2020, the Club's net deferred tax assets amounted to ₱0.2 million and ₱0.7 million, respectively (see Note 22).

Temporary deductible differences for which no deferred tax asset was recognized amounted to ₱11.3 million and ₱19.4 million as of June 30, 2021 and 2020, respectively (see Note 22).

Provisions and Contingencies

The Club is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with its counsel handling the defense in these matters and is based upon an analysis of potential results. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Club's financial position and results of operations. It is possible, however, that the future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

The Club has provision for probable claims amounting to ₱5.7 million ₱5.8 million as of June 30, 2021 and 2020, respectively (see Note 14).

4. Cash and Cash Equivalents

	2021	2020
Cash on hand	₱120,000	₱130,000
Cash in banks	27,138,925	10,304,474
Cash equivalents	24,456,168	23,652,637
	₱51,715,093	₱34,087,111

Cash on hand consists of fund for daily operating expenses and undeposited collections. Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short term deposits made for varying periods of up to three (3) months and earns interest at the respective short-term deposit rates.

Interest income earned amounted to ₱0.1 million, ₱0.7 million and ₱0.8 million in 2021, 2020 and 2019, respectively.

5. Trade and Other Receivables

	2021	2020
Members	₱11,540,158	₱13,430,509
Others	4,221,861	5,587,396
	15,762,019	19,017,905
Less allowance for ECL	2,030,111	2,030,111
	₱13,731,908	₱16,987,794

Receivables from members, which are due 30 days after billing date, are noninterest-bearing and constitute a lien on the members' shares.

Other receivables consist mainly of the share of the concessionaires and maintenance provider for the security services and electricity of the access roads around the Club, advances made to officers and employees and receivables from concessionaires and various organizations which are settled within 30-90 days' term.



As of June 30, 2021, and 2020, the aging analysis of trade and other receivables are as follows:

	2021	2020
Not more than 30 days outstanding	P9,236,735	P8,819,108
Beyond 30 days outstanding:		
31-60 days	894,091	1,726,116
61-90 days	769,181	2,108,575
Over 90 days	4,862,012	6,364,106
	P15,762,019	P19,017,905

The movements in allowance for ECLs are as follows:

	2021	2020
Balances at beginning of year	P2,030,111	P1,786,899
Provision (Note 20)	-	243,212
Balances at end of year	P2,030,111	P2,030,111

6. Other Current Assets

	2021	2020
Supplies inventory at NRV	P3,597,263	P3,844,674
Prepayments	2,502,227	2,578,441
Creditable withholding tax (CWT)	838,475	784,165
Others	1,056,800	1,410,866
	P7,994,765	P8,618,146

Supplies inventory include gasoline and oil stocks, grounds materials, office, shop and maintenance supplies and construction materials.

Prepayments pertain to prepaid taxes and licenses, prepaid medical expenses and prepaid insurance premiums.

CWTs are amounts withheld from income subject to expanded withholding taxes. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWTs which are claimed against the income tax due, represents excess of the tax payable and carried over in the succeeding period for the same purpose.

Others pertain to advances on purchases and deferred input VAT.



7. Property and Equipment

	2021							Total
	Land	Leasehold Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Cost:								
Balances at beginning of year	89,400,307	8318,565,488	887,324,630	886,620,640	86,331,085	882,708,000	871,408,204	8962,722,254
Additions	-	-	-	1,800,000	-	-	8,312,004	3,982,000
Disposals	-	-	-	(433,320)	-	(205,397)	-	(638,717)
Transfers	-	312,111	261,847	-	-	-	(172,852)	-
Balances at end of year	89,400,307	8318,877,599	887,686,477	888,387,320	86,331,085	891,002,603	879,533,352	8972,027,733
Accumulated depreciation:								
Balances at beginning of year	-	148,737,085	30,730,980	24,980,000	4,302,750	10,201,004	-	220,651,819
Depreciation (Notes 19 and 20)	-	15,732,704	1,002,710	3,741,000	-	4,797,100	-	25,275,514
Transfers	-	-	-	(477,320)	-	(215,772)	-	(693,092)
Balances at end of year	-	164,469,789	31,733,690	24,502,680	4,302,750	14,782,332	-	275,791,241
Net book values	89,400,307	8154,407,810	855,952,787	863,884,640	82,028,335	876,220,271	879,533,352	8696,236,492

	2020							Total
	Land	Leasehold Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Cost:								
Balances at beginning of year	89,400,307	8001,703,074	856,071,000	883,390,000	84,300,105	800,304,000	862,408,204	8448,810,710
Additions	-	1,355,000	-	3,000,000	-	2,001,000	9,000,000	17,356,000
Disposals	-	(153,200)	-	(789,500)	(33,700)	(1,000,000)	-	(2,076,400)
Transfers	-	15,070,000	312,127	30,000	-	-	410,111,000	-
Balances at end of year	89,400,307	8153,825,874	856,383,127	886,600,500	84,266,405	801,304,000	1,472,519,004	8466,739,237
Accumulated depreciation:								
Balances at beginning of year	-	151,900,000	37,700,000	22,000,000	5,000,000	14,500,000	-	232,600,000
Depreciation (Notes 19 and 20)	-	11,000,000	1,000,000	3,700,000	1,000	4,000,000	-	20,701,000
Transfers	-	(150,000)	-	(700,000)	(10,000)	(1,000,000)	-	(1,760,000)
Balances at end of year	-	162,700,000	38,700,000	24,300,000	5,999,000	17,500,000	-	274,200,000
Net book values	89,400,307	7993,125,874	817,683,127	862,300,500	78,267,405	783,804,000	1,472,519,004	8192,539,237

In 2021, the Club sold five (1) units of golf cart that is fully depreciated. Proceeds and gain from the sale of gold cart amounted to ₱2,250 (see Note 16).

In 2020, the Club sold five (5) units of golf carts that is fully depreciated. Proceeds and gain from the sale of gold carts amounted to ₱0.3 million (see Note 16).

In 2019, the Club sold a parcel of land with a carrying value of ₱7,820. Proceeds from the sale of land amounted to ₱3.1 million resulting to a gain of ₱3.1 million (see Note 16).

The cost of fully depreciated property and equipment still used in operations amounted to ₱132.3 million and ₱114.8 million as of June 30, 2021 and 2020, respectively.

8. Investment Properties

	2021		
	North Clubhouse	Land	Total
Cost:			
Balances at beginning and end of year	₱53,718,366	₱73,562	₱53,791,928
Accumulated depreciation:			
Balances at beginning of year	53,442,875	-	53,442,875
Depreciation (Notes 19 and 20)	134,488	-	134,488
Balances at end of year	53,577,363	-	53,577,363
Net book values	₱141,003	₱73,562	₱214,565



	2020		
	North Clubhouse	Land	Total
Cost:			
Balances at beginning and end of year	₱53,718,366	₱73,562	₱53,791,928
Accumulated depreciation:			
Balances at beginning of year	50,879,981	—	50,879,981
Depreciation (Notes 19 and 20)	2,562,894	—	2,562,894
Balances at end of year	53,442,875	—	53,442,875
Net book values	₱275,491	₱73,562	₱349,053

In 2019, the Club sold parcel of land with a carrying value of ₱8 thousand. Proceeds from the sale of land amounted to ₱4.4 million resulting to a gain of ₱4.4 million (see Note 16).

Based on the latest appraisal reports submitted by Top Consult, Inc., independent appraiser, dated June 24, 2021, the fair value of the land with aggregate land area of 9,055 sqm. and building with total floor area of 2,271 sqm., amounted to ₱99.2 million and ₱30.5 million, respectively.

Based on the latest appraisal reports submitted by Top Consult, Inc., independent appraiser, dated June 3, 2020 and August 13, 2020, the fair value of the land with aggregate land area of 9,055 sqm. and building with total floor area of 2,271 sqm., amounted to ₱45.2 million and ₱31.8 million, respectively.

Rental income earned from investment property amounted to ₱0.3 million in 2021, 2020 and 2019 (see Note 18). Direct expenses related to investment properties consist mainly of amortization amounting to ₱0.13 million in 2021, ₱2.6 million in 2020 and ₱2.7 million in 2019, respectively.

9. Trust Fund and Debt Instrument at FVTPL

Pursuant to the resolution passed by the members on September 12, 1982 and as provided for in the Club's by laws, the trust fund committee is empowered to invest the Valley Golf Trust Fund, which in no case shall be less than the original amount of ₱3.5 million, in leading universal banks in the Philippines.

The members' resolution further states that all proceeds from future sale of shares and real property, including all amortizations due on the sale of shares previously sold, shall accrue to the trust fund and that 85% of the interest income of the fund shall be made available for the maintenance and repair of the golf course. The remaining 15% of said interest income shall accrue to and form part of the fund.

On May 21, 1989, the members' resolution was amended stating that, "the proceeds of the sale of any real property of the Club or shares of stock to be used for capital expenditure and other infrastructure project shall not form part of the Valley Golf Trust Fund. However, any excess thereof shall form part of the Valley Golf Trust Fund".

On February 19, 2021, the Club invested a total of ₱14.8 million in UITF. The investment consists of the Club's trust fund, originally invested in time deposits, amounting to ₱4.8 million and additional investment amounting to ₱10.0 million.



The Club's debt instruments at FVTPL as at June 30, 2021 are as follows:

	2021
<i>Current asset</i>	
Debt instrument at FVTPL	P10,024,917
<i>Noncurrent asset</i>	
Trust fund	4,811,529
	<u>P14,836,446</u>

The Club's trust fund, classified as debt instrument at amortized cost as at June 30, 2020 is as follows:

	2020
<i>Noncurrent asset</i>	
Trust fund	P4,818,615

Movement in debt instruments at FVTPL are as follows:

	2021
Beginning balance	P-
Additions	14,799,569
Changes in fair value	36,877
Ending balance	<u>P14,836,446</u>

The valuation gain due to changes in fair value as of June 30, 2021 are allocated as follows:

	Cost at February 19, 2021	Unrealized gains	Fair value at June 30, 2021
Trust fund	P4,799,569	P11,960	P4,811,529
Debt instrument at FVTPL	10,000,000	24,917	10,024,917
	<u>P14,799,569</u>	<u>P36,877</u>	<u>P14,836,446</u>

Interest income recognized and realized for the trust fund amounted to P6,345, P44,822 and P31,000 for the years ended June 30, 2021, 2020 and 2019, respectively.

10. Other Noncurrent Assets

	2021	2020
Computer software	P955,828	P297,267
Refundable deposit	750,297	742,297
Advances to suppliers	52,000	295,400
	<u>P1,758,125</u>	<u>P1,334,964</u>

Refundable deposit pertains to deposits to utility companies. The carrying amounts of the deposits are regarded as its amortized cost since the timing of the refund or settlement of the deposits could not be reasonably estimated.

Computer software includes the Club's in-house developed intangible assets.

Advances to suppliers relate to the installation of new pump and purchase of various equipment.



The movement of computer software is as follows:

	2021	2020
Cost:		
Balance at beginning and end of year	P2,860,952	P2,615,952
Additions	684,694	245,000
Balance at end of year	3,545,646	2,860,952
Accumulated amortization:		
Balance at beginning of year	2,563,685	2,494,526
Amortization (Notes 19 and 20)	26,133	69,159
Balance at end of year	2,589,818	2,563,685
Net book value	P955,828	P297,267

11. Trade and Other Payables

	2021	2020
Organizations and cooperative	P6,033,630	P4,919,926
Accrued expenses	5,110,740	5,387,722
Trade	3,184,256	5,018,457
Concessionaires	518,610	138,893
VAT payable	391,212	417,535
Others	768,411	393,717
	P16,006,859	P16,276,250

Trade payables are unsecured, noninterest-bearing and are payable to suppliers within 30 days.

Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. These pertain to accruals made for outside services, utilities and other various accruals. These are normally settled throughout the next financial year.

Organizations and cooperative are loans and advances by the employees from the association which are payable on demand.

Concessionaires pertains to collections received by the Club for and on behalf of the concessionaires.

Other payables mainly consist of withholding tax payables and tournament deposits.

12. Members' Deposits and Others

	2021	2020
Cash deposits	P9,145,000	P7,100,000
Due to former members	7,477,891	8,132,582
Security deposit	266,060	251,938
	P16,888,951	P15,484,520

Cash deposit pertains to deposits made by playing guests. Any unpaid liabilities will be deducted from this account and the excess will be refunded upon resignation of the playing guest.



Due to former members consist mainly of proceeds from auction sale of shares, payable to former members and other advance payments made by them.

Security deposit pertains to various deposits received by the Club from its concessionaires and lessee and is to be refunded at the end of their respective agreements.

13. Contract Liabilities

	2021	2020
Membership dues paid in advance (Note 16)	P6,331,200	P5,660,800
Green fee coupons	1,254,788	1,254,788
Tournament deposit	139,009	199,008
Others	84,774	49,919
	P7,809,771	P7,164,515

Membership dues paid in advance represents advance collection of monthly membership dues which are applied in the next financial year.

Green fee coupons are issued to Freeport Elite Resorts, Inc. which operates a driving range facility within the Club at a discounted price. The coupons are issued at different prices. These coupons are then sold to Korean guests of the Club also at a discounted price.

Tournament deposits pertains to advance payments of the Club's members made for an upcoming golf tournament.

Others pertains to the advance payments of the members for dues and fees, and for golf cart storage and locker rentals.

14. Provision for Probable Claims

Movements in this account are as follows:

	2021	2020
Balances at beginning of year	P5,810,669	P1,019,740
Provision during the year	—	5,810,669
Reversals	(142,094)	(1,019,740)
Balances at end of year	P5,668,575	P5,810,669

Provision for probable claims pertains to the estimated liability to resolve various probable claims against the Club. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these claims.



15. Members' Equity

Capital Stock

	Shares		Amount	
	2021	2020	2021	2020
Common shares - ₱9,000 par value Authorized - 1,800 shares				
Issued	1,594	1,594	₱14,346,000	₱14,346,000

Accumulated Excess of Revenues Over Expenses

	2021	2020
Accumulated excess of revenues over expenses	₱36,903,008	₱27,480,815
Other comprehensive income (loss) (Note 24): <i>Item not to be reclassified into profit or loss in subsequent periods:</i>		
Beginning balance	(741,767)	2,895,740
Re-measurement gains (losses) on defined benefit obligation	1,769,249	(3,637,507)
Ending balance	1,027,482	(741,767)
Total	₱37,930,490	₱26,739,048

16. Revenue from Contracts with Customers

The table below presents the disaggregation of the Club's revenue from contracts with customers:

	2021	2020	2019
Nature of services			
Membership dues	₱53,934,260	₱52,957,284	₱52,771,707
Assessment for road maintenance	23,288,728	15,390,417	16,060,509
Corporate services	19,777,872	11,026,339	11,022,061
Sports and recreation	11,358,990	20,965,399	26,505,536
Patronage fees	3,885,024	3,594,094	3,533,774
Concessionaires' fee (Note 17)	2,412,288	4,129,714	5,730,543
Revenue from special events	1,802,900	8,591,704	9,053,591
Surcharge	729,074	560,172	797,904
Sale of properties (Notes 7 and 8)	2,250	320,536	7,442,159
Others	4,971,655	6,130,355	2,187,509
	₱122,163,041	₱123,666,014	₱135,105,293
Timing of revenue recognition			
Services transferred over time	₱119,019,429	₱118,655,592	₱121,134,687
Goods transferred at a point in time	3,143,612	5,010,422	13,970,606
	₱122,163,041	₱123,666,014	₱135,105,293



Membership dues and assessments are collected by the Club from its members primarily to cover expenses related to the maintenance and, for that matter, are utilized for improvements in the Club's facilities. The collection of these dues and assessments does not arise from any sale of goods or services but are imposed to cover and defray necessary expenses related to the maintenance of, and improvements in, the Club's facilities and as such, no part of the Club's income inures to the benefit of any of its members.

Member's dues paid in advance by its existing members amounted to ₱6.3 million and ₱5.7 million as at June 30, 2021 and 2020, respectively. Members' dues paid in advance is considered as a contract liability of the Club to its members.

Patronage fees are monthly consumables that members are entitled for the consumption of food and beverage provided by the Club's concessionaires that has expired and unconsumed.

Patronage fees recognized amounted to ₱3.9 million, ₱3.6 million and ₱3.5 million in 2021, 2020 and 2019, respectively.

Assessment for road maintenance are toll fees charged by the Club to users of the Club's main road, Don Celso S. Tuason Avenue. A specified fix rate is charged for different type of motor vehicles.

Sports and recreation arise from green fees which are generated from the use of the Club's golf courses. The Club has two golf courses: the North and South course. The North course is open to its members, their guests, and walk-in customers while the South course is open to its members and their guests only.

On September 30, 2016, the Club entered into agreement with Freeport Elite Resort, Inc. to purchase 1,000 coupons and another 1,000 coupons upon consumption of all coupons previously purchased. The green fees from Freeport Elite Resort, Inc. amounted to ₱0.1 million, ₱0.1 million and ₱1.0 million in 2021, 2020 and 2019, respectively.

Revenue from special events are fees charged to the Club's members for golf tournaments held at the Club. This also includes assessment fees to the Club's members for Club's social events.

Surcharge are penalties charged to members with delinquent accounts for over 45 days from the statement or cut-off date. A surcharge of 5% shall be imposed on any account that remains delinquent including interest of 1% a month until the account is paid in full.

Others pertains to income earned by the Club from corkage, commission on art display and sale of scraps.

17. Concessionaires' Fees

	2021	2020	2019
Food and beverage services	₱1,434,859	₱3,374,760	₱4,735,860
Retail services	977,429	725,972	969,528
Spa and barbershop services	—	28,982	25,155
	₱2,412,288	₱4,129,714	₱5,730,543



Concession agreements entered into by the Club are shown below:

Food and Beverage Services

a) Jay-j's Food Management, Inc. (JFMI), a local food concessionaire and the Club entered into a concession agreement whereby JFMI manages the food and beverage operations of the Club located at the North Clubhouse. The agreement also provides that the concessionaire shall pay a fee of 7% plus VAT of the monthly gross sales including special functions contracted for the members and guest and to purchase one (1) share of stock. The share of stock is pledged to the Club which serves as a security deposit to answer for any damages or expenses incurred. The agreement is for a period of three (3) years from August 1, 2016 up to July 31, 2019. On June 15, 2019, the contract was extended for a period of three (3) months, starting from August 1, 2019 up to October 31, 2019. The contract was further extended for short-term periods until July 31, 2020. On July 18, 2020, the BOD approved the contract extension for three (3) months after the end of the community quarantine. On December 2020, the contract was expanded, on a temporary basis, to include the main clubhouse starting January 1, 2021 until such time a new concessionaire for the main clubhouse is engaged.

The concessionaire fee recognized from JFMI amounted to ₱0.5 million, ₱1.1 million and ₱1.5 million in 2021, 2020 and 2019, respectively.

b) Anix's House of Kare-kare (AHK), a local food concessionaire and the Club entered into a concession agreement whereby AHK manages the food and beverage operations of the Club at the Main Clubhouse. The agreement also provides that the concessionaire shall pay a fee of 7% plus VAT of the monthly gross sales for the first six (6) months of operations and 10% plus VAT of the monthly gross sales for the succeeding months or ₱100,000 whichever is higher including catering services contracted for the members and guest and to purchase one (1) share of stock. The share of stock is pledged to the Club which serves as a security deposit to answer for any damages or expenses incurred. The agreement is for a period of three (3) years from January 20, 2017 up to January 19, 2020, subject to renewal at the option of the Club under such terms and conditions to be mutually agreed by the parties. The agreement was extended on January 20, 2020 until June 30, 2020. On July 18, 2020, the BOD approved the contract extension for three (3) months after the end of the community quarantine. The contract was further extended to last until December 31, 2020. This extension revised the concessionaire fee to 7% plus VAT of the monthly gross sales.

The concessionaire fee recognized from AHK amounted to ₱0.7 million, ₱2.3 million and ₱3.3 million in 2021, 2020 and 2019, respectively.

c) Doturak International Group, Inc. (DIGI), a local food concessionaire and the Club entered into a concession agreement whereby DIGI manages the food and beverage operations of the Club at the Tee House. The agreement also provides that the concessionaire shall pay a basic minimum rental of ₱40,000 or 10% of the gross sales per month inclusive of VAT, whichever is higher. The agreement is for a period of five (5) years starting January 1, 2021.

The concessionaire fee recognized from DIGI amounted to ₱0.2 million in 2021.

Retail Shop

Pacsport Phils, Inc. was awarded the concession to operate a retail sales outlet, inside the Clubhouse to serve the members, guests and dependents, exclusively. In consideration for operating the outlet, the Club charges a basic minimum monthly concession fee of ₱65,000 or 15% of their gross sales per month inclusive of VAT, whichever is higher. The agreement is for a period of two (2) years from March 15, 2016 up to May 14, 2018.



On July 9, 2018, the contract was renewed and shall be effective for a period of two (2) years, starting from March 15, 2018 up to May 14, 2020. As of date, the finalization of the contract renewal is ongoing. The contract provides that the concessionaire shall pay a fee of ₱70,000 or 15% of their gross sales per month inclusive of value added tax, whichever is higher. The concessionaire fees from Passport Phils, Inc. amounted to ₱1.0 million, ₱0.7 million and ₱1.0 million in 2021, 2020 and 2019, respectively.

18. Rentals

	2021	2020	2019
Golf cart rental	₱13,720,361	₱8,843,670	₱9,158,518
Golf cart storage	3,228,457	3,139,648	3,012,128
Locker rental	891,391	946,098	944,084
Driving range	505,961	432,119	517,032
Communication cell site (Note 8)	305,404	305,404	305,404
Pullcart rental	1,540	591,150	736,645
Venue and room fee	—	942,009	1,078,320
Others	—	143,394	193,013
	₱18,645,114	₱15,343,492	₱15,945,144

Golf carts, pull carts, and lockers pertain to rental fees charged to members and guests. The Club provides for pull carts to its members and guests in exchange for a rental fee for every play of golf. However, the players may opt to rent a golf cart instead, thus, the pull cart fee will be waived. Rentals of golf carts and lockers are for the use of the golf carts provided by the Club for its members. Rentals of lockers are for the use of the Club's locker rooms.

Golf cart storage pertains to rental fees charged to members for keeping the golf carts in reserve within the Club's premises.

On September 16, 2016, the Club entered into a Build-Lease-Transfer agreement with a third party to construct a Double Deck Driving Range with amenities located at the north course. The agreement includes a lease term of fifteen (15) years which commenced on July 8, 2017. The lessee shall pay a monthly lease of ₱25,000, inclusive of VAT, subject to a 10% escalation starting on the third (3rd) year. As part of the agreement, the lessee shall pay ₱450,000 representing one (1) year advance rental and six (6) months security deposits.

The future minimum rental commitment under this operating lease as of June 30, 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Within one (1) year	₱457,612	₱463,014	₱518,452
More than one (1) year but not more than five (5) years	2,586,579	2,586,579	2,586,579
More than five (5) years	2,597,942	3,114,974	3,632,005
	₱5,642,133	₱6,164,567	₱6,737,036

The excess of principal amount of the refundable security deposits over its fair value, at inception date of operating lease, is presented under "Other noncurrent liability" amounting to ₱0.1 million and ₱0.2 million as at June 30, 2021 and 2020, respectively. The current portion under "Trade and other payables" amounting to ₱41,175 and ₱27,450 in the statement of financial position in 2021 and 2020,



respectively. Straight-line amortization of deferred rent amounted to ₱13,725 as at June 30, 2021 and 2020.

The Club leases the north clubhouse's rooftop to a local telecommunications company to be used as a cell site under certain conditions. Monthly rental amounts to ₱15,000, subject to a 4.5% escalation starting on the fourth (4) year. The lease period is from October 1, 2007 to September 30, 2017, renewable for a period to be mutually agreed upon by the parties. The contract was renewed in 2017 for a period of 10 years which took effectivity on October 1, 2017 and expiring on September 30, 2027. The lessee shall pay ₱23,197, inclusive of VAT, subject to a 4.5% escalation starting on the second year of the new lease period.

The future minimum lease commitment under this operating lease as of June 30, 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Within one (1) year	₱305,404	₱305,404	₱305,404
More than one (1) year but not more than five (5) years	1,527,020	1,527,020	1,527,020
More than five (5) years	76,351	381,755	687,159
	₱1,908,775	₱2,214,179	₱2,519,583

Others pertain to rental fees from the Club's housing and employee's canteen.

19. Cost of Services

	2021	2020	2019
Outside services	₱37,054,304	₱37,925,988	₱33,891,093
Depreciation and amortization (Notes 7, 8, and 10)	23,177,151	24,748,395	21,751,957
Personnel cost (Note 21)	20,859,157	22,479,363	22,206,954
Repairs and maintenance	9,028,382	7,551,955	10,855,913
Supplies	8,645,016	9,868,403	7,644,658
Utilities	8,332,710	14,068,617	12,066,285
Club events	1,802,900	6,090,755	5,495,985
Others	2,694,641	8,278,463	9,836,755
	₱111,594,361	₱131,011,939	₱123,749,600

Others pertain to provision for tournament expenses, insurance, ads and publication, promotional and industrial expenses, parking fee, and other miscellaneous expenses.

Outside services pertains to retainer fees, legal fees, maintenance crews, and audit fees.



20. General and Administrative

	2021	2020	2019
Personnel costs (Note 21)	P6,818,086	P6,855,334	P8,173,535
Taxes and licenses	5,312,964	5,861,950	4,834,349
Outside services	3,011,566	4,451,897	1,957,876
Supplies	1,129,130	925,054	852,531
Bank charges	999,930	1,160,939	1,193,201
Board members' meetings	684,297	857,520	1,008,652
Utilities	349,824	604,711	615,092
Depreciation and amortization (Notes 7, 8, and 10)	277,995	292,169	226,795
Interest	11,094	10,575	10,081
Provision for ECL (Note 5)	-	243,212	4,066
Others	1,036,497	2,718,905	1,001,181
	P19,631,383	P23,982,266	P19,877,359

Other expenses consist mainly of advertising expenses, prompt payment discounts, insurance and net expenses incurred during tournaments.

21. Personnel Costs

	2021	2020	2019
Cost of services (Note 19):			
Salaries and wages	P15,628,063	P17,220,703	P16,961,111
Employee benefits	3,989,911	4,230,384	4,117,500
Retirement benefit expense (Note 24)	1,241,183	1,028,276	1,128,343
	20,859,157	22,479,363	22,206,954
General and administrative (Note 20):			
Salaries and wages	5,171,193	5,196,329	6,386,145
Employee benefits	1,332,233	1,387,281	1,509,801
Retirement benefit expense (Note 24)	314,660	271,724	277,589
	6,818,086	6,855,334	8,173,535
	P27,677,243	P29,334,697	P30,380,489



22. Income Taxes

The composition of provision for (benefit from) income taxes is:

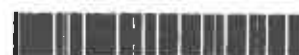
	2021	2020	2019
Current	₱188,131	₱55,090	₱1,368,860
Deferred	140,521	1,853,545	(104,750)
	₱328,652	₱1,908,635	₱1,264,110

- a. The Club's provision for current income tax pertains to MCIT in 2021 and 2020, and RCIT in 2019.
- b. The reconciliation of income computed at the statutory tax rates to provision for income tax as shown in the statements of income is as follows:

	2021	2020	2019
Income tax at the statutory rate	₱2,437,711	(₱4,586,913)	₱2,468,902
Income tax effects of:			
Nondeductible expenses	17,175,421	21,243,136	350,208
Nontaxable revenues	(17,978,816)	(19,379,290)	—
Movement of unrecognized deferred tax assets	(1,267,012)	3,006,141	(1,317,259)
Interest income subject to final tax	(38,652)	(204,379)	(237,741)
Derecognition of advance payments of membership dues	—	1,829,940	—
	₱328,652	₱1,908,635	₱1,264,110

- c. The components of the recognized net deferred tax assets are as follows:

	2021	2020
Deferred tax assets:		
Allowance for ECL	₱507,528	₱609,034
Advanced payments for membership dues and others	21,194	14,975
Re-measurement loss on defined benefit obligation	—	317,900
	528,722	941,909
Deferred tax liabilities:		
Rent receivable	(298,766)	(253,644)
Interest income from accretion	(3,386)	(3,274)
	(302,152)	(256,918)
	₱226,570	₱684,991



The reconciliation of the net deferred tax assets is as follows:

	2021	2020
Balances at beginning of year	P684,991	P979,605
Benefit from (provision for) deferred tax during the year recognized in:		
Profit or loss	(140,521)	(1,853,545)
OCI	(317,980)	1,558,931
Balances at end of year	P226,570	P684,991

No deferred tax assets from the following deductible temporary difference were recognized as it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred tax assets to be utilized:

	2021	2020
NOLCO	P3,535,815	P10,390,337
Retirement benefit obligation	5,446,848	6,917,141
Unrecognized past service cost	2,124,100	1,995,933
MCIT	243,221	55,090
	P11,349,984	P19,358,501

d. **Bayanihan to Recover as One Act**

On September 11, 2020, President Rodrigo R. Duterte signed into law RA No. 11494, *An Act Providing for COVID-19 Response and Recovery Interventions and Providing Mechanisms to Accelerate the Recovery and Bolster the Resiliency of the Philippine Economy, Providing Funds therefor, and for Other Purposes*, which shall be known and cited as "Bayanihan to Recover As One Act".

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of June 31, 2021, the Club has incurred NOLCO before taxable year 2021 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current year	NOLCO Unapplied
2020	2021-2023	P-	P-	(P6,854,522)	P3,535,815

e. As of June 30, 2021, the Club has available MCIT that can be claimed as deductions from future taxable liabilities, movement in excess of MCIT over RCIT are as follows:

Year Incurred	Availment Period	As at June 30, 2020	Addition	Expired	As at June 30, 2021
2021	2022-2024	P-	P188,131	P-	P188,131
2020	2021-2023	55,090	-	-	55,090
		P55,090	P188,131	P-	P243,221



23. Related Party Transactions

Related parties include members of key management personnel including directors and officers of the Club and close members of the family and companies associated with these individuals. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form. Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A summary of major account balances with related parties follows:

Key Management Personnel Compensation

Compensation of key management personnel amounted to ₱2.1 million, ₱2.7 million and ₱2.5 million in 2021, 2020 and 2019, respectively, which represent short-term benefits.

Complimentary Club Coupons and House Guests Privileges

Complimentary green fee coupons are given to the BOD and certain officers for distribution to prospective members and certain guests and friends of the Club. The outstanding green fee coupons for each fiscal year are as follows:

	2021	2020	2019
Beginning balance	46	365	31
Additions during the year	2,720	2,000	3,380
Issuances during the year	(2,646)	(2,319)	(3,046)
Ending balance	120	46	365

The amount of green fees charged to playing guest ranges from ₱921 to ₱1,983. On March 1, 2020 these green fee rates are changed ranging from ₱1,421 to ₱2,221. On January 16, 2021, these green fee rates are changed ranging from ₱1,700 to ₱2,500.

The Club also authorizes certain Club officers to entertain houseguests and use the Club's facilities free-of-charge.

24. Retirement Benefit Obligation

The Club has a funded, non-contributory, defined benefit retirement plan covering all its qualified officers and employees. Under the plan, qualified officers and employees are entitled to receive pension benefits on a lump sum basis when they reach the retirement age of 60. With the consent of the Club, an employee may elect to retire early provided he has rendered at least 20 years of credited service or at least 15 years of credited service and at least 50 years old. The projected unit credit cost method was used to determine the retirement benefit costs and obligation. The Club's retirement fund is being held in trust by a trustee bank.

The following tables summarize the components of the retirement benefit cost recognized in the statement of income and the retirement benefit obligation recognized in the statement of financial position for the retirement plan.



Retirement benefits expense recognized in the statements of income:

	2021	2020	2019
Service cost	P1,300,611	P1,131,772	P1,055,974
Net interest cost:			
Interest cost on benefit obligation	928,724	1,158,222	1,467,337
Interest income on plan assets	(673,492)	(989,994)	(1,117,379)
Retirement benefit expense	P1,555,843	P1,300,000	P1,405,932

Re-measurement losses (gains) on defined benefit obligation recognized under OCI in the statements of comprehensive income:

	2021	2020	2019
Actuarial losses (gains):			
Changes in financial assumptions	(P1,517,134)	P3,290,567	P1,749,818
Experience adjustments	(513,168)	356,365	(1,992,350)
Changes in demographic assumptions	-	1,058,641	(222,669)
	(2,030,302)	4,705,573	(465,201)
Return on plan assets excluding the amount included in net interest cost	(56,847)	490,865	(485,974)
Re-measurement losses (gains) on defined benefit obligation	(P2,087,149)	P5,196,438	(P951,175)

Cumulative re-measurement effect recognized in OCI included in the accumulated excess of revenues over expenses:

	2021	2020
Balances at beginning of year	P1,059,667	(P4,136,771)
Actuarial loss (gain)	(2,030,302)	4,705,573
Return on assets excluding amount included in net interest cost	(56,847)	490,865
	(1,027,482)	1,059,667
Income tax effect	-	(317,900)
Total amount recognized in OCI	(P1,027,482)	P741,767

Movements in retirement benefit obligation in 2021 and 2020 are as follows:

	2021	2020
Balances at beginning of year	P7,976,808	P3,645,579
Retirement benefit expense	1,555,843	1,300,000
Contributions paid	(1,998,654)	(2,165,209)
Remeasurement losses (gains) recognized in OCI	(2,087,149)	5,196,438
Balance at end of year	P5,446,848	P7,976,808



Changes in the present value of defined benefit obligation as follows:

	2021	2020
Balances at beginning of year	P27,395,976	P21,528,299
Current service cost	1,300,611	1,131,772
Interest cost	928,724	1,158,222
Net actuarial loss (gain) due to:		
Changes in financial assumptions	(1,517,134)	3,290,567
Changes in demographic assumptions	(513,168)	1,058,641
Experience adjustments on plan liabilities	-	356,365
Benefits paid from plan assets	(1,102,965)	(1,127,890)
Balances at end of year	P26,492,044	P27,395,976

Changes in the fair value of plan assets are as follows:

	2021	2020
Balances at beginning of year	P19,419,168	P17,882,720
Interest income on retirement plan assets	673,492	989,994
Actual contributions	1,998,654	2,165,209
Actual return excluding amount included in net interest cost	56,847	(490,865)
Benefits paid	(1,102,965)	(1,127,890)
Balances at end of year	P21,045,196	P19,419,168

Retirement obligation as reported in the statement of financial position:

	2021	2020
Present value of benefit obligation	P26,492,044	P27,395,976
Fair value of retirement plan assets at end of year	(21,045,196)	(19,419,168)
	P5,446,848	P7,976,808

The major categories of plan assets are as follows:

	2021	2020
Deposit in banks	P4,827,592	P4,587,518
Investment in government securities	11,494,165	11,300,632
Other securities and debt instruments	803,344	702,137
Investment in trust fund	150,000	-
Investment in shares of stock	3,679,680	2,809,421
Accrued interest receivable	174,544	163,030
Other receivables	107,391	2,991
Accrued trust fees and other payables	(191,520)	(146,561)
	P21,045,196	P19,419,168

Deposit in banks includes regular savings.

Investments in government securities consist of retail treasury bonds that bear interest ranging from 5.0% to 11.1% and will mature on various dates starting July 2013 to October 2037.



Other securities and debt instruments pertains to 'due from Bangko Sentral ng Pilipinas' and 'time certificate of deposit'.

Miscellaneous receivable pertains to 'dividends receivable' and 'due from brokers'.

The principal actuarial assumptions used in determining retirement benefit obligations for the Club's retirement plan are as follows:

	2021	2020
Discount rate	4.32%	3.39%
Future salary increases	3.00%	3.00%

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

	Increase (decrease)	Effect on defined benefit obligation
2021		
Discount rates	+1%	(P1,460,955)
	-1%	1,638,188
Salary increase rate	+1%	P1,643,537
	-1%	(1,492,337)
2020		
Discount rates	+1%	(P1,749,166)
	-1%	1,976,476
Salary increase rate	+1%	P1,964,144
	-1%	(1,771,601)

Shown below is the maturity profile of the undiscounted benefit payments:

	2021	2020
Year 1	P4,360,138	P1,074,348
Year 2	2,623,365	4,806,787
Year 3	5,860,924	2,627,401
Year 4	1,663,429	5,922,280
Year 5	2,910,090	1,662,198
Year 6 - 10	10,928,507	11,015,720

The average duration of the defined benefit obligation is 5.8 years and 6.8 years as of June 30, 2021 and 2020, respectively.

The Club's latest actuarial valuation report was as of June 30, 2021.



25. Financial Instruments

Financial Risk Management Objectives and Policies

The Club's principal financial liabilities comprise of trade and other payables, members' deposit and others. The main purpose of these financial liabilities is to raise finance for the Club's operations. The Club has various financial assets such as cash and cash equivalents, trade and other receivables, short term investments under "Other current assets", and trust fund, which arise directly from its operations.

The main risks arising from the Club's financial instruments are credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Club manages credit risk by establishing credit limits at the level of the individual borrower, corporate relationship and industry sector. Also, the Club transacts only with recognized third parties.

In addition, receivables balances are monitored on an ongoing basis with the result that the Club's exposure to bad debts is not significant. Provision for ECL/impairment losses on receivables will also be made if the situation so warrants subject to the BOD's review and approval.

The following table represents the Club's maximum exposure to credit risk:

	2021	2020
Cash in banks and cash equivalents	₹51,595,093	₹33,957,111
Trade and other receivables	13,731,908	16,987,794
Debt instrument at FVTPL	10,024,917	-
Trust fund	4,811,529	4,818,615
	₹80,163,447	₹55,763,520

Impairment of financial assets

The Club's financial assets that are subject to the ECL model consists of cash and cash equivalents, trade and other receivables, short-term investments under "other current assets" and trust fund.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of trade and other receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

With respect to credit risk for these financial assets, the Club's maximum exposure equals to the carrying amount of these instruments. The Club has impaired financial assets amounting to ₹2.0 million as at June 30, 2021 and 2020 (see Note 5).



Trade and other receivables

Below is the information about the credit risk exposure on the Club's trade and other receivables using a provision matrix:

2021	Days past due						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
Expected credit loss rate	0.3833%	0.6439%	1.4845%	2.9061%	6.3489%	100%	
Estimated total gross carrying amount at default	P3,140,874	P3,770,276	P1,879,172	P1,852,557	P4,369,394	P1,639,741	P15,762,019
Expected credit loss	P12,227	P24,277	P26,393	P53,837	P273,636	P1,639,741	P2,030,111

2020	Days past due						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
Expected credit loss rate	0.3178%	0.5372%	1.1974%	2.4473%	5.4392%	100%	
Estimated total gross carrying amount at default	P6,318,872	P2,496,302	P1,717,156	P2,065,714	P4,731,570	P1,666,491	P19,017,015
Expected credit loss	P20,055	P13,410	P20,561	P51,288	P258,306	P1,666,491	P2,030,111

Liquidity risk

Liquidity risk is defined as the risk that the Club may not be able to settle or meet its obligations as they fall due. The Club monitors and maintains a level of cash deemed adequate by the management to finance the Club's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Club's financial liabilities as of June 30, 2021 and 2020, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Club's financial assets in order to provide a complete view of the Club's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

As of June 30, 2021

	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 90 days	Total
Financial liabilities						
At amortised cost:						
Trade and other payables:						
Trade payables	P2,361,288	P615,868	P-	P-	P-	P3,144,266
Accrued expenses	4,432,988	136,878	133,174	125,980	271,888	5,110,746
Others*	1,146,497	244,254	56,683	328,252	5,118,737	4,924,343
Members deposits and others	16,388,951	-	-	-	-	16,388,951
	P14,834,834	P1,197,000	P129,777	P254,132	P5,390,517	P23,116,260
Financial assets						
At amortised cost:						
Cash and cash equivalents	P51,715,893	P-	P-	P-	P-	P51,715,893
Trade and other receivables:						
Trade receivables	1,345,634	1,633,676	867,898	715,344	2,948,635	5,511,047
Others	4,993,374	124,887	-	-	-	4,221,861
Debt instrument at FVTPL	18,034,917	-	-	-	-	18,034,917
Trust fund	1,811,529	-	-	-	-	1,811,529
	P21,945,297	P1,758,563	P867,898	P715,344	P2,948,635	P28,235,737

*Includes statutory liabilities amounting to P783,529



As of June 30, 2020

	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 91 Days	Total
Financial liabilities						
<i>At amortized cost:</i>						
Trade and other payables:						
Trade payables	P3,658,662	P136,191	P-	P1,075,513	P148,291	P5,018,657
Accrued expenses	2,636,740	387,027	935,105	326,927	1,102,323	5,387,722
Others*	863,776	184,448	72,950	247,879	3,859,369	5,230,422
Members deposits and others	15,484,520	-	-	-	-	15,484,520
	P22,643,698	P707,666	P1,008,055	P1,649,719	P5,109,983	P31,121,121
Financial assets						
<i>At amortized cost:</i>						
Cash and cash equivalents	P34,087,111	P-	P-	P-	P-	P34,087,111
Trade and other receivables:						
Trade receivables	866,017	2,332,230	1,705,555	2,037,287	4,439,109	11,400,398
Others	5,427,146	160,230	-	-	-	5,587,386
Trust fund	4,118,615	-	-	-	-	4,118,615
	P45,198,889	P2,492,460	P1,705,555	P2,037,287	P4,439,109	P55,873,300

*Excludes statutory liabilities amounting to P639,669

Fair Value Measurements

The following provides the fair value measurement hierarchy of the Club's assets and liabilities as at June 30, 2021 and 2020:

	Date of Valuation	Fair Value Measurement			
		Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets for which fair values are disclosed					
<i>Investment Properties</i>					
(Note 8)	2021	P129,731,800	-	-	P129,731,800
	2020	P76,955,400	-	-	P76,955,400
Assets measured at fair value					
<i>Debt instrument at FVTPL</i>					
(Note 9)	2021	P10,024,917	-	-	P10,024,917
	2020	P-	-	-	P-
<i>Trust Fund (Note 9)</i>					
	2021	P4,811,529	-	-	P4,811,529
	2020	P-	-	-	P-

Significant unobservable inputs for fair value measurement of the Club's investment properties include sales listing of currently executed transactions involving similar items within the immediate vicinity of the property. The fair value of the investment properties is adjusted considering the location, size and physical attributes of the property.

Description of significant unobservable inputs to valuation:

Assets	Valuation Technique	Significant Unobservable Input	Range of Input	Sensitivity of the Input to Fair Value
Investment properties	Market approach and cost approach	Price per area	Various	Increase (decrease) in price per area would increase (decrease) the fair value

There are no changes in the valuation techniques used for assets classified under Level 3 category. During the years ended June 30, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.



Cash and cash equivalents, trade and other receivables, trust fund, trade and other payables, and members' deposit and others

The carrying values of cash and cash equivalents, trade and other receivables, trust fund, trade and other payables, and members' deposit and others and payable to a contractor, approximate their fair values due to the relatively short-term maturity of these financial instruments.

Debt instruments at FVTPL

The carrying values of debt instruments at FVTPL are measured at fair value and is computed based on certain valuation techniques.

Capital Management

The primary objective of the Club's capital management policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize members' value. The club manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Club is not subject to externally imposed capital requirements. The Club considers total member's equity as capital.

	2021	2020
Capital stock	P14,346,000	P14,346,000
Contributions in excess of par value	201,627,772	201,627,772
Accumulated excess of revenues over costs and expenses	37,930,490	26,739,048
	P253,904,262	P242,712,820

No changes were made in the objectives, policies or processes for the years ended June 30, 2021 and 2020.

26. Other Matters

In a move to contain the COVID-19 outbreak, on March 16, 2020, the Office of the President of the Philippines issued Proclamation No. 929, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020 which was subsequently extended until May 15, 2020.

On May 12, 2020, this was further extended into a modified enhanced community quarantine, wherein certain implementing rules have been relaxed.

The community quarantine classification was subsequently extended or changed as follows:

<u>Classification</u>	<u>Effectivity</u>
General community quarantine	June 1 - August 1, 2020
Modified enhance community quarantine	August 2 - 18, 2020
General community quarantine	August 19, 2020 - March 31, 2021
Enhanced community quarantine	March 29, 2021 - April 11, 2021
Modified enhance community quarantine	April 12, 2021 - May 14, 2021
General community quarantine	May 15, 2021 - August 5, 2021
Enhanced community quarantine	August 6, 2021 - August 20, 2021
Modified enhance community quarantine	August 21, 2021 - September 15, 2021

The measures implemented by the government impacted the Club's daily operation due to delay in



operational movement brought by the several lockdowns. In 2021, the Club resumed its operations on a skeletal work force and adopted the work-from-home arrangement when deemed appropriate in the circumstances. Furthermore, the Club maximizes its use of online platforms for communications as a venue for group planning. Considering the evolving nature of this outbreak, the Club will continue to monitor the situation.

27. Supplementary Information under Revenue Regulations (RR) 34-2020 and 15-2010

RR 34-2020

The Club is not covered by the requirements and procedures for related party transactions provided by RR 34-2020 which prescribes the guidelines and procedures for the submission of BIR Form 1709 Related Party Transactions Form, transfer pricing documentation and other supporting documents.

RR 15-2010

On November 25, 2010, the BIR issued RR 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. It includes provisions for additional disclosure requirements in the notes to the financial statements, particularly on taxes, duties and licenses paid or accrued during the year. The Club reported and/or paid the following types of taxes in 2021:

a. VAT

The Club's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.0%.

The NIRC of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Club's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. R.A. No. 9337 increased the VAT rate from 10.0% to 12.0%, effective February 1, 2006.

Details of the Club's net sales/receipts, output VAT and input VAT accounts are as follows:

i. Net Sales/Receipts and Output VAT declared in the Club's VAT returns

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sales of services	P69,785,381	P8,374,246
Exempt sales	15,129,757	-
	P84,915,138	P8,374,246

ii. Input VAT

Balance at July 1, 2020	P-
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	1,236,702
Capital goods exceeding P1,000,000	-
Domestic purchases of services	3,107,357
	4,344,059
Applied against output tax	(4,344,059)
Balance at June 30, 2021	P-



b. Withholding Taxes

Expanded withholding taxes	₱1,720,916
Withholding taxes on compensation and benefits	32,578
	<hr/>
	₱1,753,494

c. Other Taxes and Licenses

Real estate taxes	₱3,870,433
Business taxes (local business tax)	1,442,396
Documentary tax	135
	<hr/>
	₱5,312,964

d. Tax Assessments

The Club did not receive any final tax assessments in 2021, nor did it have tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the administration of BIR.





Sycip Gorres Velayo & Co.
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BOA/PRC Reg. No. 0001,
August 28, 2021, valid until April 15, 2024
SEC Accreditation No. 0012-FR-6 (Group A),
November 6, 2018, valid until November 6, 2021

INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Valley Golf & Country Club, Inc.
Don Celso S. Tuason Ave.
Antipolo City

We have audited the accompanying financial statements of Valley Golf & Country Club, Inc. (a nonprofit organization) (the Club), as at June 30, 2021 and for the year then ended, on which we have rendered the attached report dated September 1, 2021.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Club has no members owning one hundred (100) or more shares.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura

Partner

CPA Certificate No. 0113172

SEC Accreditation No. 1735-A (Group A),

January 15, 2019, valid until January 14, 2022

Tax Identification No. 301-106-741

BIR Accreditation No. 08-001998-140-2018,

December 17, 2018, valid until December 16, 2021

PTR No. 8534379, January 4, 2021, Makati City

September 1, 2021





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1226 Makati City
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BOA/PRC Reg. No. 0001.
August 25, 2021, valid until April 15, 2024
SEC Accreditation No. 0012-PR-5 (Group A),
November 6, 2018, valid until November 6, 2021

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Members and the Board of Directors
Valley Golf & Country Club, Inc.
Don Celso S. Tuason Ave.
Antipolo City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Valley Golf & Country Club, Inc. (a nonprofit organization) (the Club) as at June 30, 2021 and 2020, and for each of the three years in the period ended June 30, 2021, and have issued our report thereon dated September 1, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Club's management. These schedules are presented for the purpose of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura

Partner

CPA Certificate No. 0113172

SEC Accreditation No. 1735-A (Group A),

January 15, 2019, valid until January 14, 2022

Tax Identification No. 301-106-741

BIR Accreditation No. 08-001998-140-2018,

December 17, 2018, valid until December 16, 2021

PTR No. 8534379, January 4, 2021, Makati City

September 1, 2021



VALLEY GOLF & COUNTRY CLUB, INC.
INDEX TO FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
UNDER REVISED SRC RULE 68
June 30, 2021

Schedule	Title	Page
	Financial Statements	
A	Financial Assets	S-1
B	Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)	Not Applicable
C	Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements	Not Applicable
D	Long Term Debt	Not Applicable
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	Not Applicable
F	Guarantee Securities of Other Issuers	Not Applicable
G	Capital Stock	S-7

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
June 30, 2021

Schedule A. Financial Assets

Names of Issuing Entity and Association of Each Issue	Number of Share or Principal Amount of Bonds and Notes	Amount in the Statement of Financial Position	Income Received and Accrued
Loans and Receivables			
A. Cash in banks			
Metropolitan Bank & Trust Company (MBTC)	P-	P8,210,974	P15,997
Rizal Commercial Banking Corporation		3,781,559	9,909
BDO Unibank Inc.	-	10,582,404	17,983
Security Bank & Trust Company (SBTC)	-	4,543,988	33,286
Citystate Savings Bank (CSB)	-	20,000	-
B. Cash equivalents			
MBTC	-	10,681,165	(4,805)
SBTC	-	11,742,788	56,271
CSB	-	2,032,215	17,329
C. Trade and other receivables			
Receivables from members - net	-	9,510,047	-
Receivables from concessionaires	-	638,896	-
Advances to employees	-	-	-
Others - net	-	3,582,963	-
D. Trust fund			
	-	4,811,529	6,345
E. Debt instrument at FVTPL			
	-	10,024,917	-
	P-	P75,673,450	P138,455

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
June 30, 2021

Schedule B. Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Beginning balance	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Ending balance
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- Not applicable -

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2021

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

Name and designation of debtor	Beginning balances	Amounts collected	Additions	Amounts written off	Current	Noncurrent	Ending balances
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- Not applicable -

**VALLEY GOLF & COUNTRY CLUB, INC.
 SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
 PURSUANT TO REVISED SRC RULE 68
 JUNE 30, 2021**

Schedule D. Long Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amounts shown under caption 'Current portion' in related statements of financial position	Amount shown under caption 'Non-current portion' in related statements of financial position
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- Not applicable -

**VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2021**

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
- Not applicable -		

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2021

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
------------------------------------------------------------------------------------------------	-------------------------------------------------------	-----------------------------------------	-------------------------------------------------------	---------------------

- Not applicable -

**VALLEY GOLF & COUNTRY CLUB, INC.
 SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
 PURSUANT TO REVISED SRC RULE 68
 JUNE 30, 2021**

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statements of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by	
				Related parties	Directors, Officers, and employees
Common shares	1,000	1,594	-	-	9
					1,585

Schedule A. Marketable Securities.(Current Marketable Equity Securities & Other Short-term Cash Investments)

Name of issuing entity and association of each issue (1)	Number of shares or principal amount of bonds and notes	Amount in the Statement of Financial Position (2)	Income received and accrued
1. Metro Bank & Trust Co.	10,681,164.85	10,681,164.85	24,753.22
2. Security Bank & Trust Co.	11,742,788.21	11,742,788.21	60,530.62
3. CITYSTATE	2,032,215.39	2,032,215.39	15,514.01
	<u>24,456,168.45</u>	<u>24,456,168.45</u>	<u>100,797.85</u>

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Related parties).

	Name and Designation of Debtor (1)	Beginning Balance	Additions	Amounts collected (2)	Amounts written off (3)	Current	Non Current	Ending Balance
	Other Receivables:							
1	Employees	32,400.10	.00	32,400.10		0.00		0.00
2	Locators	160,250.30	5,747.58	37,410.71		128,587.17		128,587.17
3	Pacsport Phils.	109,948.69	1,203,145.75	1,186,014.79		127,079.65		127,079.65
4	SSS- sickness benefits	109,370.00	10,800.00			120,170.00		120,170.00
5	Suppliers	884,379.29	2,151,320.38	2,263,785.45		771,904.22		771,904.22
6	Various Sponsors	1,190,714.29	.00	811,892.86		378,821.43		378,821.43
7	Various Banks	43,058.54	128,564.85	167,925.19		3,698.20		3,698.20
8	Employees Canteen	50,543.79	55,656.67	38,013.95		68,186.51		68,186.51
9	ANIX Restaurant	142,293.27	738,973.77	881,267.04		0.00		0.00
10	Others -employees	308,619.48	463,555.15	538,390.82		233,783.81		233,783.81
11	BALI SPA/Barber Shop	2,162.16		2,162.16		0.00		0.00
12	FREEPOR/PRIME SPORTS	214,295.37	853,887.26	932,326.52		135,856.11		135,856.11
13	SMART	203,499.62	811,883.48	842,799.90		172,583.20		172,583.20
14	Goldcross Security	388,807.64	130,330.97	496,782.34		22,356.27		22,356.27
15	JAY J'S Restaurant	669,647.15	1,746,531.27	1,777,280.91		638,897.51		638,897.51
16	Celestial Security	10,439.76	.00	.00		10,439.76		10,439.76
17	Caddie Association	2,516.86	.00	2,516.86		0.00		0.00
18	VMJ Evergreen	83,471.57	2,303,331.57	2,262,018.57		124,784.57		124,784.57
19	DOTURAK		356,802.49	268,457.74		88,344.75		88,344.75
20	RCBC		190,311.00	190,311.00		0.00		0.00
21	GAUDAN	95,000.00	.00	95,000.00		0.00		0.00
22	Yukon		1,311.39	.00		1,311.39		1,311.39
23	Advances to Employees	40,500.00	626.24	41,126.24		0.00		0.00
24	SMART/FREEPOR-T-rent	845,478.22	349,578.00	.00		1,195,056.22		1,195,056.22
		5,587,396.10	11,502,357.82	12,867,893.15	.00	4,221,860.77	.00	4,221,860.77

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

Name and designation of debtor	Beginning Balances	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Ending Balances
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Schedule D. Long Term Debt

Title of issue and type of obligation (1)	Amount authorized by indebture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (2)	Amount shown under caption "Long term debt in related balance sheet (3)
N.A.	N.A.	N.A.	N.A.

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of Related Party (1)	Balance at beginning of period	Balance at end of period (2)
N.A.	N.A.	N.A.

Schedule F. Guarantees of Securities of Other Issuers (1)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (2)	Amount owned by person for which statement is filed	Nature of guarantee (3)
N.A.	N.A.	N.A.	N.A.	N.A.

Schedule G. Capital Stock (1)

Title of issue (2)	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Related Parties	Directors, officers and employees	Others
Common share	1,800	1,594	0	0	9	1,585

(B) INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

1. External Audit Fees and Services

a. Audit and Audit-Related Fees

1. The audit of Valley Golf's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years.

Fiscal Year 2021 - Sycip Gorres Velayo & Co.

Fiscal Year 2020 - Sycip Gorres Velayo & Co.

2. Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements. Valley Golf hereby describes the nature of the services comprising the fees disclosed under this category:

Income Tax Preparation Fiscal Year 2021 - Sycip Gorres Velayo & Co.

Professional Fees-	
Special Audit	P115,000.00
Out of Pocket	
Expenses	17,250.00
Vat	15,870.00
Total	P148,120.00

Income Tax Preparation Fiscal Year 2020 - Sycip Gorres Velayo & Co.

Professional Fees-	
Special Audit	P135,000.00
Out of Pocket	
Expenses	10,000.00
Vat	17,400.00
Total	P162,400.00

Nature of services:

1. Computation of Income Tax Due and other supporting computations
 2. Preparation of Annual Income Tax Return
 3. Give advice on specific taxes, which may indicate areas of risk and possible exposure and the means by which such risk may be mitigated.
- b. Under the caption "Tax Fees", the aggregate fees billed in each of the last two (2) fiscal years for professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of

services. Valley Golf hereby describes the nature of the services comprising the fees disclosed under this category.

FY 2021-Sycip Gorres Velayo & Co.

Professional Fees-	
Regular Audit	-P400,000.00
Out of Pocket	
Expenses	96,520.96
Vat	59,582.52
Total	P556,103.48

FY 2020-Sycip Gorres Velayo & Co.

Professional Fees-	
Regular Audit	-P400,000.00
Out of Pocket	
Expenses	56,964.96
Vat	54,835.79
Total	P511,800.75

Nature of services:

1. Conducted audit of the financial statements of the Company in accordance with Philippines Standards on Auditing and to express an opinion whether the financial statements present fairly, in all material aspects, the financial position, financial performance and cash flows of the Company in accordance with PFRSs.
 2. Reviewed the processes and procedures, the internal control over financial reporting.
 3. Evaluated the overall presentation, structure and content of the financial statements, including disclosures.
- c. Under the caption "All other Fees", the aggregate fees billed in each of the last two (2) fiscal years for products and services provided by the external auditor, other than the services reported under items (a) & (b) above. Registrants shall describe the nature of the services comprising the fees disclosed under this category.

There are no other services provided by the external auditor other than the services mentioned under items (a) & (b) above.

- d. The Audit Committee's approval policies and procedures for the above services.

Selection of external auditor shall comprise of the following procedure:

1. Advertisement or invitation will be sent to the public.
2. A letter of intent shall be submitted to Internal Auditor by all the prospective external audit firms

3. The Internal Auditor will determine the eligibility of the prospective external audit firms thru their company background, familiarity of operations, and prestige.
4. The audit committee will hold an interview with the prospective audit firms.
5. Sealed audit fee proposals will be submitted to Internal Auditor on such date, time, and place specified in the invitation. Proposals received after the deadline will be invalid.
6. The Audit Committee will publicly open all the proposals at the same time, date, and place as specified in the invitation.
7. A review on all proposals and result of the interview shall be evaluated by the Audit Committee. The recommendation shall have a majority vote of the Audit Committee.
8. The Board of Directors may approve or reject the recommendation of the Audit Committee. Once approved by the BOD, it will then be included in the annual stockholders meeting for final approval.
9. This process will be repeated every 5 years or as need arises.
 - A meeting is held with the Audit and Finance Committees to discuss, evaluate and review the work, observations and recommendations of the External Auditors.
 - If necessary, revision and/or creation of internal control policies and procedures including the target timeline of implementation are then made and submitted to the Board of Directors for its approval.

ITEM 8. CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

For the Fiscal years ended June 30, 1998 up to June 30, 2003, the Club's external auditor was Joaquin Cunanan & Co.. The handling partner was Miss Irene Vallesteros. The engagement of Joaquin Cunanan & Co. was terminated in May 2004 upon approval by the Board on April 29, 2004 of the hiring of Punongbayan & Araullo.

For the years ended June 30, 2004 up to 2007, the financial statements of Valley Golf & Country Club were audited by Punongbayan & Araullo. The handling partner is Ms. Mailene Sique-Bisnar. Punongbayan & Araullo was hired to audit the 2004 books of account by the Board of Directors, in compliance with the resolution approved during the Stockholders' Meeting of September 28, 2003 to leave the decision on the hiring of the new external auditors to the sound discretion of the Board subject to the observance of SEC Regulations on Good Corporate Governance. The election of Punongbayan and Araullo as the Club's External Auditors was approved during the September 26, 2004 Stockholders' Meeting.

For the years ended June 30, 2008 up to 2012, the financial statements of Valley Golf & Country Club, Inc. were audited by Uy Singson Abella & Co. The handling partner is Ms. Milagros F. Padernal. The change in external auditor was approved by the Board of Directors on their regular meeting last June 14, 2008.

For the years ended June 30, 2013 up to 2021, the financial statements of Valley Golf & Country Club, Inc. were audited by Sycip Gorres Velayo & Co. The handling partner was Mr. Jose Pepito E. Zabat III from 2013 to 2016. For fiscal year 2017 and 2018 the handling partner was Mr. Alexis Benjamin C. Zaragoza III. For the current Fiscal Year 2021, Fiscal Year 2020 and Fiscal Year 2019 the handling partner is Mr. Peter John R. Ventura. The change in external auditor was approved by the Board of Directors in their regular meeting held on May 19, 2012 and the appointment was approved during Regular Stockholders' Meeting on September 22, 2013 and every year thereafter.

The regular changes of external auditor as well as the handling partners is in compliance with Revised Securities Regulation Code Rule 68, No. 3, B, (ix), (2019) on Rotation of external Auditors and partners at least every five (5) years, and has been reflected in a current report submitted to the SEC

There are no disagreements with Joaquin Cunanan & Co, Punongbayan & Araullo, Uy Singson Abella and Sycip Gorres Velayo & Co on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Incumbent Board of Directors, Executive Officers and Significant Employees of Valley Golf & Country Club, Inc.

Name	Age	Citizenship	Position	Term of Office as Director/ Period Served
Reginald Benjamin V. San Pedro	40	Filipino	President	3 yrs. 2019 - Present
Leopoldo M. Garcia	72	Filipino	Vice-President	3 yrs. 2018 - Present
Pablito M. Gregore	58	Filipino	Treasurer	3 yrs. 2019 - Present
Albert G. Que	63	Filipino	Asst. Treasurer	3 yrs. 2018 - Present
Ronald O. Solis	61	Filipino	Director	3 yrs. 2018 - Present
Carlo J. Carpio	53	Filipino	Director	3 yrs. 2019 - Present
Renato C. Balibag *	66	Filipino	Director	3 yrs. 2020 - Present
Jose Arsenio Isidro D. Borromeo III *	51	Filipino	Director	3 yrs. 2020 - Present
Rafael S. Raymundo *	58	Filipino	Director	3 yrs. 2020 - Present
Allan Jocson	47	Filipino	Corporate Secretary	N.A.
* Independent Director				

Mr. Reginald Benjamin V. San Pedro is a member of the Club since March 2012. He is the Chief Operating Officer of B-Mirk Group of Companies. He was the Chairman of the Membership and Audit Committees for the period Sept. 2019 to Sept 2020.

Engr. Leopoldo M. Garcia is a Club Member since June 2015. He is the President & CEO of Polzon Enterprises and President and CEO of Symanpro Manpower Service Contractor Corporation. He was a member of the Grounds Committee in 2017-2018 and is currently the Chairman of the Administration and Bids & Awards Committees.

Mr. Pablito M. Gregore is a Club Member since Sept. 11, 2006. He is the Managing Director of Colorsteel System Corp. He is currently the Chairman of the Finance Committee.

Mr. Albert G. Que is a Club Member since July 2003 as Playing Guest and became Proprietary Member in November 2007. He is the President and CEO of Integrated Pipe Specialist. He is currently the Chairman of the Grounds and Engineering/Construction Committees.

Atty. Ronald O. Solis is a Club Member since June 2003. He is the Senior Partner in Solis Medina Limpingco & Fajardo Law Offices, President of UP Sigma Rho Council, Lecturer in UP Diliman and the College of Law, Lyceum of the Philippines and First Vice-President and Director of the Philippine Electronics & Telecommunications Federation Inc. He is currently the Chairman of the Legal Committee.

Mr. Carlo J. Carpio is a member of the Club since Nov. 1998. He is the Vice President on Sales & Marketing of Texicon Agri Ventures. He is currently the Chairman of the Sports & Games Committee.

Mr. Renato C. Balibag is a member of the Club since May 2008. He is the President and CEO OF Wave Broadcasting Network, Inc. He is currently the Chairman of the Audit Committee.

Mr. Jose Arsenio Isidro D. Borromeo III is a member of the Club since Sept. 2016. He is a semi-retired businessman. He is currently the Chairman of the Membership and Security Committees.

Mr. Rafael S. Raymundo is a member of the Club since Sept. 2004 as Playing Rights Member and turned Proprietary on May 2009. He is currently the Chairman of the House Committee.

Atty. Allan Jocson became a Proprietary member of Valley Golf since August 2018. He is currently a Partner in Sallan & Jocson Law Offices. He is a graduate of Bachelor of Laws in San Beda College of Law/Arellano Law Foundation (1999) and Bachelor of Arts Major in Political Science, De La Salle University (1994)

The directors are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere

with their exercise of independent judgment in carrying out their responsibilities as directors. There are no other directors other than the above mentioned names.

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the registrant to become directors or executive officers.

During the past five (5) years there was no bankruptcy petition filed by or against any business of which the directors, any nominee for election as director and executive officers is a general partner or executive officer either at the time of bankruptcy or within two years prior to that time.

There is no conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses against the directors, any nominee for election as director and executive officers.

None of the directors, any nominee for election as director and executive officers is subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities.

None of the directors, any nominee for election as director and executive officers was found by a domestic or foreign court of competent jurisdiction, the Commission of comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

SIGNIFICANT EMPLOYEES

Mr. Dan L. Salvador III was born on June 5, 1964 in Paranaque City and is now 57 years old. He is a graduate of Business Commerce major in Business Management in De La Salle University. His last previous employment is with the Office of the Mayor of Paranaque City as Senior Administrative Assistant IV. Mr. Salvador started his employment in Valley Golf as General Manager last September 1, 2021

Mr. Cliff M. Friedman was born on Oct. 24, 1958 in USA and is now 62 years old. Mr. Friedman started his employment with Valley Golf last June 11, 2019 with a 2-year contract up to June 12, 2021. His employment was extended up to Sept. 12, 2021. He is a graduate of Associate of Arts, Secondary Education in Northern Marianas College, Saipan, Northern Marianas Islands. His last previous employment is with Bana Hills Golf Club in Danang Vietnam.

Ms. Rosanna R. Arguelles was born on October 9, 1963 in Antipolo City and is now 58 years old; She is a CPA and a graduate of BSC major in Accounting at University of Santo Tomas. She was previously Chief Accountant of the Municipality of Antipolo. She started her employment at Valley Golf in 1988 and is now the Division Manager of the Controller's Division.

Ms. Eida C. Jugo was born on September 9, 1962 in Binangonan, Rizal and is now 59 years old. She graduated from Far Eastern University with a degree of Bachelor of Science in Accounting. She was initially hired as typist-filing clerk in 1986 and is now the Finance and Accounting Manager of the Club.

Mr. Sigfried Arguelles was born on January 5, 1962 and is now 59 years old. He started working at Valley Golf in 1990 and now the Clubhouse and External Affairs Manager of the Club.

Engr. Gershon Babon was born on August 22, 1994 and is now 27 years old. He is a graduate of Bachelor of Science in Civil Engineering in Pamantasan ng Lungsod ng Maynila. He started his employment in Valley Golf on July 17, 2019 as Head of the Engineering Department.

These are the General Manager, Division Manager and Department Managers and are considered the key personnel of the Club. The division and department managers as well as supervisors were previously given a yearly increase in salaries at a maximum of 3%. But in 2010, instead of giving annual increases, managers and supervisors were given performance bonuses - percentage from the audited net income. They also receive Christmas bonuses. All duties and responsibilities are ensured to be rotated to other supervisors within the department so there will be no monopoly of knowledge. The friendly atmosphere between management and supervisors and the benefits that the employees receive are factors that contribute to the sense of loyalty of the employees.

ITEM 10. EXECUTIVE COMPENSATION

Executive Compensation

General

The President, Vice-President, Treasurer, Asst. Treasurer and all members of the Board are not paid any compensation of whatever kind since election to the Board up to the present.

SUMMARY COMPENSATION TABLE

Name	Position	Fiscal Year	Salary/month	13 th month	Bonus
Dan L. Salvador	General Manager	2021	130,000.00		
Cliff M. Friedman	General Manager	2020	130,000.00	66,666.66	55,890.41
		2021	130,000.00	66,666.66	55,890.41
Rosanna R. Arguelles	Division Manager Controller				
		2012	71,890.00	71,890.00	23,385.90
		2013	76,390.00	76,390.00	24,780.90
		2014	80,890.00	80,890.00	26,175.90

		2015	80,890.00	80,890.00	26,175.90
		2016	83,317.00	83,317.00	30,298.27
		2017	83,317.00	83,317.00	30,298.27
		2018	85,817.00	85,817.00	32,523.27
		2019	85,817.00	85,817.00	32,573.27
		2020	89,517.00	89,517.00	44,758.50
		2021	89,517.00	89,517.00	44,758.50
Elda C. Jugo	F & A Mngr.	2012	38,840.00	38,840.00	13,140.40
		2013	43,340.00	43,340.00	14,535.40
		2014	47,840.00	47,840.00	15,930.40
		2015	47,840.00	47,840.00	15,930.40
		2016	49,275.00	49,275.00	19,745.25
		2017	49,275.00	49,275.00	19,745.25
		2018	50,753.00	50,753.00	21,753.42
		2019	50,753.00	50,753.00	21,803.42
		2020	52,585.00	52,585.00	26,292.50
		2021	52,585.00	52,585.00	26,292.50
Sigfried C. Arguelles	Clubhouse and External Aff. Manager	2014	30,000.00	30,000.00	10,400.00
		2015	30,000.00	30,000.00	10,400.00
		2016	30,900.00	30,900.00	14,049.00
		2017	30,900.00	30,900.00	14,049.00
		2018	32,500.00	32,500.00	15,895.00
		2019	32,500.00	32,500.00	15,945.00
		2020	33,550.00	33,550.00	16,775.00
		2021	33,550.00	33,550.00	16,775.00
Gershon Babon	Head Engineering Dept.	2020	35,000.00	35,000.00	15,420.00
		2021	35,000.00	35,000.00	15,420.00

Compensation of Directors

Valley Golf & Country Club's directors have not been and still are not compensated, directly or indirectly for any services provided as such pursuant to Article IV, Section 2 of the By-laws.

Employment contracts and termination of employment and change-in-control arrangements

The Board of Directors is composed of nine (9) members. Every year at the annual stockholders' meeting, three (3) directors are elected for a term of three (3) years. No director can serve consecutively for more than three (3) years.

The Club has no compensatory plan or arrangement with its directors and General Manager resulting from resignation, retirement or any other termination of their relationship with the company, or from a change in control of the company or a change of responsibilities following a change in control.

Warrants and Options Outstanding: Repricing

There are no warrants or options held by the company's CEO, the executive officers, and all officers and directors as a group.

Family Relationships

As of the filing of this report, management is not aware of any relationship (up to the fourth civil degree), either by consanguinity or affinity among the directors, executive officers or members nominated to be directors.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1. There is no person or any group of persons who is the owner on record or the beneficial owner, directly or indirectly of more than five percent (5%) of the Club's voting securities.
2. All members of the Board are the owners on record of one share each which qualifies them for directorship. There is no director who is the beneficial owner of other shares of stocks.
- 3.

Title of Class	Name of Beneficial Owner	Amount/Nature of Beneficial Ownership	Citizenship	Percent of Class
Ordinary	Reginald Benjamin V. San Pedro	1 share	Filipino	Negligible
Ordinary	Leopoldo M. Garcia	1 share	Filipino	Negligible
Ordinary	Pablito M. Gregore	1 share	Filipino	Negligible
Ordinary	Albert G. Que	1 share	Filipino	Negligible
Ordinary	Ronald O. Solis	1 share	Filipino	Negligible
Ordinary	Carlo J. Carpio	1 share	Filipino	Negligible
Ordinary	Renato C. Balibag *	1 share	Filipino	Negligible
Ordinary	Jose Arsenio Isidro D. Borromeo III *	1 share	Filipino	Negligible
Ordinary	Rafael S. Raymundo *	1 share	Filipino	Negligible
Ordinary	Allan Jocson	1 share	Filipino	Negligible
	*Independent Directors			

4. The Club is not aware of the existence of any voting trust holders of any proportion of the existing authorized capital stock.
5. There is no arrangement, which may result in a change in management control of registrant since the beginning of the last fiscal year.

ITEM 12 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In line with the policy of Valley Golf of transparency and avoidance of conflict-of-interest situations by its directors/officers as provided in the By-Laws it is hereby disclosed that Yukon General Manpower Services, a corporation wherein the General Manager is Ms. Sylvia Carpio, the wife of Dir. Carlo Carpio has been doing business with Valley Golf since 2008. Dir. Carpio have no management control or participation over said business and was not involved in the decision of Valley Golf management to enter into business with said company.

Other than the disclosures stated above, Valley Golf does not have any transactions with or involving a company or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of the total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

Valley Golf did not have transactions with promoters.

Valley Golf does not have a parent company or a subsidiary company.

PART IV – CORPORATE GOVERNANCE

ITEM 13 – CORPORATE GOVERNANCE

(a.) The evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance.

1. Initially, the Club adopted the Corporate Governance Self-Rating System Form.
2. Valley Golf has a Business Plan and Annual Budget. Management conducts a monthly review of compliance with the action plan. Every month a Management Report is submitted during the Board Meeting which contains the status report of the business plan and the comparative financial statement against the budget to reflect the variances. Included also is a monthly highlight of the financial report with detailed explanations on the variances of the actual figures as compared to the budget.

(b.) Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance.

1. The Audit Committee and the Finance Committee meet with the External Auditors regarding the annual examination of the financial statements of the Club and the operations of the Club.
2. The Club has a Membership Handbook and a Personnel Manual that contain policies, procedures and implementing guidelines on dealing with members and employees.
3. The President submits a monthly Management Report to the Board of Directors.

4. The Board of Directors had appointed the members of the Nomination Committee, Compensation and Remuneration Committee and Audit Committee to comply with their respective duties and responsibilities as provided for in the Manual of Good Corporate Governance.
5. The Board of Directors had appointed an External Auditor and hired an Internal Auditor in compliance with the Manual of Good Corporate Governance.
6. The Club's annual report is disseminated to all members to inform them of the results of the operations of the Club and the activities of the Board for the fiscal year.
7. The Board of Directors has created several committees to ensure compliance with the Club's Code of Corporate Governance. Among the committees created are the Management Committee, House Committee, Membership Committee, Finance Committee, Sports and Games Committee, Nomination Committee, Grounds & Engineering Committee, Administration Committee, Legal Committee, Real Estate Committee, Security Committee and Election Committee.
8. During the Fiscal year 2021, the following Members of the Board of Directors and Compliance Officer attended the Seminar on Corporate Governance:

The following Members of the Board of Directors attended the Webinar on New Code of Corporate Governance for Public Companies and Registered Issuers on January 12, 2021, via Zoom at the Center for Global Best Practices Foundation.

1. Dir. Jose Arsenio Isidro D. Borromeo III
2. Dir. Renato C. Balibag

The following Members of the Board of Directors and General Manager/Compliance Officer attended the Seminar on Corporate Governance Orientation Program on November 19, 2019, at the Institute of Corporate Directors, Makati Diamond Residences, Makati City, Metro Manila

1. Dir. Carlo J. Carpio
2. Dir. Reginald Benjamin V. San Pedro
3. GM Cliff M. Friedman

The following Members of the Board of Directors attended the Seminar on Corporate Governance Orientation Program on August 28, 2019, at the Institute of Corporate Directors, Tower Club, Philam Tower, Makati City, Metro Manila.

1. Dir. Leopoldo M. Garcia
2. Dir. Albert G. Que

(c.) Any deviation from the company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual

There is no deviation from the Manual of Corporate Governance of Valley Golf & Country Club, Inc.

(d) Any plan to improve corporate governance of the company

In compliance with SEC Memorandum Circular No. 24 Series of 2019, requiring the submission of the Revised Manual on Corporate Governance, the Board of Directors approved on July 22, 2020, the new Manual of Corporate Governance of Valley Golf and was submitted electronically on July 25, 2020.

In compliance with SEC Memorandum Circular No. 19 Series of 2020, the Amended Manual of Corporate Governance signed by the Chairman of the Board and Compliance Officer was submitted electronically on September 25, 2020

PLEASE REFER TO ATTACHED ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)

PART V - EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

1. Exhibits

- A. Amended Articles of Incorporation – 15 pages
- B. Amended By-Laws – 15 pages
- C. Annual Report to Security Holders – 70 pages
- D. Minutes of the September 27, 2020 Stockholders' Meeting
- E. Annual Corporate Governance Report (ACGR)

Valley Golf does not have Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession, Instruments defining rights of security holders, voting trust agreement, subsidiaries, power of attorney or other reports mentioned.

2. Reports on SEC Form 17 – C and Form 17 - Q

- a. On Oct. 1, 2020, Valley Golf submitted the Current Report 17-C on the election of the Board of Directors, Board Members who ceased to hold their positions and new officers elected by the Board of Directors in the organizational meeting on Sept. 27, 2020.
- b. On Oct. 1, 2020, Valley Golf submitted the Current Report 17-C on the appointment of Sycip Gorres Velayo & Co. as Valley Golf's

- External Auditors or Independent Accountants during the Sept. 27, 2020 Stockholders' meeting.
- c. On Oct. 2, 2020, Valley Golf submitted the Current Report 17-C on the results of the voting on the proposed amendments on the By-laws and Articles of Incorporation as presented in the Stockholders Meeting last Sept. 27, 2020.
 - d. On Oct. 20, 2020, Valley Golf submitted the Current Report 17-C on the appointment of the Chairman of the Audit Committee, Chairman of the Remuneration and Compensation Committee, the appointment of the Corporate Secretary and the list and certification of the Independent Directors.
 - e. On Nov. 11, 2020, Valley Golf submitted 17-Q for the quarterly report for the first quarter.
 - f. On Nov. 25, 2020, Valley Golf submitted the Current Report 17-C on the appointment of the Members of the Audit Committee and the Members of the Compensation Committee.
 - g. On Jan. 6, 2021, Valley Golf submitted the current report 17-C on compliance with the Manual of Corporate Governance for the year ended December 31, 2020.
 - h. On Jan. 19, 2021, Valley Golf submitted the Current Report 17-C on the attendance of Dir. Jose Arsenio Isidro D. Borromeo III and Dir. Renato C. Balibag in the Webinar on New Code of Corporate Governance for Public Companies and Registered Issuers on Jan. 12, 2021, via Zoom at the Center for Global Best Practices Foundation.
 - i. On Feb 10, 2021, Valley Golf submitted 17-Q for the quarterly report for the second quarter.
 - j. On May 12, 2021, Valley Golf submitted 17-Q for the quarterly report for the third quarter.
 - k. On June 23, 2021, Valley Golf submitted the Current Report 17-C on the members of the Committee on Elections and Nominating Committee.
 - l. On June 26, 2021, Valley Golf submitted the Current Report 17-C on the resignation of the Internal Audit Head.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Antipolo on September 24, 2021

VALLEY GOLF & COUNTRY CLUB, INC.

By:



REGINALD BENJAMIN V. SAN PEDRO
Principal Executive Officer/
President



PABLITO M. GREGORE
Principal Financial Officer/
Treasurer



ALLAN JOCSON
Corporate Secretary



DAN L. SALVADOR III
General Manager/Compliance
Officer



ROSANNA R. ARGUELLES
Comptroller/Head Controllers'
Division



ELDA C. JUGO
Principal Accounting Officer/
Finance & Accounting Manager

SUBSCRIBED AND SWORN to before me this 06 day of OCT, 2021
affiants exhibiting to me their valid ID's, as follows:

Name

Reginald Benjamin V. San Pedro	TIN No. 235-166-433
Pablito M. Gregore	TIN No. 138-209-882
Allan Jocson	TIN No. 205-687-949
Dan L. Salvador III	TIN No. 106-096-608
Rosanna R. Arguelles	PRC ID No. 069065
Elda C. Jugo	TIN No. 102-778-591

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Book No. XVII
Series of 2021

ANDREW V. FERRER
NOTARY PUBLIC UNTIL DECEMBER 31, 2021
PTR NO. 15581731 A: 01/04/2021
IBP OR NO. 137329, 01/04/2021
NOTARY PUBLIC
Rizal Chapter / MCLE Compliance
No. VI-0028918, October 4, 2019
Roll No. 39811/Appointment No. 20-25
No. 9. A. Bonifacio Ave., Cainta, Rizal



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. 13951

**CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION**

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

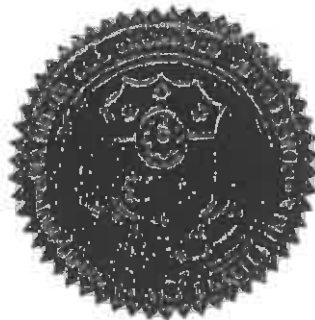
VALLEY GOLF & COUNTRY CLUB, INC.


[Amending Article IV by extending the term of its existence thereof.]

copy annexed, adopted on July 29, 2006 by a majority vote of the Board of Directors and on November 18, 2007 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 27 day of April, Two Thousand Eight.




BENITO A. CATARAN
Director
Company Registration and Monitoring Department



COVER SHEET

1 3 9 5 1
S.E.C. Registration Number

VALLEY GOLF & COUNTRY
CLUB INC

(Company's Full Name)

DON CELSO S TUASON AVENUE
VICTORIA VALLEY ANTIPOLO CITY

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

TESS GAN
Contact Person

634-5692/93
Company Telephone Number

0 6 3 0
Month Day
Fiscal Year

Amended Articles of
Incorporation
FORM TYPE

0 9 4th 5th
Month Day
Annual Meeting

Second License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU 4-17-06
Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

AMENDED
ARTICLES OF INCORPORATION
OF
VALLEY GOLF & COUNTRY CLUB,
INC.
(Amended as of September 10, 1989)
(Formerly Valley Golf Club, Inc.)

KNOW ALL MEN BY THESE PRESENTS:

That we, all of whom are of legal age and residents of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY:

FIRST. That the name of said corporation shall be "VALLEY GOLF & COUNTRY CLUB, INC." (As amended on September 10, 1989).

SECOND. That the purposes for which the said corporation is formed are:

PRIMARY PURPOSE

To foster and promote the game of golf and operate and maintain a golf course and country club.

SECONDARY PURPOSE

To buy, lease or otherwise acquire, own, hold and dispose of, such real and personal property as may be necessary, advantageous or convenient in the conduct of its business; to develop, improve, and subdivide any properties owned by the corporation; and, generally, to do and perform all such acts and things, and to

exercise such powers as are ordinarily done, performed and exercised by social and athletic clubs and associations.

THIRD. That the place where the principal office of the corporation is to be established or located is Antipolo, Rizal, Philippines.

FOURTH. That the term for which said corporation is to exist for another **FIFTY (50) YEARS** from May 15, 2008. (as amended on November 18, 2007).

FIFTH. That the names, residence and nationality of the incorporators of said corporation are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Celso Tuason	Filipino	Wilson St., San Juan, Rizal
Aurelio Montinola, Sr.	Filipino	Mahogany Rd., Forbes Park Makati, Rizal
Ernest Kahn	Filipino	Russell Ave., Pasay City
Henry Belden	American	13 th St., New Manila, Q. C.
J. Antonio Araneta	Filipino	Mckinley Rd., Forbes Park Makati, Rizal

SIXTH. That the number of Directors of said corporation shall be nine (9) and the names and residences of the Directors of the corporation who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Celso Tuason	Filipino	Wilson St., San Juan, Rizal
Aurelio Montinola, Sr.	Filipino	Mahogany Rd. Forbes Park, Makati, Rizal
Ernest Kahn	Filipino	Russell Ave., Pasay City
Henry Belden	American	13 th St., New Manila, Q. C.

J. Antonio Araneta	Filipino	Mckhley Rd., Forbes Park, Makati, Rizal
Francisco Ortigas, Jr.	Filipino	R. Alunan St., Manila
Jaime Velasquez	Filipino	Easy St., San Juan, Rizal

SEVENTH. That the capital stock of said corporation is Sixteen Million Two Hundred Thousand Pesos (PhP16,200,000.00) divided into One Thousand Eight Hundred (1,800) shares of the par value of Nine Thousand Pesos (PhP9,000) each. (as amended on September 13, 1981).

Said shares of stock shall be owned by and the interest thereof accrue only to the registered owner thereof, who, aside from his rights as shareholder, may in addition, and subject to such rules and regulations as may be promulgated by, and to screening and approval of the Board of Directors, be issued a regular membership card that would entitle him to all the rights and privileges that are extended to all holders of regular membership cards for the use and enjoyment of the facilities and premises of the Club.

Any person who owns or buys a share in the company must apply for membership within thirty (30) days from date of registration of sale. This condition shall appear in the stock certificates.

EIGHTH. That the amount of said capital stock which has been actually subscribed is ONE MILLION PESOS (PhP1,000,000.00) and the following persons have subscribed for the number of shares and amount of capital stock set out after their respective names.

<u>Name</u>	<u>Residence</u>	<u>No. of Shares</u>	<u>Amount Subscribed</u>
Aguinaldo, Francisco R.	Quezon City	1	P10,000.00
Aguirre, Tomas B.	Pasay City	1	10,000.00
Alafria, Arturo A.	Pasay City	1	10,000.00
Araneta, J. Antonio	Makati, Rizal	1	10,000.00
Araneta, Luis M.	Manila	1	10,000.00
Babat, Chester	Quezon City	1	10,000.00
Balcoff, Charles I.	Manila	1	10,000.00
Barredo, Manuel	Manila	1	10,000.00
Bautista, Constantino	Quezon City	1	10,000.00
Belden, Henry	Quezon City	1	10,000.00
Bennett, Henry E.	San Juan, Rizal	1	10,000.00
Brias, Enrique	Makati, Rizal	1	10,000.00
Brias, Jaime	Manila	1	10,000.00
Cacho, Francisco	Mandaluyong, Rizal	1	10,000.00
Cacho, Jose A.	Manila	1	10,000.00
Cáua, Antonio Roxas	Manila	1	10,000.00
Cojuangco, Pedro	Manila	1	10,000.00
Consunji, Ricardo	Mandaluyong, Rizal	1	10,000.00
Cortez, Jose Ma.	Quezon City	1	10,000.00
Cortez, Felix	Quezon City	1	10,000.00
Cruz, Bienvenido	Pasay City	1	10,000.00
Cu Unjleng, Benito	Manila	1	10,000.00
Damperra, Alfonso R. de	Manila	1	10,000.00
Diaz, Pompeyo	Manila	1	10,000.00
Feria, Jose	Manila	1	10,000.00
Fernandez, Jose	Manila	1	10,000.00
Frieder, Robert	Quezon City	1	10,000.00
Gabaldon, Isauro	Manila	1	10,000.00
Gamboas, Regino D.	Manila	1	10,000.00
Gonzales, Antonio	Quezon City	1	10,000.00
Gonzales, Rafael	Quezon City	1	10,000.00
Guerrero, Oscar E.	S. Juan, Rizal	1	10,000.00
Halling, F. R.	Makati, Rizal	1	10,000.00
Huang, Frank	S. Juan, Rizal	1	10,000.00
Jalbuena, L. P.	Pasay City	1	10,000.00
Kahn, Ernest	Pasay City	1	10,000.00
Klar, Jose	Quezon City	1	10,000.00
Liboro, Andrea	Quezon City	1	10,000.00
Licaros, Gregorio, Sr.	Manila	1	10,000.00
Licaros, Gregorio, B. Jr.	Manila	1	10,000.00
Lim, P. L.	S. Juan, Rizal	1	10,000.00
Lim, Peter	Makati, Rizal	1	10,000.00
Localin, Jose	Manila	1	10,000.00
Lopa, Manuel	Pasay City	1	10,000.00
Lopez, Honrado C.	Manila	1	10,000.00
Lovell, G. H.	Pasig, Rizal	1	10,000.00
Luz, Alfredo J.	Manila	1	10,000.00
Madrigal, Antonio P.	Quezon City	1	10,000.00
Madrigal, Jose P.	Quezon City	1	10,000.00
Manahan, Constantino P.	Quezon City	1	10,000.00
Manglapus, Raul	San Juan, Rizal	1	10,000.00
Manotoc, Ricardo S.	Quezon City	1	10,000.00

Matilla, Faustino	Quezon City	1	10,000.00
Miranda, Antonio	Pasay City	1	10,000.00
Montinola, Aurelio Sr.	Makati, Rizal	1	10,000.00
Montinola, Aurelio Jr.	Makati, Rizal	1	10,000.00
Montinola, Sergio	Bacolod City	1	10,000.00
Nathan, Karl	Quezon City	1	10,000.00
Norton, J. E.	Quezon City	1	10,000.00
Olives, Sebastian	Quezon City	1	10,000.00
Ortigas, Eduardo	Quezon City	1	10,000.00
Ortigas, Francisco	Manila	1	10,000.00
Ortigas, Rafael	Manila	1	10,000.00
Perez Rubio, Miguel	Makati, Rizal	1	10,000.00
Picazo, Evaristo	Makati, Rizal	1	10,000.00
Ploomell, Santiago	Manila	1	10,000.00
Preysler, J. B.	Makati, Rizal	1	10,000.00
Quirino, Carlos	Manila	1	10,000.00
Recto, Alfonso	Makati, Rizal	1	10,000.00
Reyes, Narciso Jr.	Manila	1	10,000.00
Reyes, Victor	Manila	1	10,000.00
Roco, Fernando S.	Quezon City	1	10,000.00
Roxas, Antonio	Pasay City	1	10,000.00
Roxas, Eduardo	Makati, Rizal	1	10,000.00
Rufino, Ernesto D.	Pasay City	1	10,000.00
Santayana, Luis S.	Makati, Rizal	1	10,000.00
Soriano, Andres	Pasay City	1	10,000.00
Soriano, Andres Jr.	Makati, Rizal	1	10,000.00
Soriano, Jose Maria	Pasay City	1	10,000.00
Sycip, Washington	Makati, Rizal	1	10,000.00
Tuason, Celso A.	San Juan, Rizal	1	10,000.00
Tuason, Juan E.	Manila	1	10,000.00
Tuason, Severo A.	Manila	1	10,000.00
Unson, Miguel R.	Pasay City	1	10,000.00
Uy, James	Makati, Rizal	1	10,000.00
Velasquez, Jaime	San Juan, Rizal	1	10,000.00
Velayo, Alfredo	Makati, Rizal	1	10,000.00
Vellguth, Alfred C.	Paranaque, Rizal	1	10,000.00
Villa-Abrilla, Alfredo	Makati, Rizal	1	10,000.00
Villareal, Fernando Sr.	Quezon City	1	10,000.00
Wilkinson, Gerald	Quezon City	1	10,000.00
Wilson, Calude M., Jr.	Mandaluyong City	1	10,000.00
Young, Walter Au	San Juan, Rizal	1	10,000.00
Ysmael, Carlos	Quezon City	1	10,000.00
Ysmael, Felipe	Quezon City	1	10,000.00
Yu Kho Siong	Manila	1	10,000.00
Yu Kho Thal	Pasay City	1	10,000.00
Yujico, Alejandro S.	Quezon City	1	10,000.00
Yujico, Jesus S.	Quezon City	1	10,000.00
Zulueta, Cesar de	Makati City	1	10,000.00
		<u>100</u>	<u>P1,000,000</u>

NINTH. That the following persons have paid on the shares of capital stock for which they have subscribed the amounts set out after their respective names.

<u>Name</u>	<u>Residence</u>	<u>Amount Subscribed</u>
Aguinaldo, Francisco R.	Quezon City	P 3,500.00
Aguilra, Tomas B.	Passay City	3,500.00
Alafris, Arturo A.	Passay City	3,500.00
Araneta, J. Antonio	Makati, Rizal	3,500.00
Araneta, Luis Ma.	Manila	3,500.00
Balcoff, Chester	Quezon City	3,500.00
Balcoff, Charles T.	Manila	3,500.00
Barredo, Manuel	Manila	3,500.00
Bautista, Constantino	Quezon City	3,500.00
Belden, Henry	Quezon City	3,500.00
Bennett, Henry E.	San Juan, Rizal	3,500.00
Bries, Enrique	Makati, Rizal	3,500.00
Bries, Jaime	Manila	3,500.00
Cacho, Francisco	Mandaluyong, Rizal	3,500.00
Cacho, Jose A.	Manila	3,500.00
Chua, Antonio Roxas	Manila	3,500.00
Cojuangco, Pedro	Manila	3,500.00
Consunji, Ricardo	Mandaluyong, Rizal	3,500.00
Cortea, Jose Ma.	Quezon City	3,500.00
Cortea, Felix	Quezon City	3,500.00
Cruz, Blenvenido	Passay City	3,500.00
Cu Unjeng, Benito	Manila	3,500.00
Dampierre, Alfonso R. de	Manila	3,500.00
Diaz, Pompeyo	Manila	3,500.00
Feria, Jose	Manila	3,500.00
Fernandez, Jose	Manila	3,500.00
Frieder, Robert	Quezon City	3,500.00
Gebaldon, Isaura	Manila	3,500.00
Gamboas, Regino D.	Manila	3,500.00
Gonzales, Rafael	Quezon City	3,500.00
Guerrero, Oscar E.	S. Juan, Rizal	3,500.00
Halling, F. R.	Makati, Rizal	3,500.00
Huang, Frank	S. Juan, Rizal	3,500.00
Jalbuena, L.P.	Passay City	3,500.00
Kahn, Ernest	Passay City	3,500.00
Klar, Jose	Quezon City	3,500.00
Liboro, Andres	Quezon City	3,500.00
Licaros, Gregorio, Sr.	Manila	3,500.00
Licaros, Gregorio, B. Jr.	Manila	3,500.00
Lim, P. L.	S. Juan, Rizal	3,500.00
Lim, Peter	Makati, Rizal	3,500.00
Locsin, Jose	Manila	3,500.00
Lopa, Manuel	Passay City	3,500.00
Lopez, Honrado G.	Manila	3,500.00
Loveil, G. H.	Paaisg, Rizal	3,500.00
Luz, Alfredo J.	Manila	3,500.00
Madrigal, Antonio P.	Quezon City	3,500.00

Madrigal, Jose P.	Quezon City	3,500.00
Manahan, Constantino P.	Quezon City	3,500.00
Manglapus, Raul	San Juan, Rizal	3,500.00
Manotoc, Ricardo S.	Quezon City	3,500.00
Matilla, Faustino	Quezon City	3,500.00
Miranda, Antonio	Pasay City	3,500.00
Montinola, Aurelio Sr.	Makati, Rizal	3,500.00
Montinola, Aurelio Jr.	Makati, Rizal	3,500.00
Montinola, Sergio	Bacolod City	3,500.00
Nathan, Karl	Quezon City	3,500.00
Norton, J. E.	Quezon City	3,500.00
Olives, Sebastian	Quezon City	3,500.00
Ortigas, Eduardo	Quezon City	3,500.00
Ortigas, Francisco	Manila	3,500.00
Ortigas, Rafael	Manila	3,500.00
Perez Rubio, Miguel	Makati, Rizal	3,500.00
Picazo, Evaristo	Makati, Rizal	3,500.00
Pirronell, Santiago	Manila	3,500.00
Preysler, J. B.	Makati, Rizal	3,500.00
Quirino, Carlos	Manila	3,500.00
Alfonso, Recto	Makati, Rizal	3,500.00
Reyes, Narciso Jr.	Manila	3,500.00
Reyes, Victor	Manila	3,500.00
Roco, Fernando S.	Quezon City	3,500.00
Roxas, Antonio	Pasay City	3,500.00
Roxas, Eduardo	Makati, Rizal	3,500.00
Rufino, Ernesto D.	Pasay City	3,500.00
Santayana, Luis S.	Makati, Rizal	3,500.00
Soriano, Andres	Pasay City	3,500.00
Soriano, Andres Jr.	Makati, Rizal	3,500.00
Soriano, Jose Maria	Pasay City	3,500.00
Sycip, Washington	Makati, Rizal	3,500.00
Tuason, Celso A.	San Juan, Rizal	3,500.00
Tuason, Juan E.	Manila	3,500.00
Tuason, Severo A.	Manila	3,500.00
Unson, Miguel R.	Pasay City	3,500.00
Uy, James	Makati, Rizal	3,500.00
Velasquez, Jaime	San Juan, Rizal	3,500.00
Velayo, Alfredo	Makati, Rizal	3,500.00
Vellouth, Alfred C.	Parafiaque, Rizal	3,500.00
Villa-Abrille, Alfredo	Makati, Rizal	3,500.00
Villarsal, Fernando Sr.	Quezon City	3,500.00
Wilkinson, Gerald	Quezon City	3,500.00
Wilson, Calude M., Jr.	Mandaluyong City	3,500.00
Young, Walter Au	San Juan, Rizal	3,500.00
Ysmael, Carlos	Quezon City	3,500.00
Ysmael, Felipe	Quezon City	3,500.00
Stong, Yu Khe	Manila	3,500.00
Tai, Yu Khe	Pasay City	3,500.00
Yujuico, Alejandro S.	Quezon City	3,500.00
Yujuico, Jesus S.	Quezon City	3,500.00
Zulueta, Cesar de	Makati City	3,500.00
		<u>3,500.00</u>
		<u>P 350,000</u>

TENTH. That ERNEST KAHN has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the By Laws, and that no such Treasurer he has been authorized to receive for the corporation and to receipt in its name for all subscriptions paid in by said subscribers.

IN WITNESS WHEREOF, we have hereunto set our hands in the City of Manila, Philippines, this 14th day of May, 1958.

(Sgd.) Celso Tuason
CELSE TUASON

(Sgd.) Aurelio Montinola
AURELIO MONTINOLA

(Sgd.) Ernest Kahn
ERNEST KAHN

(Sgd.) Henry T. Belden
HENRY T. BELDEN

(Sgd.) J. Antonio Araneta
J. ANTONIO ARANETA

Signed in the presence of:

(Sgd.) Illegible

(Sgd.) Illegible

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S. S.

Before me, a Notary Public in and for the City of Manila, Philippines, this 14th day of May, 1958, personally appeared the following persons with their respective residence certificates, to wit:

<u>Name</u>	<u>Residence</u> <u>Cert. No.</u>	<u>Date and Place</u> <u>of Issue</u>
Celso Tuason	A-0204982	Jan. 22, 1958 -- Manila
Aurelio Montinola, Sr.	A-0023051	Jan. 6, 1958 -- Manila
Ernest Kahn	A-0006403	Jan. 2, 1958 -- Manila
Henry Belden	A-0067620	Jan. 13, 1958 -- Manila
J. Antonio Araneta	A-0120887	Jan. 17, 1958 -- Manila

all known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation of Valley Golf Club, Inc., and acknowledged to me that the same is of their free and voluntary act and deed.

WITNESS my hand and seal at the place and on the date first above written.

(Sgd.) Mariano B. Pineda, Jr.
MARIANO B. PINEDA, JR.
Notary Public
Until December 31, 1958

Doc. No. 186
Page No. 52
Book No. 11
Series of 1958.

DIRECTOR'S CERTIFICATE

WE, the Chairman, Secretary and majority of the elected and qualified members of the Board of Directors of VALLEY GOLF CLUB, INC., a stock corporation organized and existing under the laws of the Philippines do hereby certify:

That as an Annual Meeting of the Stockholders and members of the Board of Directors held on September 10, 1989 at 4:20 p.m. at the principal office of the corporation and following resolution was duly approved, adopted and recorded in the minutes:

"RESOLVED, as it is hereby received that Article I of the Articles of Incorporation of VALLEY GOLF CLUB, INC. be amended by changing the corporate name to VALLEY GOLF AND COUNTRY CLUB, INC."

That the above resolution was confirmed, approved and ratified by the vote of the stockholders owning/representing at least two-thirds (2/3) of the entire outstanding capital stock at a special stockholders and directors meeting held on the same date and place;

That the attached articles of Incorporation is a true and correct copy of the present Articles of Incorporation, as amended, reflecting its new corporate name.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 25th day of September 1989 at Makati, Metro Manila.

PEDRO H. YAP
Director
Res. Cert. No. 784301-A
Issued at: Manila
on: Feb. 2, 1989

(Sgd.)
ROMEO M. LIAMZON
Director
Res. Cert. No.
Issued at: Antipolo
on: March 4, 1989

(Sgd.)
MARCELINO L. GO
Director
Res. Cert. No. 000006435
Issued at: Manila
on: 1-31-1989

(Sgd.)
EMMANUEL CASTAÑEDA
Director
Res. Cert. No. 025387
Issued at: Antipolo
on: 1-18-89

(Sgd.)
LUIS SICAT
Director
Res. Cert. No. 214630-E
Issued at: Q. C.
on: 3-21-1989

(Sgd.)
JOHNNY SARMENTA
Director
Res. Cert. No. 09598558J
Issued at: Q. C.
on: 3-20-89

(Sgd.)
JOSE VILCHEZ, JR.
Director
Res. Cert. No. 1158001G
Issued at: Antipolo
on: 4-1-1989

FEDERICO GARANDANG
Director
Res. Cert. No.
Issued at:
on:

(Sgd.)
CRISMEL YERANO
Director
Res. Cert. No. 4925502
Issued at: Q. C.
on: 2-23-1989

ATTESTED:

(Sgd.)
PEDRO H. YAP
President

(Sgd.)
ORLANDO C. PARAY
Secretary

SUBSCRIBED AND SWORN to before me this 25th day of September 1989,
affiants exhibiting to me their Res. Cert. No. printed below their respective name.

Sgd.
EDGAR A. PACIS
NOTARY PUBLIC
Until December 31, 1990
PTR No. 566199, Makati
Jan. 3, 1989


Doc. No. 438;
Page No. 89;
Book No. II;
Series of 1989.


DIRECTORS' CERTIFICATE





We, the undersigned majority of the Directors and Corporate Secretary of VALLEY GOLF & COUNTRY CLUB, INC., do hereby certify that the Articles of Incorporation of said corporation was amended by a majority vote of the directors on July 29, 2006 and the vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a meeting held on November 18, 2007 at the principal office of the corporation.


The amended provisions of the attached Amended Articles of Incorporation refer to Article 4 ~~That the Term for which said corporation is to exist for another Fifty (50) years from May 15, 2008.~~



RAPHAEL ESTANISLAO
President/Director
TIN No. 100-143-443
Res. Cert. No. 12450200
Issued at Antipolo City
on January 4, 2008



LINO TOPACIO
Vice President/Director
TIN No. 110-062-048
Res. Cert. No. 07594500
Issued at Quezon City
on January 3, 2008



BONIFACIO SUMBILLA
Treasurer/Director
TIN No. 150-146-618
Res. Cert. No. 14723842
Issued at Cainta, Rizal
on January 3, 2008



TEODORO PAPA
Asst. Treasurer/Director
TIN No. 111-924-493
Res. Cert. No. 24199012
Issued at Quezon City
on April 4, 2008

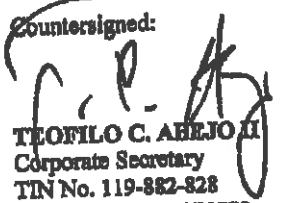

JAIME LARDIZABAL
Director
TIN No. 103-405-178
Res. Cert. No. 23742105
Issued at Pasig City
on February 23, 2008


FRANCISCO BEN REYES
Director
TIN No. 115-808-073
Res. Cert. No. 07649077
Issued at Quezon City
on January 10, 2008


BERNARDO P. CRUZ
Director
TIN No. 128-282-687
Res. Cert. No. 11562615
Issued at Marikina City
on January 3, 2008

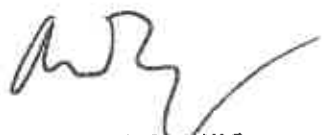

ROBERTO ROXAS
Director
TIN No. 106-207-376
Res. Cert. No. 19475836
Issued at Makati City
on January 11, 2008


JOSE FERLU SUDARIO
Director
TIN No. 125-972-748
Res. Cert. No. 12465301
Issued at Antipolo City
on January 2, 2008

Countersigned:

TEOFILO C. ABEJO II
Corporate Secretary
TIN No. 119-882-828
Res. Cert. No. 11875770
Issued at Mandaluyong City
on January 4, 2008

SUBSCRIBED AND SWORN to before me this APR 16 2008 day of
2008 at CITY OF PASIG by the above-named persons who
exhibited to me their Community Tax Certificates.

Doc. No. 1166 ;
Page No. 85 ;
Book No. 7 ;
Series of 2008.


AMADO DANILO G. PAYAG
Notary Public for Pasig City
Until December 31, 2009
PTR No. 4818284; 01/03/08; Rizal
IBP No. 732669; 01/03/08; Rizal
San Juan - Mandaluyong
Roll No. 43175



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. 13951

**CERTIFICATE OF FILING
OF
AMENDED BY-LAWS**

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

VALLEY GOLF & COUNTRY CLUB, INC.

copy annexed, adopted on August 21, 2010 by a majority vote of the Board of Directors and on September 26, 2010 by the vote of the stockholders owning or representing at least majority of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Big. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 31 day of November, Twenty Ten.


BENITO A. CATARAN
Director

Company Registration and Monitoring Department



COVER SHEET

1 3 9 5 1
B.E.C. Registration Number

VALLEY GOLF & COUNTRY
CLUB INC.

(Company's Full Name)

DON CELSO S TUASON AVENUE
VICTORIA VALLEY ANTIPOLO CITY

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

TESS GAN
Contact Person

638-04-00
Company Telephone Number

06 30
Month Day
Fiscal Year

Amended By-Law
FORM TYPE

09 4th Sun
Month Day
Annual Meeting

Second License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Foreign

File Number

Document I.D.

To be accomplished by SEC personnel concerned



Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

**AMENDED BY-LAWS OF
VALLEY GOLF & COUNTRY CLUB**

ARTICLE I - OFFICE

The Principal office of the Club shall be located at Antipolo City, Rizal Philippines.

ARTICLE II - SEAL

The Board of Directors is authorized to design and to adopt a seal for the Club.

ARTICLE III - MEETING

Section 1. Annual Meetings - The annual meetings of stockholders shall be held at the Clubhouse on the Fourth Sunday of September of each year at 4:00 o'clock in the afternoon.

Section 2. Special Meetings - Special meetings of stockholders may be called at anytime by resolution of the Board of directors or by order of the President, or upon written request of ten percent (10%) of stockholders. No action will be taken at such special meeting except for the purpose(s) specified in the call.

Section 3. Notice of Meetings - Written notice of meetings for every regular or special meeting of stockholders shall be given to stockholders at least (10) days prior to the date of the meeting. Any failure or irregularity of notice of any meeting shall be deemed cured where the complaining stockholders appear at the meeting.

Section 4. Quorum - A quorum at any meeting shall consist of a majority of the stockholders, represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, except in cases where a different number of votes is required by law.

Section 5. Proxies - Every stockholder is entitled to vote at any meeting of stockholders and may so vote by proxy, provided that the proxy shall have been appointed by the stockholder himself or by his duly authorized attorney-in-fact in an official numbered proxy form issued by the Club. No other proxy form shall be recognized by the Club.

Section 6. Election of Directors - The election of Directors shall be held at the annual meeting of stockholders and shall be conducted in the manner provided for in the Corporation Law, and with such formalities as the officer presiding at the meeting shall then and there determine and provided.

The external auditor or auditors shall likewise be elected by the stockholders either in the annual stockholder's meeting or in a special stockholders' meeting called for the purpose.

Section 7. Order of Business -- The order of the business of the annual meeting and, as far as possible, at all other meeting of stockholders, shall be as follows:

- a) Calling the roll.
- b) Secretary's proof of due notice of the meeting.
- c) Reading and disposal of the unapproved minutes.
- d) Report of officers, annual and otherwise.
- e) Unfinished business.
- f) New business.
- g) Election of Directors.
- h) Adjournment.

Section 8. Eligibility to vote and be voted

a) Only stockholders in good standing shall have the right to vote and be voted upon at any meeting of the stockholders.

b) Qualifications of Nominees for the Election of Directors:

- i. Has one (1) share recorded in his/her name for at least three (3) years at the time of nomination and shall continue to own a share during his/her term of office. If the nominee has been a member of a standing committee for at least one (1) year, or a playing guest or corporate representative for at least two (2) years, the three-year requirement will be reduced to one (1) year.
- ii. Is an active proprietary member who has not assigned the playing right of his/her share of stock upon his/her nomination, has committed in writing not to assign said playing right during his/her incumbency if elected, and is in good standing, with no delinquent account/s.
- iii. Shall have sufficient time and willing to share his/her professional and executive expertise; and,
- iv. Has no official record of grave and serious misconduct that merited Club membership suspension and has not been convicted in any criminal case. (As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010).

Section 9. Stockholder's Consent – The consent of 2/3 of the outstanding capital stock shall be required in the following instances:

- a) A substantial change in the present layout in the 36 holes golf course.
- b) Any expenditure of the funds of the Club for alteration covered by the preceding paragraph.
- c) Any capital expenditure for new projects other than any those approved at previous stockholders' meeting which requires special assessment against the stockholders, or an increase in the number of authorized shares of Club.

For the purpose of this section, the consent of stockholders may be obtained by referendum.

Section 10. Committee on Election – Members of the Committee on Election shall be appointed by the Board of Directors, composed of three (3) proprietary members in good standing. Such proprietary members shall be of unquestionable integrity and occupy the highest esteem of his peers. For purposes of the Comelec, a playing representative of a corporate proprietary member may be appointed as member of the Comelec provided that said designated playing representative shall be the Incumbent President or Chairman of the Corporation and should own equity in the said Corporation and subject to such other requirements and/or limitations that the Board may impose.

The Club General Manager, Comptroller and Internal Auditor shall form part of the Comelec Secretariat.

ARTICLE IV . DIRECTORS

Section 1. Board of Directors – The business and property of the Club shall be managed by a Board of nine (9) Directors. At the next annual stockholders' meeting, nine (9) Directors shall be elected, the first three (3) Directors receiving the highest number of votes shall serve for a term of three (3) years; the three (3) other Directors receiving the next highest number of votes shall serve for a term of two (2) years; and the remaining three (3) Directors shall serve for a term of one (1) year. Every year thereafter, at the annual stockholders' meeting, there shall be three (3) elected Directors who shall serve for a term of three (3) years. No Directors can serve consecutively for more than three (3) years.

No more than sixty (60) days prior to the annual meeting of stockholders, the President with the approval of the Board of Directors, shall appoint a nominating Committee of five (5) stockholders, three (3) of whom are not Directors. The said nominating committee shall prepare, sign and post at least fifteen (15) days before the annual meeting, a list of not less than four (4) nor more than six (6) candidates for the Board of Directors for the ensuing year. Any five (5) stockholders may nominate additional candidates for the Board by posting a signed list not later than ten (10) days before the Annual Meeting.

The nominating Committee shall evaluate all candidates to ensure compliance with the required qualifications. A list of the qualified candidates nominated shall be included in the notice of the annual meeting that is sent out to each stockholder. (As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010)

Section 2. Directors to act as of Board – The Board of Directors shall act only as a board and no power is vested in the individual director as such. A majority of the Board shall constitute a quorum for the transaction of business, except for the filling of vacancies in the Board, in which case majority of the remaining Directors shall constitute a quorum. Directors shall receive no salaries or fees as such.

Section 3. Board Meeting – The regular meeting of the Board of Directors shall be held once a month at such time and place as shall be determined by the Board. Special meetings of the Board may be called by the President, or upon written petition of three (3) members. Notice of Board Meetings shall be served on each director at least three (3) days before the meeting, unless notice is waived by all the Directors present.

Section 4. Order of Business – The order of business at any regular or special meeting of the Board of Directors shall be:

- a) Calling the roll.
- b) Secretary's proof of due notice of the meeting.
- c) Reading and disposal of unapproved minutes in the case of regular meetings of the Board.
- d) Report of officers.
- e) Unfinished business.
- f) New business.
- g) Adjournment.

Section 5. A director must have at least one (1) share registered in his name during his term of office otherwise, he shall be automatically disqualified from the position. The stockholders holding 2/3 of the outstanding capital stock in the books of the corporation may remove a director who has absented himself for three (3) consecutive regular meetings of the Board unless such absences be excused by reason of sickness, physical disability or other justifiable reason(s) acceptable to the Board of Directors.

Section 6. The immediately preceding five (5) past President of the Club shall become ex-officio members of the Board without the right to vote.

ARTICLE V - OFFICERS

Section 1. Designation – Majority of all the Board of Directors at its first meeting shall elect as Executive Officers of the Club a President, Vice-President, a Treasurer, a Secretary and such other administrative officers as it may deem proper.

Section 2. Qualification - All Executive Officers of the Club must be incumbent directors, with the exception on the Secretary who must, however, be a resident and citizen of the Philippines.

Section 3. Every executive officers shall be elected by the Board for a term of one (1) year, unless sooner removed by the Board of Directors, and all vacancies occurring among such officers however arising shall be filled by the Board.

Section 4. Compensation - The compensation and working conditions of officers of the Club who are not directors shall be fixed by the Board, Directors acting as such, or as officers of the Club including members of standing or special committees, shall receive no salaries or fees, whatsoever for their services.

Section 5. Duties and Responsibilities - The duties and responsibilities of the different officers of the Club are as follows:

a) **The President** - The President shall preside at all meetings and shall sign the membership certificate of the Club. He shall be the chief executive officer of the Club and have general supervision of the business affairs and property of the Club and over its several agents and employees, with authority to hire said employee, and dispenses with their services subject to confirmation by the Board of Directors. He shall sign contracts on behalf of the Club and shall see that all orders and resolutions of the Board are carried into effect. In addition to the above duties expressly vested in him by these By-Laws, he shall do and perform such acts and duties as from the time to time may be assigned to him by the Board of Directors.

b) **The Vice-President** - In the absence or disability of the President, the Vice-President shall exercise all the powers and discharge all the duties of the President. The Vice-President shall, in addition, have such powers and duties as may, from time to time be conferred on him by the Board.

c) **The Treasurer** - The Treasurer, except as otherwise provided by the Board of Directors, shall have the custody of all moneys, securities and values of the Club that come into his possession, and shall keep regular books of accounts. He shall deposit said moneys, securities and values in such banking institutions as may be designated, from time to time by the Board of Directors, subject to withdrawal therefrom on the signature of such officers of the Club as the Board may, by resolution, designate. He shall perform all other duties incident to his office and all that are properly required on him by the Board of Directors. He shall furnish a bond conditioned upon the faithful performance of his duties, if and when required so to do by the Board of Directors; the amount of said bond to be determined and fixed by the said Board.

d) **The Secretary** - The Secretary shall issue notices of all meetings, shall keep their minutes, shall have charge of the seal and corporate books;

shall countersign the certificate of stock and sign such other instruments as required such signature, and shall make such reports and perform such other duties as are incident to his office or are properly required of him by the Board of Directors.

ARTICLE VI - COMMITTEES

Section 1. Standing Committee - The President with the approval of the Board of Directors, shall appoint the chairman and members (who must all be non-delinquent members) of the different standing committees of the Club and prescribed their respective duties and responsibilities, as well as, create new committees as may be necessary for the different handling of club affairs. The standing committees are as follows:

- | | |
|---------------------|-------------------|
| a) House | e) Finance |
| b) Grounds | f) Administration |
| c) Sports and Games | g) Engineering |
| d) Membership | |

Section 2. Trust Fund Committee - The Trust Fund Committee, consisting of five (5) members, created pursuant to the resolutions passed by the stockholders last September 12, 1982, and empowered only to invest the "THE VALLEY GOLF TRUST FUND" in accordance with law shall meet at least once a year or anytime upon request of the Board of Directors. Three (3) members shall constitute a quorum and the unanimous consent of three (3) members shall be necessary to constitute a decision of the Committee. Any vacancy in the Committee for any reason whatsoever shall be filled by the Board of Directors.

The Board of Directors shall also determine the amount of the fund to be administered by the Trust Committee which shall not be less than the original amount of P3.5 Million.

ARTICLE VII - MEMBERSHIP

Section 1. Classification - Membership in the Club shall be classified into (a) Proprietary (b) Playing Guest (c) Honorary and (d) Social

a) A proprietary Member is any person who is the registered stockholder of at least one (1) share of stock of the Club whose membership had been previously approved as hereinafter provided. In case the proprietary member is a juridical person it shall be entitled to designate its representative who shall exercise all the rights and privileges of membership including the right to vote.

b) An Honorary Member is any person who has been conferred playing rights by the Board of Directors under terms and conditions specified for such membership.

c) A playing Guest is any person who is the assignee of the playing rights of a share of stock registered in the name of another person.

d) A Social Member is a natural person who has been granted the privilege of using the facilities of the Club, except the golf course.

Section 2. Membership in the Club shall be subject for approval by the Board of Directors upon the favorable recommendation of the Membership Committee. All members shall pay the stipulated monthly dues and other assessments of the Club.

Section 3. A stockholder, whether a member or not shall nevertheless be obligated to pay the regular monthly dues and special assessments effective from the date of issuance of their respective certificate of stock.

Section 4. Stockholders who subscribed to the additional increase in capital stock of P8.1 Million last August 1981 shall be excluded from paying the regular monthly dues and special assessments corresponding to such additional shares until they decide to sell the same, or to assign the playing rights corresponding thereto.

ARTICLE VIII - CLUB ACCOUNTS

Section 1. Lien - The Club has the first lien on the share of the stockholder who has, in his/her/its name, or in the name of an assignee, outstanding accounts and liabilities in favor of the Club to secure the payment thereof.

Section 2. No sale, or transfer of a share of stock, shall be registered in the books of the Club until and unless the lien established under Section 1 and the requirements of Article VII, Section 2, shall have been first fully satisfied.

Section 3. The account of any member shall be presented to such member every month. If any statement of accounts remained unpaid for a period of forty-five (45) days after cut-off date, said member may be posted as delinquent. No delinquent member shall be entitled to enjoy the privileges of such membership for the duration of the delinquency. After the member shall have been posted as delinquent, the Board may order his/her/its share sold to satisfy the claims of the Club; pursuant to such rules and procedures which the Board of Directors may promulgate to govern the conduct of sale/auction of shares of delinquent members; after which the member loses his/her/its rights and privileges permanently. No Member can be indebted to the Club at any time any amount in excess of the credit limit set by the Board of Directors from time to time. The unpaid account referred to here includes non-payment of dues, charges and other assessments and non-payment for subscriptions.

ARTICLE IX - FISCAL YEAR

The Fiscal Year of the Club shall commence on the first day of July of each year and shall close on the 30th day of June of the following year.

ARTICLE X - AMENDMENT

Section 1. *These By-Laws may be altered, amended or repealed at any meeting of stockholders by a majority of the subscribed capital stock. The Board of Directors, by resolution, may likewise amend these By-Laws, as however, shall be circularized to all stockholders.*

ARTICLE XI - TRANSITORY PROVISIONS

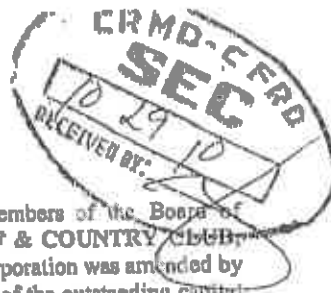
These By-Laws shall be deemed to be complete and shall repeal the By-Laws, including amendments adopted prior to this date.
Adopted June 6, 1958, at Manila, Philippines.

(Sgd.) Francisco R. Aguilardo	(Sgd.) Tomas B. Aguirre
(Sgd.) Arturo A. Alariz	(Sgd.) J. Antonio Araneta
(Sgd.) Luis Ma. Araneta	(Sgd.) Chest Babat
(Sgd.) Charles T. Blacoff	(Sgd.) Manuel Barrero
(Sgd.) Constantino Bautista	(Sgd.) Henry Belden
(Sgd.) Henry E. Bennett	(Sgd.) Enrique Brias
(Sgd.) Jaime Brias	(Sgd.) Francisco Cacho
(Sgd.) Jose A. Cacho	(Sgd.) Antonio Roxas Chua
(Sgd.) Pedro Cojuangco	(Sgd.) Ricardo Constunji
(Sgd.) Jose Ma. Cortes	(Sgd.) Felix Cortes
(Sgd.) Bienvenido Cruz	(Sgd.) Benito Cu Unjieng
(Sgd.) Alfonso R. de Damperra	(Sgd.) Pompeyo Diaz
(Sgd.) Jose Faria	(Sgd.) Jose Fernandez
(Sgd.) Robert Fieder	(Sgd.) Isauro Cabaldon
(Sgd.) Regino D. Gamboa	(Sgd.) Antonio Gonzales
(Sgd.) Rafael Gonzales	(Sgd.) Oscar E. Guerrero
(Sgd.) F.R. Halling	(Sgd.) Frank Huang
(Sgd.) B.R. Jalbuana	(Sgd.) Ernest Kahn
(Sgd.) Jose Klar	(Sgd.) Andres Liboro
(Sgd.) P.L. Lim	(Sgd.) Peter Lim
(Sgd.) Jose Locsin	(Sgd.) Manuel Lopa
(Sgd.) Honrado G. Lopez	(Sgd.) G.H. Lovell
(Sgd.) Alfredo Luz	(Sgd.) Antonio P. Madrigal
(Sgd.) Jose P. Madrigal	(Sgd.) Constantino P. Manahan
(Sgd.) Raul Mangiapua	(Sgd.) Ricardo S. Manotoc
(Sgd.) Faustino Matilla	(Sgd.) Antonio Miranda
(Sgd.) Sergio Montinola, Sr.	(Sgd.) Aurelio Montinola, Jr.
(Sgd.) Sergio Montinola	(Sgd.) Karl Nathan
(Sgd.) J.E. Norton	(Sgd.) Sebastian Oliveros
(Sgd.) Eduardo Origas	(Sgd.) Francisco Origas
(Sgd.) Rafael Origas	(Sgd.) Miguel Perez
(Sgd.) Evaristo Picozo	(Sgd.) Santiago Pironasif
(Sgd.) J.B. Prayaler	(Sgd.) Carlos Quirino
(Sgd.) Alfonso Recto	(Sgd.) Narciso Reyes, Jr.
(Sgd.) Victor Reyes	(Sgd.) Fernando S. Roco

(Sgd.) Antonio Roxas
(Sgd.) Erasmo D. Rufino
(Sgd.) Andres Soriano
(Sgd.) Jose Maria Soriano
(Sgd.) Celso A. Tuason
(Sgd.) James Uy
(Sgd.) Alfredo Velayo
(Sgd.) Alfredo Villa Abrille
(Sgd.) Gerald Wilkinson
(Sgd.) Felipe Yamael
(Sgd.) Walter Euyang
(Sgd.) Yu Khe Tai
(Sgd.) Jesus S. Yujulco

(Sgd.) Eduardo Roxas
(Sgd.) Luis S. Santayana
(Sgd.) Andres Soriano, Jr.
(Sgd.) Washington Syop
(Sgd.) Juan E. Tuason
(Sgd.) Miguel R. Unson
(Sgd.) Jaime Velasquez
(Sgd.) Alfred C. Velouth
(Sgd.) Fernando Villaresi, Sr.
(Sgd.) Claude M. Wilson, Jr.
(Sgd.) Yu Khe Siong
(Sgd.) Alejandro S. Yujulco
(Sgd.) Cesar de Zulueta

DIRECTORS' CERTIFICATE



We, the undersigned representing the majority members of the Board of Directors and the Corporate Secretary of VALLEY GOLF & COUNTRY CLUB, INC. do hereby certify that the attached By-Laws of said corporation was amended by the vote of the stockholders representing at least a majority of the outstanding capital stock at a meeting held on September 26, 2010, at the principal office of the corporation.

The amendment was likewise approved by majority of the directors at a meeting held at the principal office of the corporation, on August 21, 2010.

The amended provisions of the attached Amended By-Laws refer to Article III, Section 8 and Article IV of the By-Laws, to wit:

Article III, Section 8. Eligibility to vote and be voted -

a) Only stockholders in good standing shall have the right to vote and be voted upon at any meeting of the stockholders.

b) Qualifications of Nominees for the Election of Directors:

- i. Has one (1) share recorded in his/her name for at least three (3) years at the time of nomination and shall continue to own a share during his/her term of office. If the nominee has been a member of a standing committee for at least one (1) year, or a playing guest or corporate representative for at least two (2) years, the three-year requirement will be reduced to one (1) year.
- ii. Is an active proprietary member who has not assigned the playing right of his/her share of stock upon his/her nomination, has committed in writing not to assign said playing right during his/her incumbency if elected, and is in good standing, with no delinquent accounts.
- iii. Shall have sufficient time and willing to share his/her professional and executive expertise; and,
- iv. Has no official record of grave and serious misconduct that merited Club membership suspension and has not been convicted in any criminal case. (As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010).

Article IV – Directors


Section 1. Board of Directors – The business and property of the Club shall be managed by a Board of nine (9) Directors. At the next annual stockholders' meeting, nine (9) Directors shall be elected, the first three (3) Directors receiving the highest number of votes shall serve for a term of three (3) years; the three (3) other Directors receiving the next highest number of votes shall serve for a term of two (2) years; and the remaining three (3) Directors shall serve for a term of one (1) year. Every year thereafter, at the annual stockholders' meeting, there shall be three (3) elected Directors who shall serve for a term of three (3) years. No Directors can serve consecutively for more than three (3) years.


No more than sixty (60) days prior to the annual meeting of stockholders, the President with the approval of the Board of Directors, shall appoint a nominating Committee of five (5) stockholders, three (3) of whom are not Directors. The said nominating Committee shall prepare, sign and post at least fifteen (15) days before the annual meeting, a list of not less than four (4) nor more than six (6) candidates for the Board of Directors for the ensuing year. Any five (5) stockholders may nominate additional candidates for the Board by posting a signed list not later than ten (10) days before the Annual Meeting. The nominating Committee shall evaluate all candidates to ensure compliance with the required qualifications. A list of the qualified candidates nominated shall be included in the notice of the annual meeting that is sent out to each stockholder. *(As amended by the stockholders on September 26, 2010 and by the Board of Directors on August 21, 2010)*

IN WITNESS WHEREOF, we hereby set our hands this 7th day of OCT 2010 2010, at Manila City, Philippines.

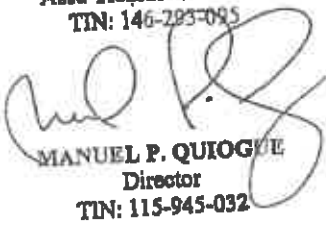

BERNABDO P. CRUZ
President/Director
TIN: 128-282-687

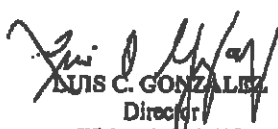
ROBERTO ROXAS
Vice President/Director
TIN No. 106-207-376



JOSE RAMIRO R. REGALADO
Treasurer/Director
TIN: 103-950-996


GEN. ROMEO T. RICARDO
Asst. Treasurer/Director
TIN: 146-283-095


JOSE PERLU SUDARIO
Director
TIN: 125-972-748


MANUEL P. QUIOGUE
Director
TIN: 115-945-032


LUIS C. GONZALEZ
Director
TTN: 113-024-410


ALFREDO A. FIGUIERAS
Director
TTN: 106-169-744

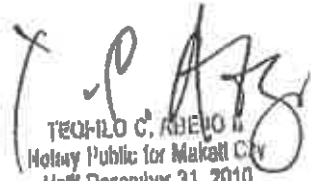
VISAURO SAN PEDRO, JR.
Director
TTN: 115-968-382

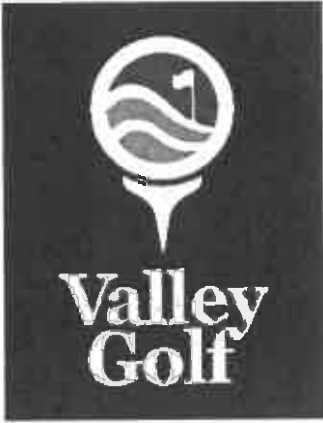
Certified Correct by:


PEDRO H. MANIEGO, JR.
Corporate Secretary
TTN: 130-488-850

SUBSCRIBED AND SWORN to before me this 2nd OCT 2010 day of
2010, at Makati City, by the above-named persons who
exhibited to me their Competent Identification.

Doc. No. 96;
Page No. 2;
Book No. 11;
Series of 2010.


TEODORO C. ARJONA II
Notary Public for Makati City
Until December 31, 2010
PTR No. 5447310 01/06/00; Rizal
UP No. 769880; 01/06/00; Makati City
Roll No. 30031



ANNUAL REPORT

FISCAL YEAR 2020 to 2021





Our Mission

To provide world-class golf and recreational facilities and efficient high quality services to its members, families and guests; friendly atmosphere, affordable cost and the employment of dedicated and service-oriented personnel. It is the overriding goal of the Club to promote the game of golf, enhance harmony and fellowship and instill courtesy, discipline, honesty, fair play and integrity among all its members.



Our Vision

Valley Golf, the premiere golf and country club providing unparalleled recreational experience to our members, their families and guests.

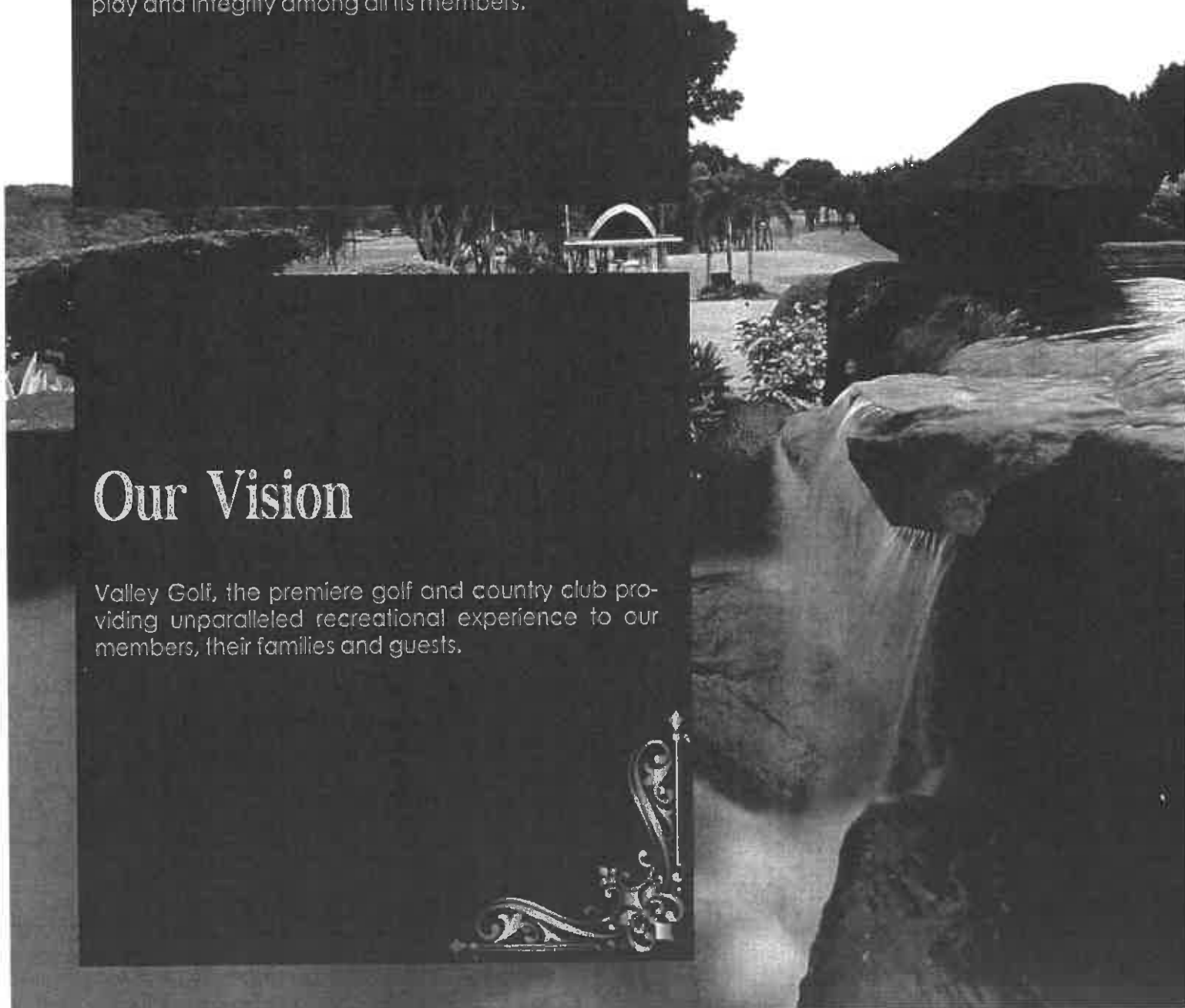


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President's Report



Prayers for the safety and the good health of everyone. It truly is my life's honor and privilege to have been president of Valley Golf and Country Club, Inc. (Valley Golf, VGCC), one of the most prestigious, esteemed, and celebrated golf clubs in the country, this challenging yet remarkable fiscal year 2020

2021.

To have accomplished what we have this year in spite of the on-going COVID-19 pandemic and subsequent government mandatory lockdowns where operations are reduced to none/zero (ECQ) to maximum fifty percent capacity (50%) with still no income from tournaments and events is truly a big understatement. We have achieved many milestones this year with all these considered including the highest value of club share in recent memory at Php1,700,000.00 excluding transfer and other fees (an 89% increase from Php900K during the height of the pandemic). We've had our highest ever cash position at Php61 million (a 244% increase from Php25 million in May 2020) and, finally, a net income increase of 155% at Php9.4 million from a deficit of Php17.2 million from the previous year or a Php26.6 million turnaround even if Valley Golf continues to have the lowest monthly dues in its class.

PROJECTS AND ACCOMPLISHMENT HIGHLIGHTS

(2020-2021):

1. Two (2) Storey Golf Cart Parking Building (On-going)
2. Swimming Pool Landscaping and Cabana (On-going)
3. Desilting Pond Access Road Construction (On-going)
4. Renovation and Expansion of Fairways Tee Houses (On-going)
5. Rehabilitation of South Course Blue and White Tee-Boxes
6. Rip Rapping Waterways Renovation in partnership with DPWH (Total of Php38 million)
7. South Course Hole #4 Tee Box Renovation and Expansion
8. Member's Golf Cart Parking Extension (70+ units capacity)
9. Registration Glass Enclosure
10. Introduction of Entry/Exit To/From South Course Fairways (Using Zoysia Sod)
11. North Tee-Box #1 Gold Tee Construction
12. Locker Hallway Renovation
13. Renovation and Relocation of Pro Shop to be Integrated with VGCC Point-Of-Sale System
14. Men's Locker Room Renovation and Expansion
15. Men's Lockers Expansion (50 units)
16. Replacement of North Course Turbine Irrigation Pumps (after more than 30 years)
17. Women's Lockers Renovation
18. Women's Lockers Conversion to Digital Locks
19. Member's Car Parking Pavement Repair
20. Don Celso Tuason Avenue Road Repairs and Maintenance
21. Improvement of DCTA posts lighting to 60 watts (from 30 watts)
22. Lay-By Construction at South Course Hole #9
23. Lay-By Construction at South Course Hole #18
24. Construction of Rotunda at North Course Hole #5
25. Installation of Concrete Pathway to Ladies Tee Box
26. Repair of Cart Path at South Course Hole #10
27. Repair of North Course Hole #3 Bridge
28. Repair of Cart Path at South Course Hole #6
29. Repair of Cart Path at North Course Hole #8
30. Gabion Filter Construction (continuation from previous year)
31. North Starter House Construction (continuation from previous year)
32. Swimming Pool Construction and Renovation (continuation from previous year)
33. Replacement of South Course Turbine Irrigation Pumps and Motors (continuation from previous year)
34. South Course & North Course Hole #1 Message, Information, and Advisory Board
35. Roofing/Canopy Construction (from on the entrance to the locker rooms from member's parking)

There were doubts whether success can be achieved this year, including from the Board of Directors (Board, BOD) and management, especially since there were more, and stricter quarantine days this year and, therefore, no possible income from one of our more profitable sources like outside tournaments and also the Don Celso Tucson and Founder's Cup (DCTFC), Bingo Social and Grand Raffles. Yet the club can be proud of very notable milestones and achievements, to name a few:

- A. Compliance Management (IATF, NGAP, Safety Seal) – Valley Golf was able to develop, establish and continuously improve its own set of protocols and guidelines that created a system of golf and club operations that enable it to thrive despite the obvious handicaps the different quarantine mandates have brought, compliant and adherent to all local and national pandemic laws. With the safety and health as utmost priority, the club remains to be safe for its members, guests, and especially employees with no confirmed transmission to date and is recognized to be one of the first to receive a SAFETY SEAL recognition from the city of Antipolo, given only to the most compliant establishments.
- B. Fiscal Responsibility – Even though challenged by the dramatic reduction of revenue streams, historic fiscal feats abound with regard to responsible fiscal management including but not limited to:
 - 1) Share Value – Historical high at Php1,700,000.00 exclusive of other fees or 89% increase from Php900,000.00;
 - 2) Cash Position – Highest ever cash position at Php61 million or 244% increase from Php25 million;
 - 3) Net Income – Highest ever income from deficit turnaround or improvement of Php26.6 million, an increase of 155% at Php9.4 million income from a Php17.2 million deficit the previous year;
 - 4) Operating Expenses – Lowest ever annual operating expenses at only Php105 million;
 - 5) CBA – The most successful Collective Bargaining Agreement between employees and management in relation to cost impact and total expenses for the club;

All these while operating only at maximum 50% capacity and resolving to make Valley Golf exclusive to members only.

- C. Inoculation Herd Immunity – Valley Golf leads all clubs in its vaccination drive and program being the first to achieve herd immunity (at 70%) as early as July 2021 and currently at 84% of all its manning organization of employees, caddies, security guards, concessionaire, driving range, engineering, utility, and other third party employees and casuals having administered with at least one (1) shot of COVID-19 vaccine as of September 2021. Valley Golf is on track to be the first fully vaccinated club in the country all while saving millions in club funds as it has partnered with the local governments of Antipolo and Cainta for this inoculation endeavor, free of charge.
- D. Golf Course and Fairways Management – We continue to manage and improve our courses diligently with the South Course in particular being in its best condition in years now eligible for play even after periods of heavy rains. We've managed to schedule at least 2 course operations this year, the first in February and the second scheduled in October. The continuous operations, missing in the past years, will make certain of the sustainable maintenance conditions. We have renovated and repaired the tee boxes with Zoysia Matrella grasses, and we expect the positive reviews on this to continue as we move further with this in the North Course. The fairways filtration and irrigation projects from the previous years to present have ensured the quality of our waters introduced to our courses and we're confident this will finally address the silted problems particularly in the South Course fairways. We restarted the infusion of Zoysia grasses in the fairways landing area, this will further promote a better golfing experience and excitement for all.
- E. Value Proposition – Projects with high value proposition is the precedence of this term with little to NO cost for the club but with maximum high value impact, to name a few:
 - 1) DPWH Partnership – The rip rapping project starting from the bridge gate all the way to the South Course Hole #10 is part of the long-term irrigation and management im-

provement. This, at least, Php38 million project is of no cost to Valley Golf and yet establishes a long term weather resilient golf courses for the club.

- 2) **Tee Houses Renovation and Improvement** – The renovation and improvement to add more capacity to dine, add more golfer's toilet space, and additional caddies toilets will be a Php10 million investment, but FREE of charge to Valley Golf, as this is inclusive to the tee houses concessionaire contract.
- 3) **Globe Tower** – Years after installation, little to no value was introduced to the club from the Globe tower construction and instead has only taken up at least two (2) parking slots from members parking area. From this term, finally, there has been a mutual agreement from Valley Golf and Globe to maintain and improve the tower but will now include an, at least, equivalent of Php800,000.00 annual compensation to Valley Golf (from Globe) for its part. Dito Telecommunications has expressed the same interest and initial management discussions has been conducted.
- 4) **Main Clubhouse and Facilities Master Plan** – Valley Golf and its members deserve club facilities that is truly world class and state of the art, and therefore, this term's board has resolved and approved the main clubhouse and dining area master plan renovation. The timeless yet modern design approach and aesthetics ensures to cater and accommodate more members not only in golfing events like the DCTFC, outside tournaments, but also parties, weddings and gatherings, and also modern fine dining experience to our members and guest that would complement possible social memberships planned. Inclusive of this is the mandate to conduct retrofitting works, after thorough evaluation and study, prior to any construction as part of this Board's commitment to safety treating it as its utmost priority.
- 5) **Introduction of New Valley Golf Logo** – This Board is proud to have intro-

duced a new, more modern and fresher take to our Valley Golf after almost 60 years of no iteration. Change is always a sign of growth, progress and innovation. One should never fear change, instead, fear is for when one stays the same. All successful and progressive companies in the world have made changes and improvements in their logos more than once.

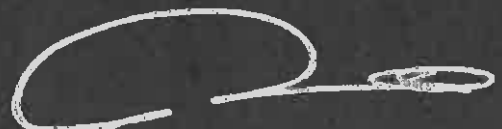
Lots more can be noted that promotes and contributes to the club and its members the best way possible. These are some of the future projects in the pipeline with budget allocations, in place:

SUMMARY OF FUTURE PROJECTS:

1. **Sewerage Treatment Plant Construction** – Main Clubhouse;
2. **Main Clubhouse and North Clubhouse Retrofitting Works;**
3. **Main Clubhouse Renovation with Coffee Shop and Lounge and Fine Dining Upper Veranda Restaurant with Pool and Cabana Kitchen;**

In closing, I wish to acknowledge the sacrifice, passion and dedication of each of the members of the Board, including all committee chairmen and its members, and also our past presidents as advisers, for the work you've done in behalf of our Valley Golf. To my entire family for their understanding and support, I would not have been able to do it without you. To those I have met and collaborated, shared ideas and stories, and friends in the club, you are too many to mention but you know who are. Words won't be enough to express my gratitude and thanks. Finally, to our employees, management and staff, you are all hard working, sincere and dedicated professionals. You will forever have a place in my heart.

MARAMING SALAMAT PO.



REGINALD BENJAMIN "BJ" V. SAN PEDRO
President, Year 2020-2021

Treasurer's Report



The position of the Chief Financial Officer of our Club amidst the pandemic, the worldwide economic recession, and the continuing restrictions of the IATF in the Golf Club industry is a very challenging task. At the start of my term, my main objective is to stabilize our cash position not only to sustain our operations but to fund the much-needed projects of the Board of Directors without compromising our membership dues. I am pleased to report that cash flow wise our Club is very liquid with unprecedented Php61.70 Million in cash & cash equivalents and short-term investment as of June 30, 2021.

In the Audited Financial Reports our Current Ratio (this ratio represents the liquidity of the Club or the available current assets to settle the current liabilities) is an impressive rate of 1.8%. Our receivables from Members' Accounts decreased by Php2 Million which is the result of intensified collection campaign as well as providing on-line payment options for the convenience of our members. Our total assets as of June 30, 2021 is Php305.86 Million.

Gross Revenue for the year is Php140.98 Million or an increase of Php1.27 Million or 1% from last year. Considering the substantial decline in one of our major revenue sources which is our Green Fees with a decrease of Php8.77 Million, we still managed to tap our other revenue sources to augment our operations. Revenues from Transfer Fee (Php11.35 Million), Service Charge (Php8.43 Million), Road Users' Fee (Php14.89 Million) and Assessment for Road Maintenance (Php8.40 Million) have contributed significantly on the increase in our revenue.

For the Fiscal Year 2021 it is worth noting the improvement in the results of our operations with an Excess of Revenues over Expenses of Php9.42 Million. The key to the favorable results of operations is the prudent but reasonable controls in our operating expenses which paid off with the cost and expenses being at its minimal level of Php131.22 Million or a decrease of Php23.77 Million or 15% from

last fiscal year's Php154.99 Million, which is quite an achievement.

For our going concern, the pandemic will surely still affect our financials for the Fiscal Year 2022. The Treasury's strict adherence to our Financial & Budget Plan as well as conscientious review of our contractual obligations are the guiding principles to help us through another challenging year. There are still on-going projects that the Treasury is funding such as the Two-storey golf cart storage, the renovation of the locker rooms and the landscaping and cabana in the swimming pool area while there are other projects for the Clubhouse and the Golf Courses that are in the planning stages.

On the overall we conclude that financially, Fiscal year 2021 is a good year for Valley Golf and we are hopeful that it will continue in the coming years.

I wish to express my gratitude to our Pres, BJ San Pedro and my fellow members of the Board for your trust and confidence in the Treasury group, to the members of the Finance Committee the best group of financial experts for their foresight and wisdom, and the Almighty for His guidance.

A handwritten signature in black ink, appearing to read 'P. Gregore', written in a cursive style.

PABLITO "TOTO" M. GREGORE
Treasurer, Year 2020-2021

BOARD OF DIRECTORS

2020 - 2021



**Reginald Benjamin
V. San Pedro**
President



Leopoldo M. Garcia
Vice-President



Pablito M. Gregore
Treasurer



Albert G. Que
Assistant Treasurer



Renato c. Balibag
Director



**Jose Arsenio Isidro
D. Borromeo III**
Director



Carlo J. Carpio
Director



Rafael S. Raymundo
Director



Ronald O. Solis
Director



Allan Jocson
Corporate Secretary

COMMITTEE MEMBERS 2020 to 2021

Administration Committee

Chairman Leopoldo Garcia
 Vice-Chairman Armando Perez
 member Erol Callado
 member Ira Gabriel Valte
 member Joselito Gutierrez
 member Ron Nelson See
 member Marcelino De Guzman
 member Marcelino Corpuz
 member Fernando Reylo

member
 member
 member
 member
 member
 member
 Adviser

John Vincent Sicat
 Victor Paolo Tanjuaico
 Robert Kevin Lachica
 Renato Mercado II
 Ravin Sehwan
 Robert John Barretto
 Jaime Victor Santos

Finance Committee

Chairman Pablito Gregore
 Vice-Chairman Jose Cruz
 member Jose Noel Mercado
 member Igor Adamovitch
 member Joaquin Tolentino, Jr.
 member Emerito Ramos III
 member Augusto Cruz, Jr.
 Adviser Abraham dela Cruz
 Adviser Michael Raymond Liamzon

House Committee

Chairman
 member
 member
 member
 member
 member
 member
 Adviser

Rafael Raymundo
 Constantine Kohchet-Chua
 Nilo Calatrava II
 Arnold Duay
 Michael Echavez
 Maria Consuelo Fregil
 Jose Arsenio Isidro Borromeo III
 Rio Sesinando Venturanza
 Rafael Estanislao

Grounds Committee

Chairman Albert Que
 member Arnold Duay
 member Adrian Mauricio
 member Damasus Wong
 member Jose Arsenio Isidro Borromeo III
 member Rafael Estanislao
 member Raymundo Estrada
 member Carlo Carpio
 member Wilfredo Manahan

Security Committee

Chairman
 member
 member
 member
 member
 member
 member

Jose Arsenio Isidro Borromeo III
 Carlo Eduardo Aliño
 Bartolo Manforte
 Teddy Tan
 Bernard Jao
 Nathaniel Isip
 Alex Joseph Gorne
 Andrew Yu
 Julius Villaruz

Engineering & Construction Committee

Chairman Albert Que
 member Ramon Bernabe
 member Freddie Zachary Estoesta
 member Bartolo Manforte
 member Donald Joseph Macomb
 member Ma. Cecilia Esguerra
 member Marvin Caparros
 member Gilbert Lui
 Adviser Reynaldo Regino
 Adviser Domingo Brian, Jr.

Audit Committee

Chairman
 Vice-Chairman
 member
 member
 member
 member
 member
 member
 Adviser
 Adviser
 Adviser

Rene Balibag
 Ronald Salis
 Donald Joseph Macomb
 Val Constantine Co
 Romeo Avila
 Jason Sy
 Rafael Raymundo
 Jose Arsenio Isidro Borromeo III
 Nestor Borromeo
 Virgilio Bucat
 Antonio Cruz
 Manuel Espinoza

Membership Committee

Chairman Jose Arsenio Isidro Borromeo III
 Vice-Chairman Miguel Silos
 member Jaime Victor Santos
 member Anil Sehwan
 member Bernard Jao
 member Edward Lim
 member Alejandro Jose Hiram
 member Aristolle Viray
 Adviser Ernesto Severino
 Adviser Jose Cruz

Trust Fund Committee

Chairman
 member
 member
 member

Luis G. Quiogue
 Ricardo N. Fernandez
 Santiago S. Lim
 Marcos C. Hermoso

Sports & Games Committee

Chairman Carlo Carpio
 Vice-Chairman Joaquin Tolentino
 member Elmer Espino

Real Estate Committee

Chairman
 Vice-Chairman
 member
 member
 member
 member
 member
 member
 member
 Adviser

Alexander Marquez
 Marcus Antonius Andaya
 Isauro Thomas Edison San Pedro
 Luis Manuel Polintan
 Jeremy Parulan
 Patrick De Jesus
 Michael Anthony Cembrano
 Marcelo Young, Jr.
 Anel Lagarejos
 Hon. Mayor Jhannelle Keith Nieto

COMMITTEE MEMBERS 2020 to 2021

Legal Committee

Chairman	Ronald Sais
member	Stephen Cruz
member	Raul Reyes
member	Vincent Vas Bartolome
member	Flaridel Bohol II
member	Renny Domingo
member	Ricardo Fernandez, Jr.

Marketing & Reciprocity Committee

Chairman	Roberto Maria Guerrero
member	Niccolo Galang
member	Wilfredo Manahan
member	Ira Gabriel Valte
member	Emerito Ramos III
member	Remigio Reintar
member	Val Constantine Co
member	Isauro Thomas Edison San Pedro

Bids & Awards Committee

Chairman	Leopoldo Garcia
Vice-Chairman	Leopoldo Sanchez
member	Rustico Nero
member	Hilario Abalos
member	Felipe Culson
member	Calvin Kahchet-Chua
member	Renato Balibag
member	Pablito Gregore
member	Reynaldo Dela Vega

COMMITTEE REPORTS

ADMIN COMMITTEE

The Economic Provisions of the Fourth (4th) and Fifth (5th) years, from November 01, 2020 to October 31, 2022 of the Collective Bargaining Agreement are due for negotiation last October 2020. This negotiation came at a time that the country is reeling from the Covid-19 pandemic and its negative impact, affecting both employers and employees. Under Labor Advisory No. 17, Series of 2020, dated May 18, 2020, the Department of Labor and Employment issued "Guidelines on Employment Preservation Upon the Resumption of Business Operation" whereby employers and employees may agree voluntarily and in writing to temporarily adjust employees' wage and wage-related benefits as provided for in existing employment contract, company policy or collective bargaining agreements. Both Parties (Management and Collective Bargaining Panel) agreed to suspend the CBA negotiation for the 4th Year (November 1, 2020 to October 31, 2021) of the CBA, and there shall be a status quo on all the political and economic provisions of the existing CBA. There shall be no increases on salaries, wages and benefits for the period November 01, 2020 to October 31, 2021.

In lieu of any salary or benefits increase, and realizing the need of its employees for assistance, the Company gave a one-time lump-sum financial assistance of P10,000.00 pesos to each employee. Management and CB Panel will meet again in October 2021 to resume the CBA negotiation for the 5th Year of the CBA (November 01, 2021 to October 31, 2022).

FINANCE COMMITTEE

The primary concern of the Finance Committee for the Fiscal Year 2021 is to be able to maintain a stable cash position to support various construction projects while providing viable cash flow for operations. We are pleased to report that as of June 30, 2021 we have a very healthy cash position with operating funds in cash and cash equivalents of P51.70 Million and in short term investment of P10.03 Million.

The Committee submitted the following recommendations to the Board:

- a. Financial and Budget Plan for Fiscal Year 2022
- b. Auction of Delinquent shares of stock on March 6, 2021 and Oct. 16, 2021.
- c. Auction of Gasoline golf carts and Backhoe loader
- d. Funding for budget of the monthly recognition awards, additional security guards and Covid 19 vaccine.
- e. Status quo on the revaluation of the land and investment property.
- f. Tax Planning for Fiscal year 2021
- g. The standard rate for the right of way based on the zonal valuation formula.
- h. Installment terms of payment of the retroactive implementation of the VMJ Contract
- i. Discount on golf cart rental during the pandemic.
- j. Revision of the Auction Policy.
- k. Investment of Operating funds in Time Deposits.
- l. Revision of the Investment Policy of the Retirement Fund.
- m. Online bills payment, EGov and GCash Merchant Solutions
- n. Rates on the proposed gratuity to security guards.

The Auction conducted last March 6, 2021 was very successful with the highest bid at Php1.5 Million plus P200k transfer fee. This further paved the way for the upward trend of the market value of our shares of stock. Another auction will be conducted at a later part of the year.

The Committee reviewed, evaluated and submitted to Board the Financial and Budget Plan for Fiscal Year 2022. The Committee considers it prudent to be conservative in the revenue forecast while at the same time taking into consideration the limited operating expenses during the pandemic.

Our external auditors, SyCip Gorres Velayo & Company had concluded the audit for the fiscal year and rendered an unqualified opinion on the fair presentation of our financial reports. The Finance Committee always ensures strict adherence to accounting and auditing standards.

To increase our collections and payment convenience for our members we engaged additional online banking services and the GCash payment option will soon be available. The Committee also monitors the investment strategy of the Retirement Fund of Valley Golf and had recently revised the asset allocation to 70% fixed income and 30% equities.

ENGINEERING COMMITTEE

The Engineering Committee took charge of the planning and implementation of projects that focused on the improvement of Valley Golf's Building Structures, Facilities, Roads, and Golf Courses. Projects relating to the improvement of Irrigation Pumps and Filter, Golf Cart Paths, Parking spaces for the Golf Carts, Locker Areas, Registration Counter, Ripraps, Tee-Houses, Drainages, Perimeter Walls, Lagoons & Waterways.

The improvement of our waterways is vital in the improvement of the Club itself. We installed a Gabion Filter at the South Course Pump House and a significant change in the physical quality of water has been seen. As we have an ongoing project to concrete the flooring of the desilting pond at South Hole 12, we are one step closer to solve the perennial waterways problems in Valley Golf which are garbage and silt.

Modernizing the Locker Hallway is a fresh look to Valley Golf as we replaced the flooring finish with epoxy flakes and using frameless glass but still incorporating the wood slats for the ceiling to keep consistency with the interior design of the clubhouse. We have the ongoing renovation of the Swimming Pool, Landscaping, and Construction of Cabanas that is scheduled to be completed by October 2021. We also have the ongoing Construction of 2-Storey Golf Cart Parking scheduled to be completed by the end

of November 2021, which will significantly increase the parking capacity of Golf Carts and accommodate the waiting list of members who desire to park their golf carts at Valley Golf.

Summary of Completed Projects:

1. Gabion Filter Construction
2. South Putting Green Expansion
3. North Starter House Construction
4. South Turbine Pumps and Motors
5. Swimming Pool Construction
6. Member's Golf Cart Parking Extension
7. Registration Glass Enclosure
8. Entry / Exit of South Fairways
9. North Tee-Box #1 Construction
10. Locker Hallway Renovation
11. Car Parking Pavement Repair
12. DCT Road Repairs (GSK, Valley Mansions, Silio Mulawin Bridge)
13. Lay-By Construction at South Hole 9
14. Lay-By Construction at South Hole 18
15. Construction of Rotonda at North Hole 5
16. Installation of Concrete Pathway to Ladies Tee-Box
17. Repair of Cart Path at South Hole 10
18. Repair of North Bridge Hole 3
19. Repair of Cart Path at South Hole 6
20. Repair of Cart Path at North Hole 8

Summary of On-Going Projects:

1. 2-Storey Golf Cart Parking Building
2. Swimming Pool Landscaping and Cabana
3. Rehabilitation of North Tee-Boxes
4. Desilting Pond Access Road Construction

Summary of Future Projects:

1. Main and North Clubhouse Retrofitting Works
2. STP Construction
3. Main Clubhouse Fine Dining Restaurant at Upper Veranda
4. Main Clubhouse Coffee Shop/Lounge

The improvements of the Club's facilities will be continuous and unceasing for the interest of the members and to attract future investors.

GROUNDS COMMITTEE

(By VMJEGMCC)

We have introduced the use of Zoysia Matrella to our greens since 2019. This year, we are still doing great in maintaining it by fertilizing, aerating, and topdressing.

As a cultural practice: aggressive maintenance program - coring and solid tine aeration twice a year. Light to heavy top-dressing of sand, to foliar and granular fertilization with fungicide, insecticide, and growth retardant to sustain the quality of the turf.

Herbicide Program, manual weeding, sodding of large carabao grass contaminated area had been continuous to prevent the rapid contamination of goose grass and carabao grass from the turf.

The bunkers we have renovated which was completed by August 2018 is in good condition as we continue to maintain by filling it when necessary.

Nurseries are now fully maintained by applying herbicide, insecticide, mowing twice a week. The Zoysia grass from nurseries is being used in North Course tee renovation.

We have successfully completed the rehabilitation of blue and white tees of South Course. By continuous maintenance, fertilizer and chemical application, rest assured that there will be no problems for the years to come.

Installation of sprinklers on North Course Hole 14 Nursery; to make sure that it is well maintained, plus the application of fertilizers and chemicals.

Tree trimming had been continuous for both courses hole 1 – 18.

PROPOSED PROJECTS:

1. Installation of Satellite Controllers at North Course.

2. Additional drainage installation on fairways for both courses.
3. New pumps for North Course irrigation.

HOUSE COMMITTEE

2020 was a challenging year as the Covid 19 pandemic has really affected most businesses including golf course operations due to the uncertainty of closure whenever there is a surge in positive cases and the government is forced to declare ECQ in most places.

Towards the end of 2020, our main clubhouse concessionaire Anix informed management that they can no longer continue to operate as they are operating at a loss. Given the short notice of only 15 days management scrambled to request Jay Jay's to temporarily take over operations at the main clubhouse.

Moving forward to 2021, the house committee scheduled for the bidding of restaurant concessionaire for both Main and North clubhouses but unfortunately there was a failure of bidding. There is another schedule for the bidding this September and hopefully we will have a successful one this time.

On a positive note, the committee unanimously endorsed to the board for approval the awarding of the contract to Daturak International for the operation of all tee houses. In return, they will renovate and expand all tee house facilities.

There are several ongoing projects under the house committee which include the following:

1. Construction of cabanas for the swimming pool
2. Landscaping of the areas around the swimming pool

3. Renovation of Men's and women's lockers
4. Relocation of pro shop inside new registration area
5. Construction of 2 level golf cart parking (550 carts capacity)

All ongoing projects are scheduled to be finished by the end of October.

The House Committee also approved to seek consultations with master planners for future expansion of facilities to make Valley Golf a full pledged country club. Among the initial projects in mind are;

1. Air conditioned dining room at the second floor of the lower veranda
2. Conversion of the north clubhouse to house other indoor facilities like gym, game rooms, spa etc.

Conversion of Founders hall to become one big ball room to accommodate big events like DCT awardings and also big weddings post pandemic. Dividers to be installed so it can be easily converted into smaller function rooms.

MARKETING AND RECIPROCITY COMMITTEE

The main project of the Marketing and Reciprocity Committee for 2020-2021 was the development of a new corporate identity for the club. After a bidding process that the board was involved with, noted graphic designer Kenny Tai was chosen to update the logo.

Apart from having an impressive portfolio, Miss Tai also gave the lowest bid, P90,000 for the initial phase of work.

Last August 11 the new logo was revealed on social media to largely positive reviews. It is hoped that the new logo will be easier to apply and also befit the heightened stature of the club. The next phase of the corporate identity make-over will now commence, with Tai producing designs for the membership card, letterhead, employees ID, signages, and social media announcement template.

It is hoped that following the current look our scorecards, website, uniforms, and other touchpoints might also be refreshed going forward. There will also be a discipline in the application of the corporate identity to ensure a uniform look and feel visually that will reflect the status of the club.

The Instagram account of Valley Golf that was started in February of 2019 continues to be active, with regular posts and announcements. With over 2700 followers it remains the most-followed private golf club Instagram account in the Philippines by a wide margin. We believe that Instagram is a terrific vehicle to promote Valley to the growing younger generation of golfers.

Recently we were approached by Blueprint, an established Filipino architecture and interior design magazine. We are working with them in the hopes that they can feature our club and our unique Main Clubhouse in an upcoming issue.

Currently due to the pandemic all reciprocity arrangements with other clubs have been put on hold. The committee recommends that we permanently conclude all reciprocal arrangements with Luzon clubs, namely Forest Hills, Eastridge, and Royal Northwoods. The committee has also furnished the President with ideas on how to celebrate the club's 60th anniversary in 2022. We hope that with or without the pandemic, this occasion can be commemorated properly.

MEMBERSHIP COMMITTEE

The Membership Committee was able to evaluate, interview, and recommend a total of fifty six (56) proprietary members, twenty four (24) corporate representatives, sixty nine (69) playing guests, and eighteen (18) associate members for the fiscal year 2020-2021. As a result, the Club has generated a total of Php 9.810 million from transfer fees and Php 8.549 million from service charge.

As of June 30, 2020, there were a total of 1,594 shareholders of the club.

REAL ESTATE COMMITTEE

The functions of the Real Estate Committee include recommending to the Board the best utilization of the real estate assets of the Club, the lease or sale of real properties at the best possible price, the grant of right of way and approval of public utilities. With these objectives in mind, the proactive Real Estate Committee submitted the following recommendations to the Board:

1. Rates for the Right of Way of six (6) homeowners associations located at various sites in Valley Golf. All of the residents uses the Don Celso Tuason Avenue for ingress and egress to their subdivisions. Other conditions include limitation of the right of way to 10 years subject to renewal and the right of way fee is on top of the other fees being imposed by the Club such as slickers, road users fee, share in the road maintenance, etc.
2. Various Legal Opinions and Status of Cases pertaining to Real Estate:
 - a. On the matter pertaining to Silito Malaya which is to recover possession of real property of the Club under TCT 518354 with an area of 2,082 sq. meters currently being occupied by several squatters, the Court of Appeals issued a decision in favor of Valley Golf and has become final and executory, the Legal Counsel has filed the Motion for Issuance of Writ of Execution and we are waiting for decision of RTC. Coordination is on-going with LGU for possible relocation.
 - b. The Legal Opinion on setbacks and easement clarified the guidelines as per National Building Code for residential structures near the perimeter fence of Valley Golf. The Committee recommended coordination with the Local Government and the Barangay on violations of said structures.
 - c. The Legal Opinion states that Valley Golf has the right to impose Road Users' Fee and not within the jurisdiction of the Toll Regulatory Board. The Committee recommended the use of

BIR registered ticket system with Authority To Print.

3. Survey and Census of Valley Golf Lot 29 Block 7 to identify the best possible access of right of way and determine the squatters occupying the lot.
4. Repair or re-blocking of Don Celso Tuason Ave. near Igorot village and Valley Mansion.
5. Petition for the issuance of Owners Duplicate Copy of TCT 140578 (no owners copy on file).
6. Construction of pre-fabricated dormitory for employees to be funded from the Bahay Kalinga Funds.
7. Evaluation of various requests for excavation/digging permit along Don Celso from residents and utility companies.

SECURITY COMMITTEE

REVENUE GENERATED BY THE SECURITY COMMITTEE

This year the Committee is happy to inform the increase in revenue thru our collection system with the help of our security agency GOLD CROSS SECURITY AGENCY.

REVENUE SOURCE	JULY 2020-JUNE 2021
Car stickers	8,397,900.35
Road User Fee	8,131,000.27
Road User Fee 2	8,597,728.90
Event Parking fee	30,937.50
Prepaid Voucher	131,160.75
Tire Clamping	46,428.51
Total	<u>23,335,156.28</u>

It is hoped that these changes effected by this Security Committee will be adhered to in the years to come to ensure the safety and security of the Club and its stakeholders.

The Committee implemented the following:

1. Color coded Car pass for Origas and Sumulong gates.
 - a. Fine for lost Car pass Php1,000.00

b. In case the car pass was brought outside Valley Golf Complex there will be a penalty of Php500.00

2. Special rate stickers at Php700.00 valid from Ortigas Gate to Secondary Gate only for residents.
3. Waive the cost of sticker for 12 Shuttle service for (Employees, Caddies, Caddy Assistants, Contractors of Valley Golf projects and Concessionaires).
4. For L300 vehicle
 - a. With load, with sticker must pay toll fee.
 - b. Without load with sticker no toll fee.
 - c. Without load without sticker no entry.
5. Increase passing thru ticket to Php100.00
6. **CAR PASS PROCEDURE**
 - Car pass from Ortigas gate and Sumulong gate will not be allowed to pass thru at the secondary gate, unless there is payment of passing thru ticket of 100.00 pesos at the Sumulong, Ortigas and Secondary gates.
 - Car Pass that was brought outside Valley Golf complex will have to pay the penalty of 500.00 pesos.
 - Surrendering of I.D. at the Secondary gate is no longer allowed.

CLEAN-UP OF DON CELSO TUASON AVENUE

This year, the Committee agreed to reimpose the no parking along Don Celso Tuason Avenue and easement. The Committee also agreed to continued implementing tire clamping for all illegally arked vehicles along DCT Avenue and easement.

PERIMETER FENCE/TRESSPASSING

The broken fence along the perimeter of hole number 5 fairway of South Course was brought to the attention of the Committee by the Security Agency. This has resulted in damage to the fairway by trespassers. The Committee referred the matter to the Engineering

Committee to immediately repair the said fence.

Trespassers will be brought to the Barangay office, and their offense/s be recorded (blotter). In the case of minors, their parents and/or guardians will be informed prior to turn-over to the DSWD.

SPORTS & GAMES COMMITTEE

The S&G continues to strictly adhere to IATF/NGAP GUIDELINES in keeping our Club safe.

With the revenues generated from the no show penalty, the S&G committee wishes to extend its gratitude to the Board of Directors for the support and approval to use the "no show penalty" funds for the swab test for its 343 caddies that came out all negative.

S&G committee would also like to acknowledge the initiative of the Caddy association officers for encouraging its members to avail the vaccine program offered by their respective LGUs.

TRUST FUND COMMITTEE

The Trust Fund market value as of June 30, 2021 was Php4,811,529. In compliance with the provisions of the Club's By-laws, the Trust Fund is placed in a short-term investment in a universal bank under Unit Investment Trust Fund.

Valley Golf & Country Club, Inc.
(A Nonprofit Organization)

Financial Statements
June 30, 2021 and 2020
and Years Ended June 30, 2021, 2020
and 2019

and

Independent Auditor's Report





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BOA/PRC Reg. No. 0001,
August 25, 2021, valid until April 15, 2024
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Valley Golf & Country Club, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Valley Golf & Country Club, Inc. (a nonprofit organization) (the Club), which comprise the statements of financial position as at June 30, 2021 and 2020, and the statements of income, statements of comprehensive income, statements of changes in members' equity and statements of cash flows for each of the three years in the period ended June 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at June 30, 2021 and 2020, and its financial performance and its cash flows for each of the three years in the period ended June 30, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on the Supplementary Information Required Under Revenue Regulations 34-2020 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 34-2020 and 15-2010 in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Valley Golf & Country Club, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura
Partner

CPA Certificate No. 0113172

SEC Accreditation No. 1735-A (Group A),
January 15, 2019, valid until January 14, 2022

Tax Identification No. 301-106-741

BIR Accreditation No. 08-001998-140-2018,
December 17, 2018, valid until December 16, 2021

PTR No. 8534379, January 4, 2021, Makati City

September 1, 2021



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

STATEMENTS OF FINANCIAL POSITION

	June 30	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P51,715,093	P34,087,111
Trade and other receivables (Note 5)	13,731,908	16,987,794
Debt instruments at fair value through profit or loss (Note 9)	10,024,917	-
Other current assets (Note 6)	7,994,765	8,618,146
Total Current Assets	83,466,683	59,693,051
Noncurrent Assets		
Property and equipment (Note 7)	215,385,047	228,695,886
Investment properties (Note 8)	214,565	349,053
Trust fund (Note 9)	4,811,529	4,818,615
Deferred tax assets - net (Note 22)	226,570	684,991
Other noncurrent assets (Note 10)	1,758,125	1,334,964
Total Noncurrent Assets	222,395,836	235,883,509
TOTAL ASSETS	P305,862,519	P295,576,560
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Trade and other payables (Note 11)	P16,006,859	P16,276,250
Members' deposits and others (Note 12)	16,888,951	15,484,520
Contract liabilities (Note 13)	7,809,771	7,164,515
Provision for probable claims (Note 14)	5,668,575	5,810,669
Total Current Liabilities	46,374,156	44,735,954
Noncurrent Liabilities		
Retirement benefit obligation (Note 24)	5,446,848	7,976,808
Other noncurrent liability (Note 18)	137,253	150,978
Total Noncurrent Liabilities	5,584,101	8,127,786
Total Liabilities	51,958,257	52,863,740
Members' Equity		
Capital stock (Note 15)	14,346,000	14,346,000
Contributions in excess of par value	201,627,772	201,627,772
Accumulated excess of revenues over expenses (Note 15)	37,930,490	26,739,048
Total Members' Equity	253,904,262	242,712,820
TOTAL LIABILITIES AND MEMBERS' EQUITY	P305,862,519	P295,576,560

See accompanying Notes to Financial Statements.



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

STATEMENTS OF INCOME

	Years Ended June 30		
	2021	2020	2019
REVENUES			
Revenue from contracts with customers (Note 16)	P122,163,041	P123,666,014	P135,105,293
Rentals (Note 18)	18,645,114	15,343,492	15,945,144
Interest income (Notes 4 and 9)	131,457	694,990	806,196
Unrealized gain on financial assets at fair value through profit or loss (Note 9)	36,877	-	-
	140,976,489	139,704,496	151,856,633
COST AND EXPENSES			
Cost of services (Note 19)	111,594,261	131,011,939	123,749,600
General and administrative (Note 20)	19,631,383	23,982,266	19,877,359
	131,225,644	154,994,205	143,626,959
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	9,750,845	(15,289,709)	8,229,674
PROVISION FOR INCOME TAXES (Note 22)	328,652	1,908,635	1,264,110
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	P9,422,193	(P17,198,344)	P6,965,564

See accompanying Notes to Financial Statements.



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

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2021	2020	2019
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	₱9,422,193	(₱17,198,344)	₱6,965,564
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains (losses) on defined benefit obligation (Note 24)	2,087,149	(5,196,438)	951,175
Income tax effect	(317,900)	1,558,931	(285,353)
	1,769,249	(3,637,507)	665,822
TOTAL COMPREHENSIVE INCOME (LOSS)	₱11,191,442	(₱20,835,851)	₱7,631,386

See accompanying Notes to Financial Statements.



VALLEY GOLF & COUNTRY CLUB, INC.**(A Nonprofit Organization)****STATEMENTS OF CHANGES IN MEMBERS' EQUITY**

	Years Ended June 30		
	2021	2020	2019
CAPITAL STOCK (Note 15)	₱14,346,000	₱14,346,000	₱14,346,000
CONTRIBUTIONS IN EXCESS OF PAR VALUE	201,627,772	201,627,772	201,627,772
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES (Note 15)			
Balances at beginning of year	26,739,048	47,574,899	39,943,513
Excess (deficiency) of revenues over expenses	9,422,193	(17,198,344)	6,965,564
Re-measurement gains (losses) on defined benefit obligation - net of tax	1,769,249	(3,637,507)	665,822
Total comprehensive income (loss)	11,191,442	(20,835,851)	7,631,386
Balance at end of year	37,930,490	26,739,048	47,574,899
TOTAL MEMBERS' EQUITY	₱253,904,262	₱242,712,820	₱263,548,671

See accompanying Notes to Financial Statements.

VALLEY GOLF & COUNTRY CLUB, INC.**(A Nonprofit Organization)****STATEMENTS OF CASH FLOWS**

	Years Ended June 30		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses before income taxes	₱9,750,845	(₱15,289,709)	₱8,229,674
Adjustments for:			
Depreciation and amortization (Notes 7, 8 and 10)	23,455,146	25,040,564	21,978,752
Movements in:			
Retirement benefit obligation	(442,811)	(865,209)	(592,722)
Provision for probable claims	(142,094)	4,790,929	-
Interest income (Notes 4 and 9)	(131,457)	(694,990)	(806,196)
Unrealized gain on financial assets at fair value through profit or loss (Note 9)	(36,877)	-	-
Interest expense (Note 20)	11,094	10,575	10,081
Gain on sale of property and equipment and investment properties (Notes 7, 8 and 16)	(2,250)	(320,536)	(7,442,159)
Provision for expected credit losses on receivables (Note 5)	-	243,212	(7,067)
Reversal of inventory obsolescence	-	-	(55,483)
Operating income before working capital changes	32,461,596	12,914,836	21,314,880
Decrease (increase) in:			
Trade and other receivables	3,295,247	(3,139,966)	(2,093,772)
Other current assets	435,250	1,015,076	(3,716,636)
Increase (decrease) in:			
Trade and other payables	(269,391)	(8,238,582)	6,779,746
Members' deposits and others	1,404,431	1,936,563	1,663,582
Contract liabilities	645,256	409,326	1,204,989
Payable to contractor	-	-	(4,523,504)
Net cash generated from operations	37,972,389	4,897,253	20,629,285
Interest received	78,371	639,987	709,274
Interest paid	(11,094)	(10,575)	(10,081)
Net cash flows generated from operating activities	38,039,666	5,526,665	21,328,478
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (Note 7)	(9,983,686)	(17,926,910)	(25,794,656)
Decrease (increase) in:			
Debt instruments at fair value through profit or loss (Note 9)	(10,000,000)	-	-
Other noncurrent assets	(449,294)	(541,000)	(120,373)
Trust fund	19,046	(44,822)	(162,639)
Proceeds from sale of:			
Property and equipment (Note 7)	2,250	320,536	3,100,000
Investment properties (Note 8)	-	-	4,357,682
Net cash flows used in investing activities	(20,411,684)	(18,192,196)	(18,619,986)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,627,982	(12,665,531)	2,708,492
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	34,087,111	46,752,642	44,044,150
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱51,715,093	₱34,087,111	₱46,752,642

See accompanying Notes to Financial Statements.

VALLEY GOLF & COUNTRY CLUB, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Valley Golf & Country Club, Inc. (the Club) was organized in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on May 14, 1958 as a nonprofit organization for a term of 50 years up to 2008. The Club's corporate life was extended for another 50 years from May 15, 2008 as confirmed and ratified by the members on November 18, 2007 and was subsequently approved by the SEC on April 29, 2008. On July 17, 1963, the SEC granted the Club a secondary license to sell its securities to the public.

The primary purpose of the Club is to foster and promote the game of golf and operate and maintain a golf course and country club and, generally, to do and perform all such acts and things, and exercise such powers as are ordinarily done, performed and exercised by social and athletic clubs and associations.

Prior to 2012, the Club is exempt from payment of income tax on income received from social, recreational, and athletic activities on a nonprofit basis provided that no part of the Club's income shall inure to the benefit of any of its members, trustees and officers. Under Section 30 (E) of the Tax Reform Act of 1997, an organization organized for recreational, sports and athletic activities shall be exempt from payment of income tax on income received from aforementioned activities.

On August 3, 2012, the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 35-2012 clarifying that clubs organized and operated exclusively for pleasure, recreation and other non-profit purposes are subject to income tax and value-added tax (VAT) on their income from whatever source, including but not limited to membership fees, assessment dues, rental income, and service fees.

On August 13, 2019, the Supreme Court declared that membership fees, assessment dues, and fees of similar nature collected by Clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as: (a) "the income of recreational clubs from whatever source" that are "subject to income tax"; and (b) part of the "gross receipts of recreational clubs" that are "subject to VAT". Accordingly, the Club did not collect the related output VAT for membership fees, assessment dues, and fees of similar nature.

The registered office of the Club, which is also its principal place of business, is located at Don Celso S. Tuason Ave., Antipolo City.

The Club's Board of Directors (BOD) approved the issuance of the financial statements as at June 30, 2021 and 2020 and for each of the three years in the period ended June 30, 2021 on September 1, 2021.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of the Club have been prepared on a historical cost basis, except for the debt instruments at fair value through profit or loss (FVTPL) and trust fund which are measured at fair value. The financial statements are presented in Philippine peso (₱), which is the Club's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.



The financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Club has adopted the following new accounting pronouncements starting July 1, 2020. Adoption of these pronouncements did not have any significant impact on the Club's financial position or performance.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*
- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
- Amendments to Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
- Conceptual Framework for Financial Reporting issued on March 29, 2018
- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Club does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements. The Club intends to adopt the following pronouncements when they become effective.

Effective beginning on or after July 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

Effective beginning on or after July 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after July 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*



Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Current versus non-current classification

The Club presents assets and liabilities in the statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Club classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to insignificant risk of changes in value.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement of Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing the financial assets. With the exception of trade receivables that do not contain a significant financing component the Club initially measures a financial asset at its fair value plus, in the case of financial assets not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.



The Club's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Club commits to purchase or sell the asset.

The Club's financial assets are in the nature of financial assets at amortized cost and financial assets at FVTPL. The Club has no financial assets at FVTPL as of June 30, 2020, and no financial assets at FVOCI as of June 30, 2021 and 2020.

Subsequent Measurement of Financial Assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)

The Club measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of income when the asset is derecognized, modified or impaired.

The Club's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and trust fund (see Notes 4, 5 and 9).

Financial assets at FVTPL

This include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of income.

The Club's financial assets at FVTPL includes its investments in unit investment trust fund (UITF) (see Note 9).



Impairment of Financial Assets

The Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in bank and cash equivalents, debt instrument at FVTPL, and trust fund, the Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Club's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Club considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For trade and other receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Definition of default

The Club considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Club, in full (without taking into account any collaterals held by the Club).

Irrespective of the above analysis, the Club considers that default has occurred when a financial asset is more than 120 days past due unless the Club has reasonable and supportable information to demonstrate that a more conservative default criterion is more appropriate.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Club compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Club considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Club's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Club's core operations.



Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

The Club implements a policy on its receivables, wherein members in the delinquent list or those with accounts that are past due for a certain period are reported to the BOD. The respective shares of the members or of the juridical entities they represent shall be ordered sold by the BOD, through an auction, to satisfy the claims of the Club.

Write-off policy

The Club writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Club's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized the statement of income.

Derecognition of Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Club retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Club has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Club has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Club's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Club could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Club's continuing involvement is the amount of the transferred asset that the Club may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Club's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.



Financial Liabilities

Initial Recognition and Measurement of Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivative designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in case of loans borrowings and payables, net of directly attributable transaction costs.

The Club has no financial liabilities at FVTPL and derivative instruments as at June 30, 2021 and 2020.

Subsequent Measurement of Financial Liabilities

Loans and borrowings and Payables

This is the category most relevant to the Club. After initial recognition, loans and borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

This category applies to trade and other payables and members' deposit and others (see Notes 11 and 12).

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Club assesses that it has currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Club and all of the counterparties.

Fair Value Measurement

The Club measures financial instruments and non-financial assets at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to by the Club.



The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

Inventories

Inventories consist of gasoline, maintenance supplies, spare parts, office supplies and others. Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for using the first-in, first-out method.

NRV of the saleable merchandise is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. NRV of gasoline, maintenance supplies, spare parts and others is the estimated replacement costs. In determining NRV, the Club considers any adjustment necessary for spoilage, breakage and obsolescence. An allowance for inventory obsolescence is determined based on a regular review and management evaluation of movement and condition of supplies.

Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment losses, if any. Land is stated at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable taxes, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when the recognition criteria are met. Expenditures incurred after the property and



equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to the statement of income in the period when the costs are incurred.

Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

<u>Category</u>	<u>Number of Years</u>
Land improvements	3-50
Building and structures	5-50
Ground tools and services machinery and equipment	3-10
Furniture, fixtures and equipment	3-10
Transportation equipment	5

Construction in progress is stated at cost. Depreciation is computed when the construction is completed.

The remaining useful lives and the depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

Investment Properties

Investment properties consist of land and building held for rentals or capital appreciation or both. Except for land, investment property is stated at cost less accumulated depreciation and impairment in value for building. The cost of the investment property comprises its purchase price and other direct costs. Depreciation on the building is computed on a straight-line basis over the estimated useful life of 20 years. Land is stated at cost less any impairment in value.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction of development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment property at the date of the change in use.

Gains or losses resulting from the sale of an investment property are recognized in statement of income.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the statement of income in the year of retirement or disposal.

Computer Software

Computer software included as part of "Other noncurrent assets" is initially recognized at cost. Following initial recognition, computer software is carried at cost, less accumulated amortization and any accumulated impairment in value.

Computer software is amortized on a straight-line basis over its estimated useful economic life of three (3) years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization commences when the computer software is available for use. The period and method of amortization for the computer software are reviewed at each end of the reporting period.



Changes in the estimated useful life is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in the statement of income in the expense category consistent with the function of the computer software.

Impairment of Property and Equipment, Investment Properties and Computer Software

The Club assesses at each reporting date whether there is an indication that a nonfinancial asset may be impaired. If any such indication exists, the Club makes a formal estimate of recoverable amount. The nonfinancial asset's estimated recoverable amount is the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other nonfinancial assets or group of nonfinancial assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of the nonfinancial asset exceeds its estimated recoverable amount, the nonfinancial asset is considered impaired and is written down to its estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the nonfinancial asset. Fair value less costs to sell is the amount obtainable from the sale of the nonfinancial asset or cash-generating unit in an arm's-length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the nonfinancial asset.

Impairment losses of continuing operations are recognized in the statement of income in those expense categories consistent with the function of the impaired nonfinancial asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the nonfinancial asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its estimated recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

Capital Stock

Capital stock is measured at par value for all shares issued.

Contribution in Excess of Par Value

Amount of contribution in excess of par value is accounted for as an additional paid-in capital. Additional paid-in capital also arises from additional capital contribution from the members.

Accumulated Excess of Revenue Over Expenses

Accumulated excess of revenue over expenses represents accumulated net profits (losses).

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements, except for the concessionaire services, because it typically controls the goods or services before transferring them to the customer.



The following are the Club's performance obligations:

Membership Dues

Membership dues pertains to monthly member's dues and administration fee charged to the Club's members and past Club presidents, respectively. Revenues are recognized over time when membership dues are due and demandable, net of any discount. Any advance payments are recorded under "Contract liabilities" account in the statement of financial position.

(i) Variable Consideration

- a. Discount on annual dues are provided to the members when they pay the annual dues in advance. The discount is equivalent to one-month membership dues and is presented as a reduction to the revenue recognized.
- b. Discount on prompt payments are provided to members when they pay their account balance in full within one month after billing. To estimate the variable consideration for the expected discount on prompt payments, the Club applies the most likely amount.

Sports and Recreation

Sports and recreation pertain to fees charged for use of the Club's golf and swimming pool facilities. This also includes the service fee charged for every play of golf. Revenues are recognized overtime when the related services have been rendered.

(i) Variable Consideration

- a. Discount on green fees are provided to guests when they purchase coupons which may be redeemed at a later date. Upon redemption, the green fee revenue recognized is net of the discount.

Assessment for Road Maintenance

Assessment for road maintenance is income generated from the use of the Club's main road, Don Celso S. Tuason Avenue. Revenues are recognized overtime when the related services have been rendered.

Corporate Services

Corporate services pertain to fees charged by the Club for processing members transactions. This includes transfer fees and service charge on playing guests. Transfer fees are transaction fees for transfers of members shares of stocks. Service charges on playing guests are transaction fees or cash requirements in order to process the Club's playing rights to outside individuals. Revenues are recognized overtime when the related services have been rendered.

Concession Fees

Concession fees pertains to a fee charged by the Club to its concessionaires in exchange for the right granted to the later to render food and beverage services and sale of goods to its members and guests. The amount of the commission income is based on the terms of the concessionaires' agreements. The Club acts as an agent on its concession agreements since it does not have control over the specified goods or services that will be delivered by the concessionaires to the Club's members and guests. Revenues are recognized at a point in time when the concessionaire has delivered the goods to the members and guests and the related services have been rendered.

Revenue from Special Events

Revenue from special events pertains to fees charged for golf tournaments and Club's social events. Revenue is recognized overtime upon occurrence of the event.



Patronage Fees

Patronage fees are consumables that members are entitled to for the consumption of food provided by the Club's concessionaire. Revenue are recognized overtime upon determination of the expired and unconsumed portion of the minimum required purchase of food and beverage, subject to the Club's policy. Any advance payments are recorded under "Contract liabilities" account in the statement of financial position.

Sale of Properties

Revenue from sale of properties are recognized at the point in time when control of the asset is transferred to the customer. The Club considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of properties, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Surcharge on Past Due Accounts

Surcharge on past due accounts are penalties charged to members with delinquent accounts for over 45 days from the statement or cut-off date of the later statement of account until the account is paid in full. Revenues are recognized at a point in time upon collection of the amount charged to the member for delayed payment.

Contract Balances

Receivables

A receivable represents the Club's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Club performs under the contract.

Interest Income

Interest is recognized as income when it accrues, taking into account the effective yield on the asset.

Cost and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized when incurred.

Leases

Determination of Whether an Arrangement Contains a Lease

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Club as a Lessor

Leases in which the Club does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Retirement Benefit Obligation

Defined Benefit Plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the financial reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

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

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

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Re-measurements are not reclassified to statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Club, nor can they be paid directly to the Club. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



The Club's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and the prior period are measured at the amount expected to be recovered from or paid to the taxation authority. The income tax rates and income tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each financial reporting period.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits and unused tax losses can be utilized except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at each end of reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each end of reporting period and are recognized to the extent that it has become probable that sufficient future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the income tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on income tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. Deferred tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

The Club offsets deferred tax assets and deferred tax liabilities if and only if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.



When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

For the non-VAT registered activities, the amount of VAT passed on from its purchase of goods or service is recognized as part of the cost of goods/asset acquired or as part of expense item, as applicable.

Provisions

Provisions are recognized when the Club has a present obligation (legal and constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Where the Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement.

Contingencies

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

Events After the Reporting Date

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

3. Significant Accounting Judgments, Estimates, and Assumptions

The preparation and fair presentation of the accompanying financial statements in compliance with PFRSs requires management to make judgments and estimates that affect the amounts reported in the financial statements and the accompanying notes. The judgments and estimates used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Future event may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimate are reflected in the financial statements as they become reasonably determinable. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.



Judgments

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

Revenue from contracts with customers

The Club applied the following judgement that significantly affect the determination of the amount of revenue from contracts with customers:

- *Principal versus agent considerations*

The Club enters into contracts with its concessionaires to perform, on their behalf, sale of goods and services to its members. The Club determined that it does not control the goods before they are transferred to customers. The following factors indicate that the Club does not control the goods before they are being transferred to customers. Therefore, the Club determined that it is an agent in these contracts.

- The Club is not primarily responsible for fulfilling the promise to provide the goods or services.
- The Club's revenue is in the form of a fixed commission income as established in the concession contract with the concessionaires.
- The Club does not have inventory risk before or after the goods has been transferred to the customer.
- The Club has no discretion in establishing the price for the goods and services.

Operating Lease - Club as Lessor

The Club has entered into commercial property leases. The Club has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Rental income pertaining to these leases for the years ended June 30, 2021, 2020 and 2019 amounted to ₱18.6 million, ₱15.3 million, and ₱15.9 million, respectively (see Note 18).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Provision for Expected Credit Losses (ECLs) of Trade and Other Receivables

The Club uses a provision matrix to calculate ECLs for its trade and other receivables. The provision rates are based on days past due of each member that have similar loss pattern. The provision matrix is initially based on the Club's historical observed default rates. The Club calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions expected to deteriorate over the next year which can lead to an increased number of defaults in its members, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Club's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



Receivables from members that are considered as delinquent for a certain period and the amount due the Club has exceeded the credit limit of members as maybe fixed by the BOD from time to time shall be reported to the BOD and their shares of the juridical entities they represent shall thereafter be ordered sold by the BOD at auction to satisfy the claims of the Club as stated in the By-laws. It shall be absolutely prohibited to auction the share of a member whose overdue/delinquent account does not exceed such member's credit limit. As approved by the BOD, the members' credit limit shall be fixed at ₱50,000. A member may pay the overdue account at any time before the auction sale.

The carrying value of trade and other receivables amounted to ₱13.7 million and ₱17.0 million as at June 30, 2021 and 2020, respectively. Allowance for ECL amounted to ₱2.0 million as at June 30, 2021 and 2020 (see Note 5).

Estimation of Useful Lives of Property and Equipment and Investment Properties

The Club estimates the useful lives of property and equipment and investment properties based on the period over which the Club's property and equipment and investment properties are expected to be available for use. The estimated useful lives of property and equipment and investment properties are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, the Club's estimation of the useful lives of property and equipment and investment properties are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible that the future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

As of June 30, 2021, and 2020, there were no changes made in the estimated useful lives of the Club's property and equipment and investment properties. The carrying amount of property and equipment as of June 30, 2021 and 2020 amounted to ₱215.4 million and ₱228.7 million, respectively (see Note 7). The carrying amount of investment properties as of June 30, 2021 and 2020 amounted to ₱0.2 million and ₱0.3 million, respectively (see Note 8).

Determining Retirement Benefit Costs

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuation. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, turnover rate and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at end of the reporting periods.

The mortality rate is based on publicly available mortality tables and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the Philippines.

Retirement benefit obligation amounted to ₱5.4 million and ₱8.0 million as of June 30, 2021 and 2020, respectively (see Note 24).

Assessing Recoverability of Deferred Tax Assets

The Club reviews the carrying amounts of deferred tax assets at each reporting date and reduced the amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Club can generate sufficient taxable profit to allow all or part of its deferred taxable assets to be utilized.



As of June 30, 2021 and 2020, the Club's net deferred tax assets amounted to ₱0.2 million and ₱0.7 million, respectively (see Note 22).

Temporary deductible differences for which no deferred tax asset was recognized amounted to ₱11.3 million and ₱19.4 million as of June 30, 2021 and 2020, respectively (see Note 22).

Provisions and Contingencies

The Club is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with its counsel handling the defense in these matters and is based upon an analysis of potential results. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Club's financial position and results of operations. It is possible, however, that the future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

The Club has provision for probable claims amounting to ₱5.7 million ₱5.8 million as of June 30, 2021 and 2020, respectively (see Note 14).

4. Cash and Cash Equivalents

	2021	2020
Cash on hand	₱120,000	₱130,000
Cash in banks	27,138,925	10,304,474
Cash equivalents	24,456,168	23,652,637
	₱51,715,093	₱34,087,111

Cash on hand consists of fund for daily operating expenses and undeposited collections. Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short term deposits made for varying periods of up to three (3) months and earns interest at the respective short-term deposit rates.

Interest income earned amounted to ₱0.1 million, ₱0.7 million and ₱0.8 million in 2021, 2020 and 2019, respectively.

5. Trade and Other Receivables

	2021	2020
Members	₱11,540,158	₱13,430,509
Others	4,221,861	5,587,396
	15,762,019	19,017,905
Less allowance for ECL	2,030,111	2,030,111
	₱13,731,908	₱16,987,794

Receivables from members, which are due 30 days after billing date, are noninterest-bearing and constitute a lien on the members' shares.

Other receivables consist mainly of the share of the concessionaires and maintenance provider for the security services and electricity of the access roads around the Club, advances made to officers and employees and receivables from concessionaires and various organizations which are settled within 30-90 days' term.



As of June 30, 2021, and 2020, the aging analysis of trade and other receivables are as follows:

	2021	2020
Not more than 30 days outstanding	P9,236,735	P8,819,108
Beyond 30 days outstanding:		
31-60 days	894,091	1,726,116
61-90 days	769,181	2,108,575
Over 90 days	4,862,012	6,364,106
	P15,762,019	P19,017,905

The movements in allowance for ECLs are as follows:

	2021	2020
Balances at beginning of year	P2,030,111	P1,786,899
Provision (Note 20)	—	243,212
Balances at end of year	P2,030,111	P2,030,111

6. Other Current Assets

	2021	2020
Supplies inventory at NRV	P3,597,263	P3,844,674
Prepayments	2,502,227	2,578,441
Creditable withholding tax (CWT)	838,475	784,165
Others	1,056,800	1,410,866
	P7,994,765	P8,618,146

Supplies inventory include gasoline and oil stocks, grounds materials, office, shop and maintenance supplies and construction materials.

Prepayments pertain to prepaid taxes and licenses, prepaid medical expenses and prepaid insurance premiums.

CWTs are amounts withheld from income subject to expanded withholding taxes. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWTs which are claimed against the income tax due, represents excess of the tax payable and carried over in the succeeding period for the same purpose.

Others pertain to advances on purchases and deferred input VAT.



7. Property and Equipment

	2021							Total
	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Cost:								
Balances at beginning of year	P9,400,307	P318,965,480	P97,234,630	P36,620,649	P9,333,806	P32,700,005	P1,488,254	P461,732,331
Additions	-	-	-	1,048,682	-	-	8,915,804	9,983,686
Disposals	-	-	-	(423,328)	-	(205,387)	-	(628,685)
Transfers	-	311,331	261,507	-	-	-	(575,858)	-
Balances at end of year	9,400,307	319,277,811	97,496,137	37,266,903	9,333,806	32,494,618	9,827,400	471,087,332
Accumulated depreciation:								
Balances at beginning of year	-	143,797,685	39,738,960	25,995,883	5,332,793	18,211,804	-	233,036,445
Depreciation (Notes 19 and 20)	-	12,752,784	2,802,710	3,741,881	-	4,797,190	-	23,294,528
Disposals	-	-	-	(413,328)	-	(295,357)	-	(628,685)
Balances at end of year	-	156,550,469	41,741,670	29,314,436	5,332,793	22,813,597	-	286,782,385
Net book values	P9,400,307	P162,727,442	P55,754,467	P7,952,467	P4,001,013	P9,681,021	P9,827,400	P215,305,947

	2020							Total
	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	
Cost:								
Balances at beginning of year	P9,400,307	P301,783,634	P56,671,803	P33,392,903	P5,368,183	P30,784,950	P8,408,934	P445,810,716
Additions	-	1,355,681	-	3,966,786	-	2,941,838	9,662,605	17,926,910
Disposals	-	(153,745)	-	(789,588)	(35,179)	(1,026,783)	-	(2,005,295)
Transfers	-	15,979,810	552,217	50,348	-	-	(16,581,283)	-
Balances at end of year	9,400,307	318,965,480	57,224,630	36,620,649	5,333,006	32,700,005	1,488,254	461,732,331
Accumulated depreciation:								
Balances at beginning of year	-	131,968,035	37,766,871	22,990,139	5,366,171	14,542,013	-	212,633,229
Depreciation (Notes 19 and 20)	-	11,943,315	1,971,489	5,795,332	1,801	4,696,574	-	22,408,511
Disposals	-	(153,745)	-	(789,588)	(35,179)	(1,026,783)	-	(2,005,295)
Balances at end of year	-	143,757,605	39,738,360	25,995,883	5,332,793	18,211,804	-	233,036,445
Net book values	P9,400,307	P175,207,875	P17,486,270	P10,624,766	P4,001,013	P14,488,201	P1,488,254	P228,695,886

In 2021, the Club sold five (1) units of golf cart that is fully depreciated. Proceeds and gain from the sale of gold cart amounted to P2,250 (see Note 16).

In 2020, the Club sold five (5) units of golf carts that is fully depreciated. Proceeds and gain from the sale of gold carts amounted to P0.3 million (see Note 16).

In 2019, the Club sold a parcel of land with a carrying value of P7,820. Proceeds from the sale of land amounted to P3.1 million resulting to a gain of P3.1 million (see Note 16).

The cost of fully depreciated property and equipment still used in operations amounted to P132.3 million and P114.8 million as of June 30, 2021 and 2020, respectively.

8. Investment Properties

	2021		
	North Clubhouse	Land	Total
Cost:			
Balances at beginning and end of year	P53,718,366	P73,562	P53,791,928
Accumulated depreciation:			
Balances at beginning of year	53,442,875	-	53,442,875
Depreciation (Notes 19 and 20)	134,488	-	134,488
Balances at end of year	53,577,363	-	53,577,363
Net book values	P141,003	P73,562	P214,565



	2020		
	North Clubhouse	Land	Total
Cost:			
Balances at beginning and end of year	₱53,718,366	₱73,562	₱53,791,928
Accumulated depreciation:			
Balances at beginning of year	50,879,981	–	50,879,981
Depreciation (Notes 19 and 20)	2,562,894	–	2,562,894
Balances at end of year	53,442,875	–	53,442,875
Net book values	₱275,491	₱73,562	₱349,053

In 2019, the Club sold parcel of land with a carrying value of ₱8 thousand. Proceeds from the sale of land amounted to ₱4.4 million resulting to a gain of ₱4.4 million (see Note 16).

Based on the latest appraisal reports submitted by Top Consult, Inc., independent appraiser, dated June 24, 2021, the fair value of the land with aggregate land area of 9,055 sqm. and building with total floor area of 2,271 sqm., amounted to ₱99.2 million and ₱30.5 million, respectively.

Based on the latest appraisal reports submitted by Top Consult, Inc., independent appraiser, dated June 3, 2020 and August 13, 2020, the fair value of the land with aggregate land area of 9,055 sqm. and building with total floor area of 2,271 sqm., amounted to ₱45.2 million and ₱31.8 million, respectively.

Rental income earned from investment property amounted to ₱0.3 million in 2021, 2020 and 2019 (see Note 18). Direct expenses related to investment properties consist mainly of amortization amounting to ₱0.13 million in 2021, ₱2.6 million in 2020 and ₱2.7 million in 2019, respectively.

9. Trust Fund and Debt Instrument at FVTPL

Pursuant to the resolution passed by the members on September 12, 1982 and as provided for in the Club's by laws, the trust fund committee is empowered to invest the Valley Golf Trust Fund, which in no case shall be less than the original amount of ₱3.5 million, in leading universal banks in the Philippines.

The members' resolution further states that all proceeds from future sale of shares and real property, including all amortizations due on the sale of shares previously sold, shall accrue to the trust fund and that 85% of the interest income of the fund shall be made available for the maintenance and repair of the golf course. The remaining 15% of said interest income shall accrue to and form part of the fund.

On May 21, 1989, the members' resolution was amended stating that, "the proceeds of the sale of any real property of the Club or shares of stock to be used for capital expenditure and other infrastructure project shall not form part of the Valley Golf Trust Fund. However, any excess thereof shall form part of the Valley Golf Trust Fund".

On February 19, 2021, the Club invested a total of ₱14.8 million in UITF. The investment consists of the Club's trust fund, originally invested in time deposits, amounting to ₱4.8 million and additional investment amounting to ₱10.0 million.



The Club's debt instruments at FVTPL as at June 30, 2021 are as follows:

	2021
<i>Current asset</i>	
Debt instrument at FVTPL	₱10,024,917
<i>Noncurrent asset</i>	
Trust fund	4,811,529
	₱14,836,446

The Club's trust fund, classified as debt instrument at amortized cost as at June 30, 2020 is as follows:

	2020
<i>Noncurrent asset</i>	
Trust fund	₱4,818,615

Movement in debt instruments at FVTPL are as follows:

	2021
Beginning balance	₱-
Additions	14,799,569
Changes in fair value	36,877
Ending balance	₱14,836,446

The valuation gain due to changes in fair value as of June 30, 2021 are allocated as follows:

	Cost at February 19, 2021	Unrealized gains	Fair value at June 30, 2021
Trust fund	₱4,799,569	₱11,960	₱4,811,529
Debt instrument at FVTPL	10,000,000	24,917	10,024,917
	₱14,799,569	₱36,877	₱14,836,446

Interest income recognized and realized for the trust fund amounted to ₱6,345, ₱44,822 and ₱31,000 for the years ended June 30, 2021, 2020 and 2019, respectively.

10. Other Noncurrent Assets

	2021	2020
Computer software	₱955,828	₱297,267
Refundable deposit	750,297	742,297
Advances to suppliers	52,000	295,400
	₱1,758,125	₱1,334,964

Refundable deposit pertains to deposits to utility companies. The carrying amounts of the deposits are regarded as its amortized cost since the timing of the refund or settlement of the deposits could not be reasonably estimated.

Computer software includes the Club's in-house developed intangible assets.

Advances to suppliers relate to the installation of new pump and purchase of various equipment.



The movement of computer software is as follows:

	2021	2020
Cost:		
Balance at beginning and end of year	P2,860,952	P2,615,952
Additions	684,694	245,000
Balance at end of year	3,545,646	2,860,952
Accumulated amortization:		
Balance at beginning of year	2,563,685	2,494,526
Amortization (Notes 19 and 20)	26,133	69,159
Balance at end of year	2,589,818	2,563,685
Net book value	P955,828	P297,267

11. Trade and Other Payables

	2021	2020
Organizations and cooperative	P6,033,630	P4,919,926
Accrued expenses	5,110,740	5,387,722
Trade	3,184,256	5,018,457
Concessionaires	518,610	138,893
VAT payable	391,212	417,535
Others	768,411	393,717
	P16,006,859	P16,276,250

Trade payables are unsecured, noninterest-bearing and are payable to suppliers within 30 days.

Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. These pertain to accruals made for outside services, utilities and other various accruals. These are normally settled throughout the next financial year.

Organizations and cooperative are loans and advances by the employees from the association which are payable on demand.

Concessionaires pertains to collections received by the Club for and on behalf of the concessionaires.

Other payables mainly consist of withholding tax payables and tournament deposits.

12. Members' Deposits and Others

	2021	2020
Cash deposits	P9,145,000	P7,100,000
Due to former members	7,477,891	8,132,582
Security deposit	266,060	251,938
	P16,888,951	P15,484,520

Cash deposit pertains to deposits made by playing guests. Any unpaid liabilities will be deducted from this account and the excess will be refunded upon resignation of the playing guest.



Due to former members consist mainly of proceeds from auction sale of shares, payable to former members and other advance payments made by them.

Security deposit pertains to various deposits received by the Club from its concessionaires and lessee and is to be refunded at the end of their respective agreements.

13. Contract Liabilities

	2021	2020
Membership dues paid in advance (Note 16)	₱6,331,200	₱5,660,800
Green fee coupons	1,254,788	1,254,788
Tournament deposit	139,009	199,008
Others	84,774	49,919
	₱7,809,771	₱7,164,515

Membership dues paid in advance represents advance collection of monthly membership dues which are applied in the next financial year.

Green fee coupons are issued to Freeport Elite Resorts, Inc. which operates a driving range facility within the Club at a discounted price. The coupons are issued at different prices. These coupons are then sold to Korean guests of the Club also at a discounted price.

Tournament deposits pertains to advance payments of the Club's members made for an upcoming golf tournament.

Others pertains to the advance payments of the members for dues and fees, and for golf cart storage and locker rentals.

14. Provision for Probable Claims

Movements in this account are as follows:

	2021	2020
Balances at beginning of year	₱5,810,669	₱1,019,740
Provision during the year	-	5,810,669
Reversals	(142,094)	(1,019,740)
Balances at end of year	₱5,668,575	₱5,810,669

Provision for probable claims pertains to the estimated liability to resolve various probable claims against the Club. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these claims.



15. Members' Equity

Capital Stock

	Shares		Amount	
	2021	2020	2021	2020
Common shares - P9,000 par value Authorized - 1,800 shares				
Issued	1,594	1,594	P14,346,000	P14,346,000

Accumulated Excess of Revenues Over Expenses

	2021	2020
Accumulated excess of revenues over expenses	P36,903,008	P27,480,815
Other comprehensive income (loss) (Note 24): <i>Item not to be reclassified into profit or loss in subsequent periods:</i>		
Beginning balance	(741,767)	2,895,740
Re-measurement gains (losses) on defined benefit obligation	1,769,249	(3,637,507)
Ending balance	1,027,482	(741,767)
Total	P37,930,490	P26,739,048

16. Revenue from Contracts with Customers

The table below presents the disaggregation of the Club's revenue from contracts with customers:

	2021	2020	2019
Nature of services			
Membership dues	P53,934,260	P52,957,284	P52,771,707
Assessment for road maintenance	23,288,728	15,390,417	16,060,509
Corporate services	19,777,872	11,026,339	11,022,061
Sports and recreation	11,358,990	20,965,399	26,505,536
Patronage fees	3,885,024	3,594,094	3,533,774
Concessionaires' fee (Note 17)	2,412,288	4,129,714	5,730,543
Revenue from special events	1,802,900	8,591,704	9,053,591
Surcharge	729,074	560,172	797,904
Sale of properties (Notes 7 and 8)	2,250	320,536	7,442,159
Others	4,971,655	6,130,355	2,187,509
	P122,163,041	P123,666,014	P135,105,293
Timing of revenue recognition			
Services transferred over time	P119,019,429	P118,655,592	P121,134,687
Goods transferred at a point in time	3,143,612	5,010,422	13,970,606
	P122,163,041	P123,666,014	P135,105,293



Membership dues and assessments are collected by the Club from its members primarily to cover expenses related to the maintenance and, for that matter, are utilized for improvements in the Club's facilities. The collection of these dues and assessments does not arise from any sale of goods or services but are imposed to cover and defray necessary expenses related to the maintenance of, and improvements in, the Club's facilities and as such, no part of the Club's income inures to the benefit of any of its members.

Member's dues paid in advance by its existing members amounted to ₱6.3 million and ₱5.7 million as at June 30, 2021 and 2020, respectively. Members' dues paid in advance is considered as a contract liability of the Club to its members.

Patronage fees are monthly consumables that members are entitled for the consumption of food and beverage provided by the Club's concessionaires that has expired and unconsumed.

Patronage fees recognized amounted to ₱3.9 million, ₱3.6 million and ₱3.5 million in 2021, 2020 and 2019, respectively.

Assessment for road maintenance are toll fees charged by the Club to users of the Club's main road, Don Celso S. Tuason Avenue. A specified fix rate is charged for different type of motor vehicles.

Sports and recreation arise from green fees which are generated from the use of the Club's golf courses. The Club has two golf courses: the North and South course. The North course is open to its members, their guests, and walk-in customers while the South course is open to its members and their guests only.

On September 30, 2016, the Club entered into agreement with Freeport Elite Resort, Inc. to purchase 1,000 coupons and another 1,000 coupons upon consumption of all coupons previously purchased. The green fees from Freeport Elite Resort, Inc. amounted to ₱0.1 million, ₱0.1 million and ₱1.0 million in 2021, 2020 and 2019, respectively.

Revenue from special events are fees charged to the Club's members for golf tournaments held at the Club. This also includes assessment fees to the Club's members for Club's social events.

Surcharge are penalties charged to members with delinquent accounts for over 45 days from the statement or cut-off date. A surcharge of 5% shall be imposed on any account that remains delinquent including interest of 1% a month until the account is paid in full.

Others pertains to income earned by the Club from corkage, commission on art display and sale of scraps.

17. Concessionaires' Fees

	2021	2020	2019
Food and beverage services	₱1,434,859	₱3,374,760	₱4,735,860
Retail services	977,429	725,972	969,528
Spa and barbershop services	—	28,982	25,155
	₱2,412,288	₱4,129,714	₱5,730,543



Concession agreements entered into by the Club are shown below:

Food and Beverage Services

- a) Jay-j's Food Management, Inc. (JFMI), a local food concessionaire and the Club entered into a concession agreement whereby JFMI manages the food and beverage operations of the Club located at the North Clubhouse. The agreement also provides that the concessionaire shall pay a fee of 7% plus VAT of the monthly gross sales including special functions contracted for the members and guest and to purchase one (1) share of stock. The share of stock is pledged to the Club which serves as a security deposit to answer for any damages or expenses incurred. The agreement is for a period of three (3) years from August 1, 2016 up to July 31, 2019. On June 15, 2019, the contract was extended for a period of three (3) months, starting from August 1, 2019 up to October 31, 2019. The contract was further extended for short-term periods until July 31, 2020. On July 18, 2020, the BOD approved the contract extension for three (3) months after the end of the community quarantine. On December 2020, the contract was expanded, on a temporary basis, to include the main clubhouse starting January 1, 2021 until such time a new concessionaire for the main clubhouse is engaged.

The concessionaire fee recognized from JFMI amounted to ₱0.5 million, ₱1.1 million and ₱1.5 million in 2021, 2020 and 2019, respectively.

- b) Anix's House of Kare-kare (AHK), a local food concessionaire and the Club entered into a concession agreement whereby AHK manages the food and beverage operations of the Club at the Main Clubhouse. The agreement also provides that the concessionaire shall pay a fee of 7% plus VAT of the monthly gross sales for the first six (6) months of operations and 10% plus VAT of the monthly gross sales for the succeeding months or ₱100,000 whichever is higher including catering services contracted for the members and guest and to purchase one (1) share of stock. The share of stock is pledged to the Club which serves as a security deposit to answer for any damages or expenses incurred. The agreement is for a period of three (3) years from January 20, 2017 up to January 19, 2020, subject to renewal at the option of the Club under such terms and conditions to be mutually agreed by the parties. The agreement was extended on January 20, 2020 until June 30, 2020. On July 18, 2020, the BOD approved the contract extension for three (3) months after the end of the community quarantine. The contract was further extended to last until December 31, 2020. This extension revised the concessionaire fee to 7% plus VAT of the monthly gross sales.

The concessionaire fee recognized from AHK amounted to ₱0.7 million, ₱2.3 million and ₱3.3 million in 2021, 2020 and 2019, respectively.

- c) Doturak International Group, Inc. (DIGI), a local food concessionaire and the Club entered into a concession agreement whereby DIGI manages the food and beverage operations of the Club at the Tee House. The agreement also provides that the concessionaire shall pay a basic minimum rental of ₱40,000 or 10% of the gross sales per month inclusive of VAT, whichever is higher. The agreement is for a period of five (5) years starting January 1, 2021.

The concessionaire fee recognized from DIGI amounted to ₱0.2 million in 2021.

Retail Shop

Pacsport Phils, Inc. was awarded the concession to operate a retail sales outlet, inside the Clubhouse to serve the members, guests and dependents, exclusively. In consideration for operating the outlet, the Club charges a basic minimum monthly concession fee of ₱65,000 or 15% of their gross sales per month inclusive of VAT, whichever is higher. The agreement is for a period of two (2) years from March 15, 2016 up to May 14, 2018.



On July 9, 2018, the contract was renewed and shall be effective for a period of two (2) years, starting from March 15, 2018 up to May 14, 2020. As of date, the finalization of the contract renewal is ongoing. The contract provides that the concessionaire shall pay a fee of ₱70,000 or 15% of their gross sales per month inclusive of value added tax, whichever is higher. The concessionaire fees from Pacsport Phils, Inc. amounted to ₱1.0 million, ₱0.7 million and ₱1.0 million in 2021, 2020 and 2019, respectively.

18. Rentals

	2021	2020	2019
Golf cart rental	₱13,720,361	₱8,843,670	₱9,158,518
Golf cart storage	3,220,457	3,139,648	3,012,128
Locker rental	891,391	946,098	944,084
Driving range	505,961	432,119	517,032
Communication cell site (Note 8)	305,404	305,404	305,404
Pullcart rental	1,540	591,150	736,645
Venue and room fee	—	942,009	1,078,320
Others	—	143,394	193,013
	₱18,645,114	₱15,343,492	₱15,945,144

Golf carts, pull carts, and lockers pertain to rental fees charged to members and guests. The Club provides for pull carts to its members and guests in exchange for a rental fee for every play of golf. However, the players may opt to rent a golf cart instead, thus, the pull cart fee will be waived. Rentals of golf carts and lockers are for the use of the golf carts provided by the Club for its members. Rentals of lockers are for the use of the Club's locker rooms.

Golf cart storage pertains to rental fees charged to members for keeping the golf carts in reserve within the Club's premises.

On September 16, 2016, the Club entered into a Build-Lease-Transfer agreement with a third party to construct a Double Deck Driving Range with amenities located at the north course. The agreement includes a lease term of fifteen (15) years which commenced on July 8, 2017. The lessee shall pay a monthly lease of ₱25,000, inclusive of VAT, subject to a 10% escalation starting on the third (3rd) year. As part of the agreement, the lessee shall pay ₱450,000 representing one (1) year advance rental and six (6) months security deposits.

The future minimum rental commitment under this operating lease as of June 30, 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Within one (1) year	₱457,612	₱463,014	₱518,452
More than one (1) year but not more than five (5) years	2,586,579	2,586,579	2,586,579
More than five (5) years	2,597,942	3,114,974	3,632,005
	₱5,642,133	₱6,164,567	₱6,737,036

The excess of principal amount of the refundable security deposits over its fair value, at inception date of operating lease, is presented under "Other noncurrent liability" amounting to ₱0.1 million and ₱0.2 million as at June 30, 2021 and 2020, respectively. The current portion under "Trade and other payables" amounting to ₱41,175 and ₱27,450 in the statement of financial position in 2021 and 2020,



respectively. Straight-line amortization of deferred rent amounted to ₱13,725 as at June 30, 2021 and 2020.

The Club leases the north clubhouse's rooftop to a local telecommunications company to be used as a cell site under certain conditions. Monthly rental amounts to ₱15,000, subject to a 4.5% escalation starting on the fourth (4) year. The lease period is from October 1, 2007 to September 30, 2017, renewable for a period to be mutually agreed upon by the parties. The contract was renewed in 2017 for a period of 10 years which took effectivity on October 1, 2017 and expiring on September 30, 2027. The lessee shall pay ₱23,197, inclusive of VAT, subject to a 4.5% escalation starting on the second year of the new lease period.

The future minimum lease commitment under this operating lease as of June 30, 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Within one (1) year	₱305,404	₱305,404	₱305,404
More than one (1) year but not more than five (5) years	1,527,020	1,527,020	1,527,020
More than five (5) years	76,351	381,755	687,159
	₱1,908,775	₱2,214,179	₱2,519,583

Others pertain to rental fees from the Club's housing and employee's canteen.

19. Cost of Services

	2021	2020	2019
Outside services	₱37,054,304	₱37,925,988	₱33,891,093
Depreciation and amortization (Notes 7, 8, and 10)	23,177,151	24,748,395	21,751,957
Personnel cost (Note 21)	20,859,157	22,479,363	22,206,954
Repairs and maintenance	9,028,382	7,551,955	10,855,913
Supplies	8,645,016	9,868,403	7,644,658
Utilities	8,332,710	14,068,617	12,066,285
Club events	1,802,900	6,090,755	5,495,985
Others	2,694,641	8,278,463	9,836,755
	₱111,594,261	₱131,011,939	₱123,749,600

Others pertain to provision for tournament expenses, insurance, ads and publication, promotional and industrial expenses, parking fee, and other miscellaneous expenses.

Outside services pertains to retainer fees, legal fees, maintenance crews, and audit fees.



20. General and Administrative

	2021	2020	2019
Personnel costs (Note 21)	₱6,818,086	₱6,855,334	₱8,173,535
Taxes and licenses	5,312,964	5,861,950	4,834,349
Outside services	3,011,566	4,451,897	1,957,876
Supplies	1,129,130	925,054	852,531
Bank charges	999,930	1,160,939	1,193,201
Board members' meetings	684,297	857,520	1,008,652
Utilities	349,824	604,711	615,092
Depreciation and amortization (Notes 7, 8, and 10)	277,995	292,169	226,795
Interest	11,094	10,575	10,081
Provision for ECL (Note 5)	—	243,212	4,066
Others	1,036,497	2,718,905	1,001,181
	₱19,631,383	₱23,982,266	₱19,877,359

Other expenses consist mainly of advertising expenses, prompt payment discounts, insurance and net expenses incurred during tournaments.

21. Personnel Costs

	2021	2020	2019
Cost of services (Note 19):			
Salaries and wages	₱15,628,063	₱17,220,703	₱16,961,111
Employee benefits	3,989,911	4,230,384	4,117,500
Retirement benefit expense (Note 24)	1,241,183	1,028,276	1,128,343
	20,859,157	22,479,363	22,206,954
General and administrative (Note 20):			
Salaries and wages	5,171,193	5,196,329	6,386,145
Employee benefits	1,332,233	1,387,281	1,509,801
Retirement benefit expense (Note 24)	314,660	271,724	277,589
	6,818,086	6,855,334	8,173,535
	₱27,677,243	₱29,334,697	₱30,380,489



22. Income Taxes

The composition of provision for (benefit from) income taxes is:

	2021	2020	2019
Current	₱188,131	₱55,090	₱1,368,860
Deferred	140,521	1,853,545	(104,750)
	₱328,652	₱1,908,635	₱1,264,110

- The Club's provision for current income tax pertains to MCIT in 2021 and 2020, and RCIT in 2019.
- The reconciliation of income computed at the statutory tax rates to provision for income tax as shown in the statements of income is as follows:

	2021	2020	2019
Income tax at the statutory rate	₱2,437,711	(₱4,586,913)	₱2,468,902
Income tax effects of:			
Nondeductible expenses	17,175,421	21,243,136	350,208
Nontaxable revenues	(17,978,816)	(19,379,290)	—
Movement of unrecognized deferred tax assets	(1,267,012)	3,006,141	(1,317,259)
Interest income subject to final tax	(38,652)	(204,379)	(237,741)
Derecognition of advance payments of membership dues	—	1,829,940	—
	₱328,652	₱1,908,635	₱1,264,110

- The components of the recognized net deferred tax assets are as follows:

	2021	2020
Deferred tax assets:		
Allowance for ECL	₱507,528	₱609,034
Advanced payments for membership dues and others	21,194	14,975
Re-measurement loss on defined benefit obligation	—	317,900
	528,722	941,909
Deferred tax liabilities:		
Rent receivable	(298,766)	(253,644)
Interest income from accretion	(3,386)	(3,274)
	(302,152)	(256,918)
	₱226,570	₱684,991



The reconciliation of the net deferred tax assets is as follows:

	2021	2020
Balances at beginning of year	P684,991	P979,605
Benefit from (provision for) deferred tax during the year recognized in:		
Profit or loss	(140,521)	(1,853,545)
OCI	(317,900)	1,558,931
Balances at end of year	P226,570	P684,991

No deferred tax assets from the following deductible temporary difference were recognized as it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred tax assets to be utilized:

	2021	2020
NOLCO	P3,535,815	P10,390,337
Retirement benefit obligation	5,446,848	6,917,141
Unrecognized past service cost	2,124,100	1,995,933
MCIT	243,221	55,090
	P11,349,984	P19,358,501

d. Bayanihan to Recover as One Act

On September 11, 2020, President Rodrigo R. Duterte signed into law RA No. 11494, *An Act Providing for COVID-19 Response and Recovery Interventions and Providing Mechanisms to Accelerate the Recovery and Bolster the Resiliency of the Philippine Economy, Providing Funds therefor, and for Other Purposes*, which shall be known and cited as “Bayanihan to Recover As One Act”.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of June 31, 2021, the Club has incurred NOLCO before taxable year 2021 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	NOLCO Applied Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current year	NOLCO Unapplied
2020	2021-2023	P10,390,337	P-	P-	(P6,854,522)	P3,535,815

e. As of June 30, 2021, the Club has available MCIT that can be claimed as deductions from future taxable liabilities, movement in excess of MCIT over RCIT are as follows:

Year Incurred	Availment Period	As at June 30, 2020	Addition	Expired	As at June 30, 2021
2021	2022-2024	P-	P188,131	P-	P188,131
2020	2021-2023	55,090	-	-	55,090
		P55,090	P188,131	P-	P243,221



23. Related Party Transactions

Related parties include members of key management personnel including directors and officers of the Club and close members of the family and companies associated with these individuals. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form. Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A summary of major account balances with related parties follows:

Key Management Personnel Compensation

Compensation of key management personnel amounted to ₱2.1 million, ₱2.7 million and ₱2.5 million in 2021, 2020 and 2019, respectively, which represent short-term benefits.

Complimentary Club Coupons and House Guests Privileges

Complimentary green fee coupons are given to the BOD and certain officers for distribution to prospective members and certain guests and friends of the Club. The outstanding green fee coupons for each fiscal year are as follows:

	2021	2020	2019
Beginning balance	46	365	31
Additions during the year	2,720	2,000	3,380
Issuances during the year	(2,646)	(2,319)	(3,046)
Ending balance	120	46	365

The amount of green fees charged to playing guest ranges from ₱921 to ₱1,983. On March 1, 2020 these green fee rates are changed ranging from ₱1,421 to ₱2,221. On January 16, 2021, these green fee rates are changed ranging from ₱1,700 to ₱2,500.

The Club also authorizes certain Club officers to entertain houseguests and use the Club's facilities free-of-charge.

24. Retirement Benefit Obligation

The Club has a funded, non-contributory, defined benefit retirement plan covering all its qualified officers and employees. Under the plan, qualified officers and employees are entitled to receive pension benefits on a lump sum basis when they reach the retirement age of 60. With the consent of the Club, an employee may elect to retire early provided he has rendered at least 20 years of credited service or at least 15 years of credited service and at least 50 years old. The projected unit credit cost method was used to determine the retirement benefit costs and obligation. The Club's retirement fund is being held in trust by a trustee bank.

The following tables summarize the components of the retirement benefit cost recognized in the statement of income and the retirement benefit obligation recognized in the statement of financial position for the retirement plan.



Retirement benefits expense recognized in the statements of income:

	2021	2020	2019
Service cost	₱1,300,611	₱1,131,772	₱1,055,974
Net interest cost:			
Interest cost on benefit obligation	928,724	1,158,222	1,467,337
Interest income on plan assets	(673,492)	(989,994)	(1,117,379)
Retirement benefit expense	₱1,555,843	₱1,300,000	₱1,405,932

Re-measurement losses (gains) on defined benefit obligation recognized under OCI in the statements of comprehensive income:

	2021	2020	2019
Actuarial losses (gains):			
Changes in financial assumptions	(₱1,517,134)	₱3,290,567	₱1,749,818
Experience adjustments	(513,168)	356,365	(1,992,350)
Changes in demographic assumptions	—	1,058,641	(222,669)
	(2,030,302)	4,705,573	(465,201)
Return on plan assets excluding the amount included in net interest cost	(56,847)	490,865	(485,974)
Re-measurement losses (gains) on defined benefit obligation	(₱2,087,149)	₱5,196,438	(₱951,175)

Cumulative re-measurement effect recognized in OCI included in the accumulated excess of revenues over expenses:

	2021	2020
Balances at beginning of year	₱1,059,667	(₱4,136,771)
Actuarial loss (gain)	(2,030,302)	4,705,573
Return on assets excluding amount included in net interest cost	(56,847)	490,865
	(1,027,482)	1,059,667
Income tax effect	—	(317,900)
Total amount recognized in OCI	(₱1,027,482)	₱741,767

Movements in retirement benefit obligation in 2021 and 2020 are as follows:

	2021	2020
Balances at beginning of year	₱7,976,808	₱3,645,579
Retirement benefit expense	1,555,843	1,300,000
Contributions paid	(1,998,654)	(2,165,209)
Remeasurement losses (gains) recognized in OCI	(2,087,149)	5,196,438
Balance at end of year	₱5,446,848	₱7,976,808



Changes in the present value of defined benefit obligation as follows:

	2021	2020
Balances at beginning of year	P27,395,976	P21,528,299
Current service cost	1,300,611	1,131,772
Interest cost	928,724	1,158,222
Net actuarial loss (gain) due to:		
Changes in financial assumptions	(1,517,134)	3,290,567
Changes in demographic assumptions	(513,168)	1,058,641
Experience adjustments on plan liabilities	-	356,365
Benefits paid from plan assets	(1,102,965)	(1,127,890)
Balances at end of year	P26,492,044	P27,395,976

Changes in the fair value of plan assets are as follows:

	2021	2020
Balances at beginning of year	P19,419,168	P17,882,720
Interest income on retirement plan assets	673,492	989,994
Actual contributions	1,998,654	2,165,209
Actual return excluding amount included in net interest cost	56,847	(490,865)
Benefits paid	(1,102,965)	(1,127,890)
Balances at end of year	P21,045,196	P19,419,168

Retirement obligation as reported in the statement of financial position:

	2021	2020
Present value of benefit obligation	P26,492,044	P27,395,976
Fair value of retirement plan assets at end of year	(21,045,196)	(19,419,168)
	P5,446,848	P7,976,808

The major categories of plan assets are as follows:

	2021	2020
Deposit in banks	P4,827,592	P4,587,518
Investment in government securities	11,494,165	11,300,632
Other securities and debt instruments	803,344	702,137
Investment in trust fund	150,000	-
Investment in shares of stock	3,679,680	2,809,421
Accrued interest receivable	174,544	163,030
Other receivables	107,391	2,991
Accrued trust fees and other payables	(191,520)	(146,561)
	P21,045,196	P19,419,168

Deposit in banks includes regular savings.

Investments in government securities consist of retail treasury bonds that bear interest ranging from 5.0% to 11.1% and will mature on various dates starting July 2013 to October 2037.



Other securities and debt instruments pertains to 'due from Bangko Sentral ng Pilipinas' and 'time certificate of deposit'.

Miscellaneous receivable pertains to 'dividends receivable' and 'due from brokers'.

The principal actuarial assumptions used in determining retirement benefit obligations for the Club's retirement plan are as follows:

	2021	2020
Discount rate	4.32%	3.39%
Future salary increases	3.00%	3.00%

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

	Increase (decrease)	Effect on defined benefit obligation
2021		
Discount rates	+1%	(₱1,460,955)
	-1%	1,638,188
Salary increase rate	+1%	₱1,643,537
	-1%	(1,492,337)
2020		
Discount rates	+1%	(₱1,749,166)
	-1%	1,976,476
Salary increase rate	+1%	₱1,964,144
	-1%	(1,771,601)

Shown below is the maturity profile of the undiscounted benefit payments:

	2021	2020
Year 1	₱4,360,138	₱1,074,348
Year 2	2,623,365	4,806,787
Year 3	5,860,924	2,627,401
Year 4	1,663,429	5,922,280
Year 5	2,910,090	1,662,198
Year 6 - 10	10,928,507	11,015,720

The average duration of the defined benefit obligation is 5.8 years and 6.8 years as of June 30, 2021 and 2020, respectively.

The Club's latest actuarial valuation report was as of June 30, 2021.



25. Financial Instruments

Financial Risk Management Objectives and Policies

The Club's principal financial liabilities comprise of trade and other payables, members' deposit and others. The main purpose of these financial liabilities is to raise finance for the Club's operations. The Club has various financial assets such as cash and cash equivalents, trade and other receivables, short term investments under "Other current assets", and trust fund, which arise directly from its operations.

The main risks arising from the Club's financial instruments are credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Club manages credit risk by establishing credit limits at the level of the individual borrower, corporate relationship and industry sector. Also, the Club transacts only with recognized third parties.

In addition, receivables balances are monitored on an ongoing basis with the result that the Club's exposure to bad debts is not significant. Provision for ECL/impairment losses on receivables will also be made if the situation so warrants subject to the BOD's review and approval.

The following table represents the Club's maximum exposure to credit risk:

	2021	2020
Cash in banks and cash equivalents	₱51,595,093	₱33,957,111
Trade and other receivables	13,731,908	16,987,794
Debt instrument at FVTPL	10,024,917	-
Trust fund	4,811,529	4,818,615
	₱80,163,447	₱55,763,520

Impairment of financial assets

The Club's financial assets that are subject to the ECL model consists of cash and cash equivalents, trade and other receivables, short-term investments under "other current assets" and trust fund.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of trade and other receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

With respect to credit risk for these financial assets, the Club's maximum exposure equals to the carrying amount of these instruments. The Club has impaired financial assets amounting to ₱2.0 million as at June 30, 2021 and 2020 (see Note 5).



Trade and other receivables

Below is the information about the credit risk exposure on the Club's trade and other receivables using a provision matrix:

2021	Days past due						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
Expected credit loss rate	0.3832%	0.6439%	1.4045%	2.9061%	6.3405%	100%	
Estimated total gross carrying amount at default	P3,190,879	P3,770,276	P1,879,172	P1,852,557	P3,369,394	P1,699,741	P15,762,019
Expected credit loss	P12,227	P24,277	P26,393	P53,837	P213,636	P1,699,741	P2,030,111

2020	Days past due						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
Expected credit loss rate	0.3178%	0.5372%	1.1974%	2.4473%	5.4592%	100%	
Estimated total gross carrying amount at default	P6,310,672	P2,496,302	P1,717,156	P2,095,714	P4,731,570	P1,666,491	P19,017,905
Expected credit loss	P20,085	P13,410	P20,561	P51,288	P258,306	P1,666,491	P2,030,111

Liquidity risk

Liquidity risk is defined as the risk that the Club may not be able to settle or meet its obligations as they fall due. The Club monitors and maintains a level of cash deemed adequate by the management to finance the Club's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Club's financial liabilities as of June 30, 2021 and 2020, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Club's financial assets in order to provide a complete view of the Club's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

As of June 30, 2021

	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 91 Days	Total
Financial liabilities						
At amortized cost:						
Trade and other payables:						
Trade payables	P2,368,388	P815,868	P-	P-	P-	P3,184,256
Accrued expenses	4,432,988	136,878	133,174	138,900	271,809	5,116,749
Others*	1,146,497	244,254	96,603	328,252	5,118,737	6,926,343
Members deposits and others	16,888,951	-	-	-	-	16,888,951
	P24,836,824	P1,197,000	P229,777	P464,152	P5,382,537	P32,110,290
Financial assets						
At amortized cost:						
Cash and cash equivalents	P51,715,093	P-	P-	P-	P-	P51,715,093
Trade and other receivables:						
Trade receivables	1,345,694	3,632,676	867,698	715,344	2,948,635	9,510,047
Others	4,093,274	128,507	-	-	-	4,221,861
Debt instrument at FVTPL	10,824,917	-	-	-	-	10,824,917
Trust fund	4,811,529	-	-	-	-	4,811,529
	P71,990,507	P3,761,263	P867,698	P715,344	P2,948,635	P80,283,447

*Excludes statutory liabilities amounting to P785,520



As of June 30, 2020

	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 91 Days	Total
Financial liabilities						
At amortized cost:						
Trade and other payables:						
Trade payables	₱3,658,662	₱136,191	₱-	₱1,075,313	₱148,291	₱5,018,457
Accrued expenses	2,636,740	387,027	935,105	326,527	1,102,323	5,387,722
Others*	865,776	184,448	72,950	247,879	3,859,369	5,230,422
Members deposits and others	15,484,520	-	-	-	-	15,484,520
	₱22,645,698	₱707,666	₱1,008,055	₱1,649,719	₱5,109,983	₱31,121,121
Financial assets						
At amortized cost:						
Cash and cash equivalents	₱34,087,111	₱-	₱-	₱-	₱-	₱34,087,111
Trade and other receivables:						
Trade receivables	866,017	2,332,230	1,705,555	2,057,287	4,439,309	11,400,398
Others	5,427,146	160,250	-	-	-	5,587,396
Trust fund	4,818,615	-	-	-	-	4,818,615
	₱45,198,889	₱2,492,480	₱1,705,555	₱2,057,287	₱4,439,309	₱55,893,520

*Excludes statutory liabilities amounting to ₱639,649

Fair Value Measurements

The following provides the fair value measurement hierarchy of the Club's assets and liabilities as at June 30, 2021 and 2020:

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets for which fair values are disclosed					
<i>Investment Properties</i>					
(Note 8)	2021	₱129,731,800	-	-	₱129,731,800
	2020	₱76,955,400	-	-	₱76,955,400
Assets measured at fair value					
<i>Debt instrument at FVTPL</i>					
(Note 9)	2021	₱10,024,917	-	-	₱10,024,917
	2020	₱-	-	-	₱-
<i>Trust Fund (Note 9)</i>					
	2021	₱4,811,529	-	-	₱4,811,529
	2020	₱-	-	-	₱-

Significant unobservable inputs for fair value measurement of the Club's investment properties include sales listing of currently executed transactions involving similar items within the immediate vicinity of the property. The fair value of the investment properties is adjusted considering the location, size and physical attributes of the property.

Description of significant unobservable inputs to valuation:

Assets	Valuation Technique	Significant Unobservable Input	Range of Input	Sensitivity of the Input to Fair Value
Investment properties	Market approach and cost approach	Price per area	Various	Increase (decrease) in price per area would increase (decrease) the fair value

There are no changes in the valuation techniques used for assets classified under Level 3 category. During the years ended June 30, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.



Cash and cash equivalents, trade and other receivables, trust fund, trade and other payables, and members' deposit and others

The carrying values of cash and cash equivalents, trade and other receivables, trust fund, trade and other payables, and members' deposit and others and payable to a contractor, approximate their fair values due to the relatively short-term maturity of these financial instruments.

Debt instruments at FVTPL

The carrying values of debt instruments at FVTPL are measured at fair value and is computed based on certain valuation techniques.

Capital Management

The primary objective of the Club's capital management policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize members' value. The club manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Club is not subject to externally imposed capital requirements. The Club considers total member's equity as capital.

	2021	2020
Capital stock	P14,346,000	P14,346,000
Contributions in excess of par value	201,627,772	201,627,772
Accumulated excess of revenues over costs and expenses	37,930,490	26,739,048
	P253,904,262	P242,712,820

No changes were made in the objectives, policies or processes for the years ended June 30, 2021 and 2020.

26. Other Matters

In a move to contain the COVID-19 outbreak, on March 16, 2020, the Office of the President of the Philippines issued Proclamation No. 929, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020 which was subsequently extended until May 15, 2020.

On May 12, 2020, this was further extended into a modified enhanced community quarantine, wherein certain implementing rules have been relaxed.

The community quarantine classification was subsequently extended or changed as follows:

Classification	Effectivity
General community quarantine	June 1 - August 1, 2020
Modified enhance community quarantine	August 2 - 18, 2020
General community quarantine	August 19, 2020 - March 31, 2021
Enhanced community quarantine	March 29, 2021 - April 11, 2021
Modified enhance community quarantine	April 12, 2021 - May 14, 2021
General community quarantine	May 15, 2021 - August 5, 2021
Enhanced community quarantine	August 6, 2021 - August 20, 2021
Modified enhance community quarantine	August 21, 2021 - September 15, 2021

The measures implemented by the government impacted the Club's daily operation due to delay in



operational movement brought by the several lockdowns. In 2021, the Club resumed its operations on a skeletal work force and adopted the work-from-home arrangement when deemed appropriate in the circumstances. Furthermore, the Club maximizes its use of online platforms for communications as a venue for group planning. Considering the evolving nature of this outbreak, the Club will continue to monitor the situation.

27. Supplementary Information under Revenue Regulations (RR) 34-2020 and 15-2010

RR 34-2020

The Club is not covered by the requirements and procedures for related party transactions provided by RR 34-2020 which prescribes the guidelines and procedures for the submission of BIR Form 1709 Related Party Transactions Form, transfer pricing documentation and other supporting documents.

RR 15-2010

On November 25, 2010, the BIR issued RR 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. It includes provisions for additional disclosure requirements in the notes to the financial statements, particularly on taxes, duties and licenses paid or accrued during the year. The Club reported and/or paid the following types of taxes in 2021:

a. VAT

The Club's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.0%.

The NIRC of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Club's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. R.A. No. 9337 increased the VAT rate from 10.0% to 12.0%, effective February 1, 2006.

Details of the Club's net sales/receipts, output VAT and input VAT accounts are as follows:

i. Net Sales/Receipts and Output VAT declared in the Club's VAT returns

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sales of services	₱69,785,381	₱8,374,246
Exempt sales	15,129,757	-
	₱84,915,138	₱8,374,246

ii. Input VAT

Balance at July 1, 2020	₱-
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	1,236,702
Capital goods exceeding ₱1,000,000	-
Domestic purchases of services	3,107,357
	4,344,059
Applied against output tax	(4,344,059)
Balance at June 30, 2021	₱-



b. Withholding Taxes

Expanded withholding taxes	₱1,720,916
Withholding taxes on compensation and benefits	32,578
	<hr/>
	₱1,753,494

c. Other Taxes and Licenses

Real estate taxes	₱3,870,433
Business taxes (local business tax)	1,442,396
Documentary tax	135
	<hr/>
	₱5,312,964

d. Tax Assessments

The Club did not receive any final tax assessments in 2021, nor did it have tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the administration of BIR.



ENGINEERING PROJECTS

GABION FILTER CONSTRUCTION



BEFORE



AFTER

SOUTH PUTTING GREEN EXPANSION



BEFORE



AFTER

NORTH STARTER HOUSE CONSTRUCTION



BEFORE



AFTER

SOUTH TURBINE PUMPS AND MOTORS PURCHASE AND INSTALLATION



BEFORE



AFTER

SWIMMING POOL CONSTRUCTION



BEFORE



AFTER

MEMBERS' GOLF CART PARKING EXTENSION



BEFORE



AFTER

REGISTRATION GLASS ENCLOSURE



BEFORE



AFTER

ENTRY/EXIT OF SOUTH FAIRWAYS



BEFORE

AFTER

ENGINEERING PROJECTS

NORTH TEE-BOX #1 CONSTRUCTION



BEFORE



AFTER

LOCKER HALLWAY RENOVATION



BEFORE



AFTER

CAR PARKING PAVEMENT REPAIR



DCT ROAD REPAIRS



LAY-BY CONSTRUCTION AT SOUTH HOLE 9



BEFORE



AFTER

LAY-BY CONSTRUCTION AT SOUTH HOLE 18



BEFORE



AFTER

ROTONDA AT NORTH HOLE 5



BEFORE



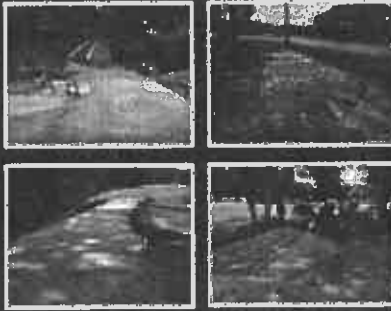
AFTER

CONCRETE PATHWAY TO LADIES SOUTH TEE-BOX



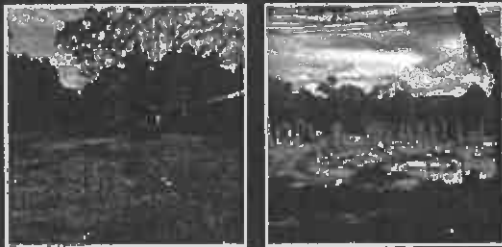
ENGINEERING PROJECTS

REPAIR OF CART PATHS



On-Going Projects

2-STOREY GOLF CART PARKING BUILDING



BEFORE

AFTER

SWIMMING POOL LANDSCAPING AND CABANA



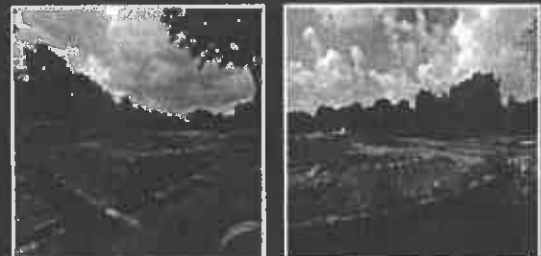
BEFORE

AFTER

NORTH TEE-BOXES REHABILITATION



DESILTING POND ACCESS ROAD CONSTRUCTION



MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF

VALLEY GOLF & COUNTRY CLUB, INC.

Held at the Board Room, Main Clubhouse
Valley Golf & Country Club, Inc.,
Don Celso Tuason Avenue, Antipolo City
September 27, 2020 at 4:00 p.m.

TOTAL NUMBER OF SHARES OUTSTANDING	1,594
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	(864) (54%)

I. CALL TO ORDER

After the National Anthem, the President and Chairman of the Board of Directors, Mr. Wilfredo G. Manahan, called the meeting to order and presided over the same.

The Corporate Secretary, Atty. Marcus Antonius T. Andaya, recorded the minutes of the proceedings.

Before the meeting proper started, the Secretary stated for the record the names of Directors of Valley Golf & Country Club, Inc. who were present during the meeting. The following Directors were present:

Pres. Wilfredo G. Manahan
Dir. Carlo J. Carpio
Dir. Albert DG. San Gabriel
Dir. Leopoldo M. Garcia
Dir. Pablito M. Gregore
Dir. Atty. Jeremy Z. Parulan
Dir. Albert G. Que
Dir. Reginald Benjamin V. San Pedro
Dir. Atty. Ronald O. Solis

Also present were the members of the COMELEC namely:

Atty. Rio Venturanza
Atty. Allan Jocson
Judge J Ernest Ermin Louie Miguel

The Secretary laid down the seven (7) items for voting:

1. Approval of the Minutes of the 2019 Annual Stockholders' Meeting held on 22 September 2019;
2. Approval of the President's Report containing the Company's 2020 Annual Report and Financial Report of the Treasurer containing the Audited Financial Statements;
3. Approval, confirmation and ratification of all Acts and resolutions of the Board of Directors and the Management from July1, 2019 to June 30, 2020;
4. Appointment of External Auditor;
5. Election of Directors;

6. Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication; and
7. Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office.

The Secretary also informed everyone that the meeting was convened via zoom live streaming as approved by the Board of Directors and as authorized by SEC Memorandum Circular No. 6, Series of 2020. He reiterated that the meeting was being recorded in video and audio in accordance with the requirements of the Securities and Exchange Commission. Audio and video recordings of the 2020 ASM livestream broadcast will be adequately maintained by the Club and will be made available in the Club's website after the event.

II. CERTIFICATION OF NOTICE AND QUORUM

The Secretary confirmed that notices of the meeting were duly sent to all members of the Board of Directors together with a copy of the materials for the meeting.

The Secretary also confirmed that notices of the meeting were duly sent to all the Stockholders on records through electronic mail to the members' email addresses officially registered with Valley Golf on 04 September 2020 which was at least 21 days prior to this scheduled Annual Stockholders' Meeting in accordance with the Revised Corporation Code and at least ten (10) days under the By-Laws of Valley Golf & Country Club, Inc.

The Secretary also confirmed that Notice of the meeting was also posted on the front page of the Club website beginning on 04 September 2020.

The Secretary therefore certified that the Stockholders were duly notified of the Annual Stockholders' Meeting.

As to the existence of quorum, the Secretary announced that based on the tally of the number of stockholders who have successfully registered on line and have submitted verified and validated SPAs and Proxies on hand, the total number of voting on-line in person and represented by proxy was 864 shares or representing at least 54% out of the 1,594 total outstanding capital stock of the Club. The number of shares voting on-line in Person was 76 shares and by Proxy, 788 shares.

The Secretary therefore certified the existence of a quorum for the valid transaction of business at the meeting.

Before proceeding with the meeting proper, the Secretary briefly explained the rules in the conduct of today's meeting and the voting procedures for the virtual meeting pursuant to the Guidelines for the September 27, 2020 Stockholders' meeting as approved by the Board of Directors which was included in the Club's Definitive Information Statement that was submitted to the Securities and Exchange Commission.

The Secretary confirmed that the Administrative support was recording the numbers of stockholders who were connected to the Website and that they maintain a record of the same. Thus, the total numbers of stockholders who connected with the

Website during the Annual Stockholders' meeting was 49 or 3% of the total numbers of stockholders.

III. APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on 22 September 2019 was dispensed with as the same had been previously circulated/distributed to the stockholders. The Secretary confirmed that no inquiries of objections submitted on-line, the Minutes of the last Stockholders' meeting was thereafter approved.

The votes for the Resolution on the approval of the Minutes of 2019 Annual Stockholders' Meeting are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	864 (54%)	0 (0.00%)	0 (0.00%)

Accordingly, the following resolution was thereafter passed:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of VALLEY GOLF & COUNTRY CLUB, INC. (the ‘Corporation’) held on 22 September 2019 is hereby approved.”

IV. MATTERS ARISING FROM THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

The Chairman, Mr. Wilfredo G. Manahan inquired if there are questions submitted on-line regarding the previous year's minutes.

The Secretary certified that there was no question submitted on-line regarding the matter.

V. APPROVAL OF THE PRESIDENT'S REPORT CONTAINING THE COMPANY'S 2020 ANNUAL REPORT AND FINANCIAL REPORT OF THE TREASURER CONTAINING THE AUDITED FINANCIAL STATEMENTS.

a. FINANCIAL REPORT OF THE TREASURER

The Chairman announced that the Financial Report of the Treasurer contains the Audited Financial Statements for Fiscal Year 2020 and that a copy of the Audited Financial Statements for the fiscal year 2020 was made available to the stockholders in the website of the club and was sent to the members via email.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

b. PRESIDENT'S REPORT

ORIGINAL

The Chairman announced that the President's Report is the Company's 2020 Annual Report and that a copy of the President's Report was made available to the stockholders in the website of the club and was sent to the members via email.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval of the Financial Report of the Treasurer containing the Audited Financial Statements for Fiscal Year 2020 and the President's Report containing the Company's 2020 Annual Report were as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2019-2020 Annual Report and Financial Statements	893 (54%)	0 (0.00%)	0 (0.00%)

The herein below resolution was likewise approved:

“RESOLVED, the Audited Financial Statements for Fiscal Year 2020 as reflected in the Treasurer's Financial Report together with the Company's 2020 Annual Report as reflected in the President's Report, be noted and approved.”

VII. APPROVAL, CONFIRMATION AND RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT FROM JULY 01, 2019 TO JUNE 30, 2020.

The Chairman announced that a copy of the list of Acts of the Board and Management from July 1, 2019 to June 30, 2020 was made available to the stockholders in the website of the club and the same was sent thru email to the registered email addresses of all the stockholders.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval, confirmation and ratification of all acts and resolutions of the Board of Directors and the Management from July 01, 2019 to June 30, 2020 were as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Management from the date of the last stockholders' meeting up to the date of the present meeting.	864 (54%)	0 (0.00%)	0 (0.00%)

The herein below resolution was likewise approved:

ORIGINAL

“RESOLVED, that all acts of the Board of Directors and Management for the period July 1, 2019 to June 30, 2020 are hereby confirmed, approved and ratified.”

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman announced that the present External Auditor is the Sycip, Gorres and Velayo & Co. So far, the Club is satisfied with their services, fees and reputation. The Audit Committee recommended to the Board the re-appointment of SGV as External Auditor and the recommendation was approved by the Board.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter

The votes for the approval of the re-appointment of Sycip, Gorres and Velayo & Co. as External Auditor were as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Re-appointment of Sycip Gorres Velayo & Company as External Auditor for 2019-2020	864 (54%)	0 (0.00%)	0 (0.00%)

The herein below resolution was likewise approved:

“RESOLVED, that the re-appointment of Sycip Gorres Velayo & cO. (SGV & Co) is hereby noted and approved.”

IX. ELECTION OF DIRECTORS

The Chairman announced that the members will elect 3 Directors for this Annual Stockholders’ Meeting for the ensuing year. There were initially 5 nominees whose nominations were verified and recommended to the Board for approval. However, one of the nominees withdrew his candidacy. The individual profiles were sent thru email to the email addresses of the members officially registered with the Valley Golf, posted in the Club’s bulletin board, website and appeared in the Definitive Information Statement.

The following were the official nominees:

- Renato “Rene” C. Balibag
- Jose Arsenio Isidro “John” D. Borromeo III
- Constantine L. Kochet Chua
- Rafael “Chino” S. Raymundo

The Chairman of the COMELEC, Atty. Rio Venturanza explained briefly the on-line voting process in accordance with the Rules and Procedures regarding on-line voting. The other members of the Comelec were Judge J. Ernest Ermin Louie Miguel and Atty. Allan Jacson

ORIGINAL

Thereafter, the Chairman turned-over the tallying of votes to the representatives of SGV.

After all votes cast were counted, the following candidates were declared elected as new members of the Board of Directors of the Club for the year 2020-2021 after receiving the votes indicated opposite their names:

	Nominee	No. of Votes Received		
		In Person	By Proxy	Total
1.	Mr. Renato C. Balibag	100	526	626
2.	Mr. Jose Arsenio Isidro D. Borromeo III	46	657	703
3.	Mr. Constantine L. Kohchet-Chua	57	540	597
4.	Mr. Rafael S. Raymundo	22	641	663

The herein below resolution was likewise approved:

“RESOLVED, to elect the following as Directors of Valley Golf & Country Club, Inc., to serve as such until the election and qualification of their successors:

- 1. Jose Arsenio Isidro D. Borromeo III***
- 2. Rafael S. Raymundo***
- 3. Renato C. Balibag***

Consequently, the Chairman declared that the 3 winning candidates duly elected to serve as Directors until the election and qualification of their successors.

The newly elected Directors gave their short personal messages.

IX. Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication;

The Secretary briefly explained the need to amend the pertinent part of the By-Laws. It was explained that considering that the use of remote communication and other alternative modes of communication is not provided for under the by-laws, there is a need to amend the pertinent provisions of the by-laws regarding the matter, more particularly Article III, Section 1 of the By-Laws.

It was announced that the Board of Directors by a majority vote approved to amend Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication.

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval of the Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication were as follows:

ORIGINAL

IN FAVOR	NOT IN FAVOR	ABSTAIN
857	5	2

The herein below proposed resolution was approved.

“RESOLVED, to authorize the Amendment of Article III, Section 1 of the By-Laws authorizing the Annual meetings to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication is hereby noted and approved.”

- X. **Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office.**

The Secretary explained the pertinent laws and SEC rulings and Memorandum Circular pertaining to the election of Independent Directors. Valley Golf is covered by the requirement for the nomination and election of Independent Directors. However, our current By-Laws do not provide for the election of Independent Directors. The members of Valley Golf regularly elect Regular Directors only. In order to accommodate the election of 2 Independent Directors, there is likewise a need to amend No. Sixth of Articles of Incorporation and Article IV, Section 1 of the By-Laws. to increase the number of Directors from 9-11

The Secretary certified that there were no questions or objections submitted on-line regarding the matter.

The votes for the approval of Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office were as follows:

IN FAVOR	NOT IN FAVOR	ABSTAIN
647	214	3

The Secretary announced that based on the tally of votes received, 647 number of shares comprising of 40.5% only of the total number of shares issued voted in favor the approval of the Amendment. However, the tally of votes received shows failure to reach the required votes or assent of at least 2/3 of the members or at least 1063 number of shares. There is no approval from the members regarding this item in the agenda.

The Chairman declared the Amendment of No. Sixth of Articles of Incorporation and Article IV, section 1 of the By-Laws increasing the number of Directors from 9 to 11 to be composed of nine (9) regular Directors and two (2) Independent Directors and providing for their term of office was not approved.

XI. OTHER MATTERS

The Chairman inquired from the Corporate Secretary if there were other inquiries submitted on-line regarding other matters. The Corporate Secretary answered in affirmative and read the questions:

1. From Cecile Ng Esguerra – When will the starter house be completed at the North Course? What is the budget for this and who is the contractor?

The chairman answered on behalf of the Engineering Committee headed by Dir. Albert Que that the project will be completed in a week or two. The budget is ₱310,150.00 and was constructed via in house.

2. From Cecile Ng Esguerra – What is the status of the case between Mr. Joe Tayawa and the five (5) Board of Directors. Is it true that the case was filed against the 5 individuals and not Valley Golf? If so, why is Valley funding the case?

The Chairman directed the Legal Counsel to reply to the query. Atty. A-dan Tayag replied that the plaintiff himself included Valley Golf in the complaint because he was asking in his complaint to be reinstated or the suspension be lifted. He had to include Valley Golf as a necessary party because the individual directors cannot by themselves implement the reinstatement or lifting of suspension. Dir. Solis commented that this is the only reason why Valley Golf has been made a party defendant in case the court issues the prayer asked for in the complaint to reinstate or to lift the suspension of the plaintiff, it will be addressed to Valley Golf & Country Club.

Dir. Solis then made a clarification whether the plaintiff sought for damages against Valley or only against the 5 individual directors?

Atty. Tayag replied that the plaintiff sought for damages only against the 5 individual directors.

Going back to the question of Ms. Cecile Ng, why is it that Valley Golf is the one paying for expenses when it is not being assessed for damages. Atty. Tayag replied that the directors enacted the resolution to suspend not as individuals but in their capacity as members of the board of directors. It was procedurally valid, so it is an act of the board and Valley Golf. Valley Golf has the right to vindicate and defend this resolution.

Dir. Solis inquired how much has Valley paid by way of legal fees to the lawyers representing VGCC and the five directors. Ms. Arguelles replied that the total legal fees as of June 30, 2020 is 1.16million.

The chairman clarified that the board resolution of suspension was among those ratified by the stockholders during the last annual meeting. And that the engagement of the Legal Counsel was made in the previous board and not during the term of this Board.

3. From Cecile Ng Esguerra – What is Valley's rule for members caught cheating during a tournament?

The Chairman replied that the procedure is that once a written incident report was submitted to the office of the General Manager, the erring member will be requested to submit written explanation. All the documents including the incident report, the statement

from the witnesses and the explanation letter from the erring member will then be submitted to the Membership Committee. The Membership Committee, upon gathering all facts, will now submit its recommendation to the Board for appropriate action.

4. From Rogelio Avenida – Is there a schedule to improve DCT Avenue by way of asphalt overlay?

The Chairman replied that it will depend on if there will be a budget.

5. From Rogelio Avenida – The resolution to elect should be a resolution to confirm the three successful candidates.

The Corporate Secretary took note of the comment.

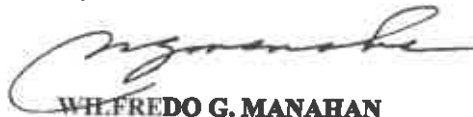
6. From Louie Quiogue – During my time as a director, we objected to the membership of any chairman of a committee that maintains a budget in the Audit Committee. This year, the Audit Committee has for its members are chairpersons of the Sports and Games and the Security Committee. The chairman of the Audit Committee is also a member of the Bids and Awards Committee. Among the projects that the committee reviewed was the DCT and Founders Cup Tournament. How can we rely on any audits that were conducted then?

The Chairman replied that the integrity of the Directors appointed is unquestionable and that the External Auditor is independent and prudent in checking all the records of the items to be audited.

ADJOURNMENT

There being no other matters to be discussed, the meeting was thereupon adjourned.

Attested by:



WILFREDO G. MANAHAN
President



MARCUS ANTONIUS T. ANDAYA
Corporate Secretary

ORIGINAL

COVER SHEET

1 3 9 5 1
S.E.C. Registration Number

V A L L E Y G O L F & C O U N T R Y
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 A V E .
B A R A N G A Y M U N T I N D I L A W
A N T I P O L O C I T Y
(Business Address: No. Street/City/Province)

ROSANNA R. ARGUELLES
Contact Person

8658-4901
Company Telephone Number

0 6 3 0
Month Day
Fiscal Year

**ANNUAL CORPORATE GOVERNANCE
REPORT**
FORM TYPE

09 4th Sunday
Month Day
Annual Meeting

Secondary License Type, If Applicable

C G F D
Dept. Requiring this Doc.

Amended Articles Number/Section

1,594
Total No. of Stockholders
Owning at Least One Board Lot

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

Certification

I, DAN L. SALVADOR, the General Manager/Compliance Officer of VALLEY GOLF & COUNTRY CLUB, INC., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 13951 and with principal office at Don Celso S. Tuason Victoria Valley Antipolo City, on oath state:

- 1) That I have caused this Annual Corporate Governance Report for the period ended June 30, 2021 to be prepared on behalf of VALLEY GOLF & COUNTRY CLUB, INC.
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the company VALLEY GOLF & COUNTRY CLUB, INC. will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this OCT 06 2021 day of _____, 20_____.


DAN L. SALVADOR
Affiant

SUBSCRIBED AND SWORN to before me this OCT 06 2021 day of _____, 20____, in CAINTA, RIZAL City, Philippines.

Doc. No. 81
Page No. 17
Book No. XVII
Series of: NOM


ANDREW V. FERRER
NOTARY PUBLIC
NOTARY PUBLIC
COMMISSION EXPIRES DECEMBER 31, 2021
PTR NO. 15581721 A; 01/04/2021
IBP OR NO. 137329; 01/04/2021
Rizal Chapter / MCLE Compliance
No. VI-0028918, October 4, 2019
Roll No. 39811/Appointment No. 20-25
No. 9. A. Bonifacio Ave., Cainta, Rizal

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT


1. Report is Filed for the Year 2021
2. Exact Name of Registrant as Specified in Its Charter VALLEY GOLF & COUNTRY CLUB, INC.
3. Don Celso Tuason Ave., Antipolo City 1870
Address of Principal Office Postal Code
4. SEC Identification Number 13951 5.  (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 000-649-197
7. (02) 6584901, (02) 6584902, (02) 6584903
Issuer's Telephone number, including area code
8.
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors: 9

Actual number of Directors: 9

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type (Elected Director (ED), Non-Representative (NED) or Independent Director (ID))	If nominated, identify the principal	Nominator in the last election (NED, state the relationship with the nominator)	Date first elected	Date last elected (NED, state the number of years served as NED)	Elected when (Annual or Special Meeting)	Exp. of term, based on director
Reginald Benjamin V. San Pedro	ED	Not Applicable not a Nominee	Luis Polintan, Emmanuel Manalo, Rommel Latinazo, Donald Joseph Macomb, Leopoldo Garcia, Andres Baysa	9/22/2019	9/22/2019	9/22/2019	2 years
Leopoldo M. Garcia	ED	Not Applicable not a Nominee	Leslie Agoncillo	9/23/2018	9/23/2018	9/23/2018	3 years
Pablito M. Gregore	ED	Not Applicable not a Nominee	Jose Antonio Borromeo	9/22/2019	9/22/2019	9/22/2019	2 years
Albert G. Que	ED	Not Applicable not a Nominee	Gerardo Rivera	9/23/2018	9/23/2018	9/23/2018	3 years
Renato C. Ballbag	ID	Not Applicable not a Nominee	Virgilio Bucat (no relationship)	9/27/2020	9/27/2020 One (1) year	9/27/2020	1 year
Jose Arsenio Isidro D. Borromeo III	ID	Not Applicable not a Nominee	Anil Sehvani (no relationship)	9/27/2020	9/27/2020 One (1) year	9/27/2020	1 year
Carlo J. Carpio	ED	Not Applicable not a Nominee	Jaime Victor Santos	9/22/2019	9/22/2019	9/22/2019	2 years
Rafael S. Raymundo	ID	Not Applicable not a Nominee	Joaquin Tolentino, Jr. (no relationship)	9/27/2020	9/27/2020 One (1) year	9/27/2020	1 year

¹ Reckoned from the election immediately following January 2, 2012.

Ronald O. Solis	ED	Not Applicable not a Nominee	Jeremy Parulan	9/23/2018	9/23/2018	9/23/2018	3 years
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(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

(a.) The evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance.

1. Initially, the Club adopted the Corporate Governance Self-Rating System Form.
2. Valley Golf has a Business Plan and Annual Budget. Management conducts a monthly review of compliance with the action plan. Every month a Management Report is submitted during the Board Meeting which contains the status report of the business plan and the comparative financial statement against the budget to reflect the variances. Included also is a monthly highlight of the financial report with detailed explanations on the variances of the actual figures as compared to the budget.

(b.) Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance.

1. The Audit Committee and the Finance Committee meet with the External Auditors regarding the annual examination of the financial statements of the Club and the operations of the Club.
2. The Club has a Membership Handbook and a Personnel Manual that contain policies, procedures and implementing guidelines on dealing with members and employees.
3. The President submits a monthly Management Report to the Board of Directors.
4. The Board of Directors had appointed the members of the Nomination Committee, Compensation and Remuneration Committee and Audit Committee to comply with their respective duties and responsibilities as provided for in the Manual of Good Corporate Governance.
5. The Board of Directors had appointed an External Auditor and hired an Internal Audit Department in compliance with the Manual of Good Corporate Governance.
6. The Club's annual report is disseminated to all members to inform them of the results of the operations of the Club and the activities of the Board for the fiscal year.
7. The Board of Directors has created several committees to ensure compliance with the Club's Code of Corporate Governance. Among the committees created are the Management Committee, House Committee, Membership Committee, Finance Committee, Sports and Games Committee, Nomination Committee, Grounds & Engineering Committee, Administration Committee, Legal Committee, Real Estate Committee, Security Committee and Election Committee.
8. During the Fiscal year 2021, the following Members of the Board of Directors and Compliance Officer attended the Seminar on Corporate Governance:

The following Members of the Board of Directors attended the Webinar on New Code of Corporate Governance for Public Companies and Registered Issuers on January 12, 2021, via Zoom at the Center for Global Best Practices Foundation.

1. Dir. Jose Arsenio Isidro D. Borromeo III
2. Dir. Renato C. Ballbag

The following Members of the Board of Directors and General Manager/Compliance Officer attended the Seminar on Corporate Governance Orientation Program on November 19, 2019 at the Institute of Corporate Directors, Makati Diamond Residences, Makati City,

Metro Manila

1. Dir. Carlo J. Carpio
2. Dir. Reginald Benjamin V. San Pedro
3. GM Cliff M. Friedman

The following Members of the Board of Directors attended the Seminar on Corporate Governance Orientation Program on August 28, 2019 at the Institute of Corporate Directors, Tower Club, Philam Tower, Makati City, Metro Manila.

1. Dir. Leopoldo M. Garcia
2. Dir. Albert G. Que

(c.) Any deviation from the company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual

There is no deviation from the Manual of Corporate Governance of Valley Golf & Country Club, Inc.

(d) Any plan to improve corporate governance of the company

In compliance with SEC Memorandum Circular No. 24 Series of 2019, requiring the submission of the Revised Manual on Corporate Governance, the Board of Directors approved on July 22, 2020 the new Manual of Corporate Governance of Valley Golf and was submitted electronically on July 25, 2020.

In compliance with SEC Memorandum Circular No. 19 Series of 2020, the Amended Manual of Corporate Governance signed by the Chairman of the Board and Compliance Officer was submitted electronically on September 25, 2020

(c) How often does the Board review and approve the Mission and Vision?

The Mission and Vision are usually revisited and reviewed during the Strategic Planning seminar. The last revision of the Vision was on Oct. 9, 2012; the Mission has not been revised to date.

(d) Directorship In Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent), Indicate if director is also the Chairman.
Not Applicable. Valley Golf does not have affiliated companies nor is it a party to any joint venture.	Not Applicable. Valley Golf does not have affiliated companies nor is it a party to any joint venture.	Not Applicable. Valley Golf does not have affiliated companies nor is it a party to any joint venture.

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent), Indicate if director is also the Chairman.
Not Applicable. No member of the Board of Directors is a director in any publicly listed company.	Not Applicable. No member of the Board of Directors is a director in any publicly listed company.	Not Applicable. No member of the Board of Directors is a director in any publicly listed company.

(iii) Relationship within the Company and Its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Not Applicable. There is no significant shareholder in the Company.	Not Applicable. There is no significant shareholder in the Company.	Not Applicable. There is no significant shareholder in the Company.

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	Not Applicable. Valley Golf has no policy on the number of board seats in other companies that a Director or CEO may hold simultaneously.	Not Applicable. Valley Golf has no policy on the number of board seats in other companies that a Director or CEO may hold simultaneously.
Non-Executive Director	Not Applicable. Valley Golf has no policy on the number of board seats in other companies that a Director or CEO may hold simultaneously.	Not Applicable. Valley Golf has no policy on the number of board seats in other companies that a Director or CEO may hold simultaneously.
CEO	Not Applicable. Valley Golf has no policy on the number of board seats in other companies that a Director or CEO may hold simultaneously.	Not Applicable. Valley Golf has no policy on the number of board seats in other companies that a Director or CEO may hold simultaneously.

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Reginald Benjamin V. San Pedro	1 share	Not applicable. There is no Indirect share.	0.06%
Leopoldo M. Garcia	1 share	Not applicable. There is no Indirect share.	0.06%
Pablito M. Gregore	1 share	Not applicable. There is no indirect share.	0.06%
Albert G. Que	1 share	Not applicable. There is no Indirect share.	0.06%
Ronald O. Solis	1 share	Not applicable. There is no indirect share.	0.06%
Carlo J. Carpio	1 share	Not applicable. There is no indirect share.	0.06%
Renato C. Balibag	1 share	Not applicable. There is no indirect share.	0.06%
Jose Arsenio Isidro D. Borromeo III	1 share	Not applicable. There is no indirect share.	0.06%
Rafael S. Raymundo	1 share	Not applicable. There is no indirect share.	0.06%

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes

No

Identify the Chair and CEO:

Chairman of the Board	Not applicable. The President is also the Chairman of the Board
CEO/President:	Reginald Benjamin V. San Pedro

The members of the Board of Directors are free to discuss their opinion and views during the Board Meetings. Each Director is given chairmanship of different committees that submit their respective recommendations and reports during the monthly Board meetings. For every major business decision, each Director is requested to express his views on the matter and if there is any objection the President calls for a division of the house and votes are counted by the Corporate Secretary.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	Not Applicable. The President/Chief Executive Officer is also the Chairman	The President shall be the Chief Executive Officer of the Club. The President shall preside at all meetings and shall sign the Membership Certificate of the Club. a. Implements the corporation's strategic plan on the direction of the business; b. Communicates and Implements the corporation's vision, mission, values and

		<p>overall strategy as formulated by the board and promotes any organization or stakeholder change in accordance with the same;</p> <p>c. Oversees the operations of the corporation and manages human and financial resources in accordance with the strategic plan;</p> <p>d. Has a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;</p> <p>e. Directs, evaluates and guides the work of the key officers of the corporation;</p> <p>f. Manages the corporation's resources prudently and ensures a proper balance of the same;</p> <p>g. Provides the Board with timely information and interfaces between the Board and the employees;</p> <p>h. Builds the corporate culture and motivates the employees of the corporation; and</p> <p>i. Serves as the link between internal operations and external stakeholders.</p>
Accountabilities		<p>The President has general supervision of the business affairs and property of the Club and over its several agents and employees, with authority to hire said employees, and dispense with their services subject to confirmation of the Board of Directors. He shall sign contracts on behalf of the Club and shall see to it that all orders and resolutions of the Board are carried out. He shall do and perform such acts and duties as from time to time maybe assigned to him by the Board of Directors.</p>
Deliverables		<p>Deliverables include the annual and monthly reports of projects and operations of the Club. To conduct at least once a month a regular meeting of the Board of Directors. To oversee the operations of the Club and its financial stability.</p>

- 3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Stockholders elect three (3) members of the nine-member Board of Directors every year during the Annual Stockholders' Meeting who shall serve for a term of three (3) years. No directors can serve consecutively for more than three (3) years. The Board of Directors elect during the first Board Meeting the President, Vice President, Treasurer and Corporate Secretary. The position of the General Manager is covered by an Engagement contract of at least (1) year.

- 4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board?

Please explain.

The Nomination Committee circularizes yearly before the Election the Invitation to submit the names of nominees for the Board of Directors. Stockholders with different educational backgrounds, line of business and expertise are submitted as nominees to ensure diversity of experience and background of directors in the board.

Valley Golf embraces diversity and recognizes the benefits it brings to the organization. In observing a policy on board diversity, the company aims to avoid groupthink and ensure that optimal decision-making is achieved. In designing the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, ethnicity, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits diversity brings to the Board and the organization.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Not applicable. Valley Golf does not have non-executive director.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	The Business and property of the Club shall be managed by a Board of nine (9) directors.	Not applicable. Valley Golf does not have non-executive director.	To protect the stockholders from any abuse of authority or discretion on the part of the Board of Directors and Officers of the Club.
Accountabilities	The Board of Directors shall act only as a Board and no power is vested in the individual director as such. A majority of the Board shall constitute a quorum for the transaction of business, except for the filling of vacancies in the Board, in which case majority of the remaining Directors shall constitute a quorum. It shall be the Board's responsibility to foster the long-term success of Valley Golf & Country Club, Inc. and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of Valley Golf & Country Club, Inc., its shareholders and other stakeholders. The Board shall be composed of directors with a collective	Not applicable. Valley Golf does not have non-executive director.	The Chairman of the Audit Committee should be an independent director. The Audit committee shall assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; The Independent Directors shall be members of the Nomination Committee. The said Nomination Committee shall prepare, sign and post at least fifteen (15) days before the annual meeting, a list of not less than four (4) nor more than six (6) candidates for the Board of Directors for the ensuing

	<p>working knowledge, experience or expertise that is relevant to the Valley Golf's Industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.</p>		<p>year.</p>
<p>Deliverables</p>	<p>To insure a high standard of best practice for Valley Golf & Country Club, Inc. and its shareholders, the Board shall :</p> <ul style="list-style-type: none"> a. Install a process of selection to ensure a mix of competent directors and officers. b. Determine Valley Golf & Country Club, Inc.'s purpose, its vision and mission and strategies to carry out its objectives. c. Ensure that Valley Golf & Country Club, Inc. complies with all relevant laws, regulations and codes of best business practice. d. Identify Valley Golf & Country Club, Inc.'s major and other stockholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. e. Adopt a system of internal checks and balances. f. Identify key risk areas and key performance 	<p>Not applicable. Valley Golf does not have non-executive director.</p>	<p>The Independent Director as Chairman of the Audit Committee is responsible for the following:</p> <ul style="list-style-type: none"> a) Review the Annual Internal audit plan to ensure its conformity with the objectives of the corporation. b) The plan shall include the audit scope, resources and budget necessary to implement it; c) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; d) Review the reports submitted by the internal and external auditors; e) Review the quarterly, half-year and annual financial statements before their submission to the Board. <p>The Independent Director as Member of the Nomination Committee shall prepare, sign and post a list of not less than four (4) nor more than six (6) candidates for the</p>

	<p>Indicators and monitor these factors with due diligence.</p> <p>g. Properly discharge Board functions by meeting at least once a month. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted;</p> <p>h. Keep Board authority within the powers of the Institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation.</p> <p>i. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, Individual members and committees.</p> <p>j. The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system shall allow for a feedback mechanism from the shareholders / members.</p> <p>k. The Board shall adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.</p> <p>l. The Code shall be properly disseminated to all the members of the Board. It shall also be disclosed and made available to the public through the company website.</p> <p>m. The Board shall ensure the proper and efficient</p>		<p>Board of Directors for the ensuing year.</p>
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	implementation and monitoring of compliance with the Code of Business Conduct and Ethics.		
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Provide the company's definition of "Independence" and describe the company's compliance to the definition.

"Independent Directors" as they are independent of management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Board's Independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from reelection as such in the same company but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders'/members' approval during the annual shareholders'/members' meeting.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Mr. Wilfredo G. Manahan	President	September 27, 2020	Expiration of term of office.
Mr. Albert DG. San Gabriel	Vice-President	September 27, 2020	Expiration of term of office.
Atty. Jeremy Z. Parulan	Director	September 27, 2020	Expiration of term of office.

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedure for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The Stockholders elect three (3) members of the Board of Directors every year during the Annual Stockholders' Meeting who shall serve for a term of three (3) years. No directors can serve consecutively for more than three (3) years. The Board of Directors elect during the first Board	<p>a. Must have at least one (1) share recorded in his name during his term of office.</p> <p>b. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.</p> <p>c. He shall be at least twenty one (21) years old.</p>

	Meeting the President, Vice President, Treasurer and Corporate Secretary.	<p>d. An active Proprietary member of good standing.</p> <p>e. Must be willing to solicit proxies.</p> <p>f. Must have sufficient time to share his/her professional and executive expertise.</p> <p>g. Said member has no official record of grave misconduct.</p> <p>h. He shall have proven to possess integrity and probity.</p> <p>i. He shall be assiduous.</p>
(ii) Non-Executive Directors	Not Applicable. Valley Golf does not have Non-Executive Directors.	Not Applicable. Valley Golf does not have Non-Executive Directors.
(iii) Independent Directors	The Board's independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from reelection as such in the same company but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders'/members' approval during the annual shareholders'/members' meeting.	<p>a. Is not, or has not been a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company;</p> <p>b. Is not, and has not been in the two (2) years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies;</p> <p>c. Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;</p> <p>d. Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;</p> <p>e. Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;</p>

		<p>f. Is not acting as a nominee or representative of any director of the covered company or any of its related companies;</p> <p>g. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal shareholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;</p> <p>h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the two (2) years immediately preceding the date of his election;</p> <p>i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two (2) years immediately preceding the date of his election;</p> <p>j. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and</p> <p>k. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors. Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.</p> <p>Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries;</p>
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		and (c) subsidiaries of its holding/parent company.
b. Re-appointment		
(i) Executive Directors	Not applicable. Valley Golf does not have re-appointment process.	Not applicable. Valley Golf does not have re-appointment process.
(ii) Non-Executive Directors	Not Applicable. Valley Golf does not have Non-Executive Directors.	Not Applicable. Valley Golf does not have Non-Executive Directors.
(iii) Independent Directors	Not applicable. Valley Golf does not have re-appointment process.	Not applicable. Valley Golf does not have re-appointment process.
c. Permanent Disqualification		
(i) Executive Directors	Disqualified candidates are not included in the List of Candidates for the Board of Directors	<p>The following persons shall be permanently disqualified from being elected/appointed or holding the position of a director:</p> <p>a. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>b. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>c. The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporate Code, Securities Regulation Code or any</p>

		<p>other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>d. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>e. Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporate Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>f. Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>g. Any person judicially declared as insolvent;</p> <p>h. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (a) to (e) above;</p> <p>i. Any person convicted by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p>
(II) Non-Executive Directors	Not Applicable. Valley Golf does not have Non-Executive Directors.	Not Applicable. Valley Golf does not have Non-Executive Directors.
(III) Independent Directors	Disqualified candidates are not included in the List of	a. Is not, or has not been a senior officer or employee of the covered company

	<p>Candidates for the Board of Directors</p>	<p>unless there has been a change in the controlling ownership of the company;</p> <p>b. Is not, and has not been in the two (2) years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies;</p> <p>c. Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;</p> <p>d. Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;</p> <p>e. Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;</p> <p>f. Is not acting as a nominee or representative of any director of the covered company or any of its related companies;</p> <p>g. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal shareholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;</p> <p>h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial</p>
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		<p>shareholder, or is otherwise independent of Management and free from any business or other relationship within the two (2) years immediately preceding the date of his election;</p> <p>i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two (2) years immediately preceding the date of his election;</p> <p>j. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and</p> <p>k. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors. Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.</p> <p>Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.</p>
d. Temporary Disqualification		
(i) Executive Directors	Disqualified candidates are not included in the List of Candidates for the Board of Directors	<p>The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <p>a. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>b. Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or</p>

		<p>serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>c. Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>d. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.</p> <p>e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>f. If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director;</p> <p>A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
(ii) Non-Executive Directors	Not Applicable. Valley Golf does not have Non-Executive Directors.	Not Applicable. Valley Golf does not have Non-Executive Directors.
(iii) Independent Directors	Disqualified candidates are not included in the List of Candidates for the Board of Directors	<p>The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <p>a. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>b. Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency,</p>

		<p>unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>c. Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>d. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.</p> <p>e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>f. If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director;</p> <p>A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
e. Removal		
(i) Executive Directors	The Stockholders holding 2/3 of the outstanding capital stock in the books of the corporation may remove a director.	The Stockholders holding 2/3 of the outstanding capital stock in the books of the corporation may remove a director who has absented himself for three (3) consecutive regular meetings of the Board unless such absences be excused by reason of sickness, physical disability or other justifiable reasons acceptable to the Board of Directors.
(ii) Non-Executive Directors	Not Applicable. Valley Golf does not have Non-Executive Directors.	Not Applicable. Valley Golf does not have Non-Executive Directors.
(iii) Independent Directors	The Stockholders holding 2/3 of the outstanding capital stock in the books of the corporation may remove a director.	The Stockholders holding 2/3 of the outstanding capital stock in the books of the corporation may remove a director who has absented himself for three (3) consecutive regular meetings of the Board unless such

		absences be excused by reason of sickness, physical disability or other justifiable reasons acceptable to the Board of Directors.
f. Re-instatement		
(i) Executive Directors	Not Applicable. Valley Golf does not have a policy on re-instatement	Not Applicable. Valley Golf does not have a policy on re-instatement
(ii) Non-Executive Directors	Not Applicable. Valley Golf does not have Non-Executive Directors.	Not Applicable. Valley Golf does not have Non-Executive Directors.
(iii) Independent Directors	Not Applicable. Valley Golf does not have a policy on re-instatement	Not Applicable. Valley Golf does not have a policy on re-instatement
g. Suspension		
(i) Executive Directors	<ol style="list-style-type: none"> 1. Violations of the General Rules and Regulations as per Members' Handbook are stated in an Incident Report to be submitted to the General Manager. 2. The member is given a written Notice to Explain the violation. 3. The report and the reply of the member is submitted to the Membership Committee. 4. The Membership Committee conducts an investigation and deliberates on the reports submitted. 5. The Membership Committee prepares the recommendation to the Board of Directors. 6. The Board of Directors shall discuss the recommendation of the Membership Committee and shall decide on the penalty for the violation. 	<p><u>A. CODE OF CONDUCT & BEHAVIOR</u></p> <ol style="list-style-type: none"> 1. Any form of cheating. 2. Unruly behavior; and/or physical or verbal abuse on any member, guest, or club personnel. 3. Sexual harassment. 4. Disregarding instruction(s) of starter/marshal. 5. Intentionally making a shot with players in front who are still within range. 6. Cutting in front of a flight in any hole without permission from the following flight or starter. 7. Overtaking of flight after 9 holes without asking permission. 8. Crisscrossing fairways in a golf cart, driving in prohibited areas, and/or allowing minors (below 18 yrs. old) to drive golf cart. 9. Failure to replace divots or repair divots with sand, rake bunkers, repair ball marks by the player or his/her caddie. 10. Smoking in designated no smoking areas. 11. Rampant littering. 12. Failure to submit scorecards. 13. Tolerating caddies and/or umbrella girls who break their code of conduct. 14. "Indecent exposure" in the golf course; i.e. urinating in full view of others. 15. Members are accountable, and will be held liable, for the misconduct of their guests. 16. Proposers and seconders are accountable for the misconduct of the erring members. 17. Wearing improper golf attire or insisting to be served at the restaurant wearing improper Club

		<p>attire.</p> <p>18. Playing without caddie.</p> <p>19. Renting of privately owned golf carts without coursing through Valley management.</p> <p>20. Practicing pitching on the regular green of the course.</p> <p>21. Joining the group (flight) in the middle of holes of the course without the approval of the starter or marshal.</p> <p><u>B. PROTECTION OF PROPERTY</u></p> <p>1. Destroying club furniture, fixtures, etc.; chopping or defacing fairway, trees & other natural habitat.</p> <p>2. Damaging the greens in any way or form.</p> <p>3. Unauthorized use of company property.</p> <p><u>C. GENERAL MEMBERSHIP RULES & REGULATIONS</u></p> <p>1. Bringing armed escorts to off-limits areas and/or bringing firearms inside Club premises.</p> <p>2. Bringing non-playing individuals on the course without paying gallery fees.</p> <p>3. Falsifying company records.</p> <p>4. Non-registration and/or payment of green fees of guests.</p> <p>5. Giving false or misleading information in the membership records.</p> <p>6. Unauthorized use of the services of outsiders as caddies, umbrella girls.</p> <p>7. Availment of privileges of unqualified dependents.</p> <p>8. Playing or using club's facilities without pass card.</p> <p>9. Registering suspended or expelled members as guests.</p>
(ii) Non-Executive Directors	Not Applicable. Valley Golf does not have Non-	Not Applicable. Valley Golf does not have Non-Executive Directors.

	Executive Directors.	
<p>(III) Independent Directors</p>	<p>1. Violations of the General Rules and Regulations as per Members' Handbook are stated in an Incident Report to be submitted to the General Manager.</p> <p>2. The member is given a written Notice to Explain the violation.</p> <p>3. The report and the reply of the member is submitted to the Membership Committee.</p> <p>4. The Membership Committee conducts an investigation and deliberates on the reports submitted.</p> <p>5. The Membership Committee prepares the recommendation to the Board of Directors.</p> <p>6. The Board of Directors shall discuss the recommendation of the Membership Committee and shall decide on the penalty for the violation.</p>	<p><u>A. CODE OF CONDUCT & BEHAVIOR</u></p> <ol style="list-style-type: none"> 1. Any form of cheating. 2. Unruly behavior; and/or physical or verbal abuse on any member, guest, or club personnel. 3. Sexual harassment. 4. Disregarding instruction(s) of starter/marshal. 5. Intentionally making a shot with players in front who are still within range. 6. Cutting in front of a flight in any hole without permission from the following flight or starter. 7. Overtaking of flight after 9 holes without asking permission. 8. Crisscrossing fairways in a golf cart, driving in prohibited areas, and/or allowing minors (below 18 yrs. old) to drive golf cart. 9. Failure to replace divots or repair divots with sand, rake bunkers, repair ball marks by the player or his/her caddie. 10. Smoking in designated no smoking areas. 11. Rampant littering. 12. Failure to submit scorecards. 13. Tolerating caddies and/or umbrella girls who break their code of conduct. 14. "Indecent exposure" in the golf course; i.e. urinating in full view of others. 15. Members are accountable, and will be held liable, for the misconduct of their guests. 16. Proposers and seconders are accountable for the misconduct of the erring members. 17. Wearing improper golf attire or insisting to be served at the restaurant wearing improper Club attire. 18. Playing without caddie. 19. Renting of privately owned golf carts without coursing through Valley management. 20. Practicing pitching on the regular green of the course. 21. Joining the group (flight) in the middle of holes of the course without the approval of the starter or marshal. <p><u>B. PROTECTION OF PROPERTY</u></p> <ol style="list-style-type: none"> 1. Destroying club furniture, fixtures,

		<p>etc.; chopping or defacing fairway, trees & other natural habitat.</p> <p>2. Damaging the greens in any way or form.</p> <p>3. Unauthorized use of company property.</p> <p><u>C.GENERAL MEMBERSHIP RULES & REGULATIONS</u></p> <p>1. Bringing armed escorts to off-limits areas and/or bringing firearms Inside Club premises.</p> <p>2. Bringing non-playing individuals on the course without paying gallery fees.</p> <p>3. Falsifying company records.</p> <p>4. Non-registration and/or payment of green fees of guests.</p> <p>5. Giving false or misleading information in the membership records.</p> <p>6. Unauthorized use of the services of outsiders as caddies, umbrella girls.</p> <p>7. Availment of privileges of unqualified dependents.</p> <p>8. Playing or using club's facilities without pass card.</p> <p>9. Registering suspended or expelled members as guests.</p>
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Voting Result of the last Annual General Meeting

Name of Candidates for Director	Votes Received
Mr. Jose Arsenio Isidro D. Borromeo III	703 votes
Mr. Rafael S. Raymundo	663 votes
Mr. Renato C. Ballbag	626 votes
Mr. Constantine L. Kohchet-Chua	597 votes

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

It is the policy of Valley Golf to provide relevant training to its Directors, including an orientation program for first-time directors and relevant annual continuing training for all directors. Such orientation and continuing training programs, which may be conducted by SEC-accredited training providers, aim to promote effective

board performance and continuing qualification of the directors in carrying out their duties and responsibilities.

(b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

a. The following Members of the Board of Directors attended the Seminar on Professionalism, Ethics and Good Corporate Governance conducted by the Philippine Institute of Certified Public Accountants.

1. Dir. Augusto A. Cruz, Jr. – January 24, 2017
2. Dir. Virgilio C. Bucat - May 12, 2017
3. Dir. Jaime Victor J. Santos - May 12, 2017

b. The former General Manager/Compliance Officer, Mr. Dan L. Salvador III attended the Seminar on Corporate Governance Orientation Program on Nov. 20, 2018 at the Institute of Corporate Directors.

c. The following Members of the Board of Directors attended the Seminar on Corporate Governance Orientation Program on August 28, 2019, at the Institute of Corporate Directors, Tower Club, Philam Tower, Makati City, Metro Manila.

1. Dir. Leopoldo M. Garcia
2. Dir. Albert G. Que

d. The following Members of the Board of Directors and General Manager/Compliance Officer attended the Seminar on Corporate Governance Orientation Program on November 19, 2019, at the Institute of Corporate Directors, Makati Diamond Residences, Makati City, Metro Manila

1. Dir. Carlo J. Carpio
2. Dir. Reginald Benjamin V. San Pedro
3. GM Cliff M. Friedman

i. Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Dir. Jose Arsenio Isidro D. Borromeo III Dir. Renato C. Ballbag	January 12, 2021	Webinar on New Code of Corporate Governance for Public Companies and Registered Issuers	Center for Global Best Practices Foundation.

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	In line with the policy of Valley Golf of	In line with the policy of Valley Golf of	The Valley Golf Personnel Manual contains polices on

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	<p>transparency and avoidance of conflict of interest situations by its directors/officers and Committee members as provided in the By-laws, the Board of Directors has required the execution of a Disclosure Statement by directors/officers and Committee members who directly or indirectly through their relatives up to the 4th civil degree of either consanguinity or affinity, have business relations with Valley Golf & Country Club, Inc.</p> <p>Conflict of Interest – In line with their duty and loyalty towards the Club, the directors and officers of the Club are obligated to act solely for the benefit of the Club at all times. Accordingly, they should exercise utmost good faith and integrity in dealing with the Club. They should avoid any legal, financial and ethical conflict of interest and should ensure that their activities and interest do not adversely affect those of the Club's. The same ethical standards shall be imposed on all the committee chairmen and members of their respective committees.</p> <p>A conflict-of-interest situation with the Club may include, but shall not be limited to, approval or entering into any contracts, business dealings, sales</p>	<p>transparency and avoidance of conflict of interest situations by its directors/officers and Committee members as provided in the By-laws, the Board of Directors has required the execution of a Disclosure Statement by directors/officers and Committee members who directly or indirectly through their relatives up to the 4th civil degree of either consanguinity or affinity, have business relations with Valley Golf & Country Club, Inc.</p>	<p>prohibition against nepotism and employment of husband and wife in the same office.</p>
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	<p>or purchases or other similar or related transactions for the personal gain or advantage of the director, officer and committee chairman/member concerned or of his family or non-club member friends and associates to the prejudice or at the expense of the Club.</p> <p>In any conflict-of-interest situations, whether direct or indirect, actual or potential, the director, officer or committee chairman/member concerned must make full prior disclosure of the same in writing to the Board. They should likewise desist from performing any action or engaging in any activity, which might give the appearance or impression to a disinterested or objective person of any such conflict-of-interest situation without the prior consent of the Club.</p> <p>Upon such prior disclosure, the Club may nonetheless pass upon and approve the proposed transaction with the director, officer or committee chairman/member involved in the conflict-of-interest situation if the contract is fair and reasonable, provided that the presence of such director or officer is not necessary to constitute a quorum in the meeting where any such contract or</p>		
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	<p>transaction would be passed upon and approved, and provided further that the director or officer concerned should not vote in such meeting.</p> <p>A director with a material or potential interest in any transaction affecting the corporation shall fully disclose his adverse interest, abstain from taking part in the deliberations for the same and recuse from voting on the approval of the transaction.</p> <p>The abstention of a director from participating in a meeting when related party transactions, self-dealings or any transactions or matters on which he has a material interest are taken up ensures that he has no influence over the outcome of the deliberations. The fundamental principle to be observed is that a director does not use his position to profit or gain some benefit or advantage for himself and/or his related interests.</p>		
<p>(b) Conduct of Business and Fair Dealings</p>	<p>The Bids and Awards Committee is responsible in the implementation of the Rules and Regulation on procurement in line with Valley Golf's commitment to adhere to the Principles of Transparency, Competitiveness, Streamlined procurement, System of accountability and</p>	<p>The Bids and Awards Committee is responsible in the implementation of the Rules and Regulation on procurement in line with Valley Golf's commitment to adhere to the Principles of Transparency, Competitiveness, Streamlined procurement, System of accountability and Monitoring.</p>	<p>The Personnel Manual contains policies on Recruitment and Selection procedure, Grievance Procedure and table of disciplinary action.</p>

	Monitoring.		
(c) Receipt of gifts from third parties	Valley Golf does not have a policy on receipt of gifts from third parties but as a practice the Board does not accept gifts that will affect their judgment and decision.	Valley Golf does not have a policy on receipt of gifts from third parties but as a practice the Board does not accept gifts that will affect their judgment and decision.	No tipping of any form shall be allowed. Any employee accepting tips shall be suspended or dismissed and the member shall be subject to appropriate disciplinary action.
(d) Compliance with Laws & Regulations	The By-laws of Valley Golf contains Rules and Regulations governing the conduct of the Board of Directors.	The By-laws of Valley Golf contains Rules and Regulations governing the conduct of the Senior Management	The Valley Golf Personnel Manual contains polices on limitations of employment and as a general rule, the Club shall refuse employment to a person who advocates and engages in activities and beliefs that are contrary to law.
(e) Respect for Trade Secrets/Use of Non-public Information	All corporate records are confidential	All corporate records are confidential	All employee records are confidential
(f) Use of Company Funds, Assets and Information	The Board approves a Financial and Business Plan. Disbursements for capex are subject to availability of funds and approval of the Board	The Board approves a Financial and Business Plan. Disbursements for capex are subject to availability of funds and approval of the Board	The Board approves a Financial and Business Plan. Disbursements for capex are subject to availability of funds and approval of the Board
(g) Employment & Labor Laws & Policies	The Personnel Manual contains policies on Recruitment and Selection procedure, Grievance Procedure and table of disciplinary action. The rank and file employees are covered by a Union Samahang Gabay ng Manggagawa sa Valley Golf.	The Personnel Manual contains policies on Recruitment and Selection procedure, Grievance Procedure and table of disciplinary action. The rank and file employees are covered by a Union Samahang Gabay ng Manggagawa sa Valley Golf.	The Personnel Manual contains policies on Recruitment and Selection procedure, Grievance Procedure and table of disciplinary action. The rank and file employees are covered by a Union Samahang Gabay ng Manggagawa sa Valley Golf.
(h) Disciplinary action	The Members' Handbook contains Penal Provision for violations of the General Rules and Regulations of the Club.	The Members' Handbook contains Penal Provision for violations of the General Rules and Regulations of the Club.	The Personnel Manual contains policies on Recruitment and Selection procedure, Grievance Procedure and table of disciplinary action.
(i) Whistle Blower		Violations are reported by means of Incident Report. The reports are discussed by the Membership Committee	The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have

	Violations are reported by means of Incident Report. The reports are discussed by the Membership Committee		direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement. Violations are reported to the HR/Admin. The reports are discussed with the General Manager
(j) Conflict Resolution	The resolution of conflict is discussed by the Board of Directors The Board shall establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and Corporation and third parties, including the regulatory authorities.	The resolution of conflict is discussed by the Board of Directors The Board shall establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and Corporation and third parties, including the regulatory authorities.	The Personnel Manual and the CBA contains policies on Grievance Procedure

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes, the Code of Ethics had been disseminated to all Directors, senior management and employees. The Code of Ethics is included in the Company Website, Members' Handbook and Annual Report to the Stockholders.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Code of Ethics is included in the Member's Handbook and any violation is reported to Management and the Membership Committee. The Audit Committee conducts regular meetings and discusses compliance on the Code of Ethics.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	Not Applicable. Valley Golf does not have a parent company.
(2) Joint Ventures	Not Applicable. Valley Golf does not have joint ventures.
(3) Subsidiaries	Not Applicable. Valley Golf does not have subsidiaries.
(4) Entities Under Common Control	Not Applicable. Valley Golf does not have entities under common control.

(5) Substantial Stockholders	Not Applicable. Valley Golf does not have substantial stockholders.
(6) Officers including spouse/children/siblings/parents	In line with the policy of Valley Golf of transparency and avoidance of conflict of interest situations by its directors/officers and Committee members as provided in the By-laws, the Board of Directors has required the execution of a Disclosure Statement by directors/officers and Committee members who, directly or indirectly through their relatives up to the 4 th civil degree of either consanguinity or affinity, have business relations with Valley Golf & Country Club, Inc.
(7) Directors including spouse/children/siblings/parents	In line with the policy of Valley Golf of transparency and avoidance of conflict of interest situations by its directors/officers and Committee members as provided in the By-laws, the Board of Directors has required the execution of a Disclosure Statement by directors/officers and Committee members who, directly or indirectly through their relatives up to the 4 th civil degree of either consanguinity or affinity, have business relations with Valley Golf & Country Club, Inc.
(8) Interlocking director relationship of Board of Directors	Not applicable. Valley Golf does not have interlocking directors.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	Not Applicable. No conflict of interest.
Name of Officer/s	Not Applicable. No conflict of interest.
Name of Significant Shareholders	Not Applicable. No conflict of interest and no significant shareholders.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Not applicable. Valley Golf has no group of companies and no significant shareholders.
Group	Not applicable. Valley Golf has no group of companies and no significant shareholders.

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Not applicable. Valley Golf does not have holders of significant equity.	Not applicable. Valley Golf does not have holders of significant equity.	Not applicable. Valley Golf does not have holders of significant equity.

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Not applicable. Valley Golf does not have holders of significant equity.	Not applicable. Valley Golf does not have holders of significant equity.	Not applicable. Valley Golf does not have holders of significant equity.

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
Not Applicable. Valley Golf does not have a shareholder agreement.	Not Applicable. Valley Golf does not have a shareholder agreement.	Not Applicable. Valley Golf does not have a shareholder agreement.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	Not Applicable. Valley Golf has not adopted alternative dispute resolution mechanism to amicably settle conflicts or differences between the Club and its shareholders.
Corporation & Third Parties	Not Applicable. Valley Golf has not adopted alternative dispute resolution mechanism to amicably settle conflicts or differences between the Club and third parties.
Corporation & Regulatory Authorities	Not Applicable. Valley Golf has not adopted alternative dispute resolution mechanism to amicably settle conflicts or differences between the Club and regulatory authorities.

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

The meetings of the Board of Directors are scheduled at the first meeting of the new board following the start of the new fiscal year.

2) Attendance of Directors

Board	Name	Date of Election	Nbs. of Meetings Held during the year	Nbr. of Meetings Attended	%
Chairman	Reginald Benjamin V. San Pedro	9/22/2019	11	11	100%
Member	Leopoldo M. Garcia	9/23/2018	11	10	91%
Member	Pablito M. Gregore	9/22/2019	11	10	91%
Member	Albert G. Que	9/23/2018	11	11	100%
Member	Ronald O. Solls	9/23/2018	11	9	82%
Member	Carlo J. Carpio	9/22/2019	11	11	100%
Independent	Mr. Jose Arsenio Isidro D. Borromeo III	9/27/2020	11	10	91%
Independent	Mr. Rafael S. Raymundo	9/27/2020	11	11	100%
Independent	Mr. Renato C. Balibag	9/27/2020	11	11	100%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

Not applicable. Valley Golf does not have non-executive directors.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

A majority of the Board shall constitute a quorum for the transaction of business, except for the filling of vacancies in the board, in which case majority of the remaining Directors shall constitute a quorum.

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

The Board papers for meeting of the Board of Directors are sent at least one day before the meeting.

(b) Do board members have independent access to Management and the Corporate Secretary?

Yes, the board members have independent access to Management and the Corporate Secretary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Board shall ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary shall not be a member of the Board of Directors and should annually attend a training on corporate governance.

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The Corporate Secretary is primarily responsible to the corporation and its shareholders/members, and not to the Chairperson or President of the company and has, among others, the following duties and responsibilities:

- a. Assists the Board and the Board committees in the conduct of their meetings (i.e. agenda setting, preparation of annual schedule of meetings and board calendar);
- b. Safekeeps and preserves the integrity of the minutes of the meetings of the Board, Board committees and shareholders/members; as well as other official records of the corporation;
- c. Keeps abreast of relevant laws, regulations, all governance issuances, industry developments and operations of the corporation, and advises the Board and the Chairperson on all relevant issues as they arise;
- d. Works fairly and objectively with the Board, Management and shareholders/members and contributes to the flow of information between the Board and Management, the Board and its committees, and the Board and its shareholders/members as well as other stakeholders;
- e. Advises on the establishment of board committees and their terms of reference;
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days before the date of the meeting, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
- h. Performs all required administrative functions;
- i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and
- j. Performs such other duties and responsibilities as may be provided by the Board and the Commission.
- k. The Corporate Secretary shall have charge of the seal and corporate books; shall countersign the certificate of stock and sign such other instruments as required such signature and shall make such reports and perform such other duties as are incident to his office or are properly required of him by the Board of Directors.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

The Corporate Secretary is a lawyer.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes

No

Committee	Details of the procedures
Executive	Not applicable. Valley Golf does not have an Executive Committee
Audit	There is no procedure but the agenda and documents for discussion are sent at least one (1) day before the meeting.

Nomination	There is no procedure but the agenda and documents for discussion are sent at least one (1) day before the meeting.
Remuneration	There is no procedure but the agenda and documents for discussion are sent at least one (1) day before the meeting.
Others (specify)	

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
Not Applicable. There is no procedure for external advice.	Not Applicable. There is no procedure for external advice.

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
<p>Procurement, Bids and Award Policy</p> <p>BAC – refers to the Bids and Awards Committee composed of:</p> <ul style="list-style-type: none"> • Vice President • Chairman of Finance Committee • Chairman of Audit Committee • General Manager (in the absence of General Manager, the Head of Controllers’ Division will act as a member of BAC) 	<p>To have a proper check and balance, the Chairman of the BAC shall not be the Chairman of either House Committee or Engineering and Grounds Committee.</p>	<p>To ensure transparency and accountability. To facilitate the flow of work and transactions.</p>
<p>Competitive Bidding - refers to a method of procurement which is open to participation by any interested party</p>	<p>Competitive Bidding - refers to a method of procurement which is open to participation by any interested party <u>except</u> for the Board of Directors, BAC and Audit Committee.</p>	<p>To ensure transparency and accountability. To facilitate the flow of work and transactions.</p>
<p>No procurement shall be undertaken unless it is in accordance with the approved Annual Procurement Plan of Valley Golf & Country Club, Inc. The Annual Procurement Plan shall be approved by the Board of Directors and must be consistent with its duly approved yearly budget.</p>	<p><u>No procurement shall be undertaken unless it is in accordance with the approved Annual Procurement Plan of Valley Golf & Country Club, Inc or unless it has a Board Resolution approving the same. The Annual Procurement Plan shall be approved by the Board of Directors and must be</u></p>	<p>To ensure transparency and accountability. To facilitate the flow of work and transactions.</p>

	<p><u>consistent with its duly approved yearly budget. Procurement plan shall include:</u></p> <ol style="list-style-type: none"> <u>1. Design;</u> <u>2. Specifications;</u> <u>3. Terms of Reference;</u> <u>4. Timeline;</u> <u>5. Cost breakdown and</u> <u>6. Projected Income and Cost Analysis</u> <p><u>In cases where the project is not included in the Annual Procurement Plan of Valley Golf & Country Club, the requesting Committee shall submit the procurement plan to Finance Committee for identification of source of fund available for the project. Upon budget linkage</u></p>	
None in the Existing Policy	<p><u>Changes in the Design, Specifications, Terms of Reference and Budget</u></p> <p><u>A board approval is required for any changes in the Design, Specifications and Terms of Reference. For changes in budget, a recommendation from Finance Committee with final approval from Board is deemed necessary.</u></p>	To ensure transparency and accountability. To facilitate the flow of work and transactions.
Step 4: Invitation to Bid In line with the principle of transparency and competitiveness, all Invitations to Bid contracts under competitive bidding shall be advertised by the Procuring Entity in such manner and for such length of time. In order to ensure the widest possible dissemination, posting in the Procuring Entity's premises, in newspapers of general circulation, the website and social media of the Procuring Entity, if available.	Step 4: Invitation to Bid In line with the principle of transparency and competitiveness, all Invitations to Bid contracts under competitive bidding shall be advertised by the Procuring Entity in such manner and for such length of time <u>(minimum of 10 days)</u> . In order to ensure the widest possible dissemination, posting in the Procuring Entity's premises, in newspapers of general circulation, the website and social media of the Procuring Entity, if available.	To ensure transparency and accountability. To facilitate the flow of work and transactions.
None in the Existing Policy	<p><u>Step 12: Notice to Proceed</u></p> <p><u>The Procuring Entity shall issue the Notice to Proceed to the winning bidder not later than seven (7) calendar days from the date of approval of the contract by the Board of Directors or upon delivery or</u></p>	To ensure transparency and accountability. To facilitate the flow of work and transactions.

	<u>submission of the following:</u> <u>a. delivery of equipments, materials, manpower, etc needed to start the project and</u> <u>b. Performance Security whichever comes first. All notices called for by the terms of the contract shall be effective only at the time of receipt thereof by the contractor.</u>	
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D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Not applicable. The CEO does not receive salary	Fixed remuneration as per Contract.
(2) Variable remuneration	Not applicable. The CEO does not receive salary	Not applicable. Contract is for fixed remuneration
(3) Per diem allowance	Not applicable. The CEO does not receive salary	Not applicable. Not included in the contract.
(4) Bonus	Not applicable. The CEO does not receive salary	Bonus as per Labor Laws – 13 th month pay and as per practice- 31% of salary
(5) Stock Options and other financial Instruments	Not applicable. The CEO does not receive stock option	Not applicable. Not included in the contract.
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company’s policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Not applicable. The directors do not receive salary.	Not applicable. The directors do not receive salary.	Not applicable. The directors do not receive salary.
Non-Executive Directors	Not applicable. Valley Golf does not have non-executive directors	Not applicable. Valley Golf does not have non-executive directors	Not applicable. Valley Golf does not have non-executive directors

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
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Not applicable. The directors do not receive salary.	Not applicable. The directors do not receive salary.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Not applicable. The directors do not receive salary.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive salary.
(b) Variable Remuneration	Not applicable. The directors do not receive salary.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive salary.
(c) Per diem Allowance	Not applicable. The directors do not receive per diem.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive per diem.
(d) Bonuses	Not applicable. The directors do not receive bonuses.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive bonuses.
(e) Stock Options and/or other financial Instruments	Not applicable. The directors do not receive stock options	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive stock options
(f) Others (Specify)			
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	Not applicable. The directors do not receive any benefits other than playing coupons.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive any benefits other than playing coupons.
2) Credit granted	Not applicable. The directors do not receive any benefits other than playing coupons.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive any benefits other than playing coupons.
3) Pension Plan/s Contributions	Not applicable. The directors do not receive	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive any benefits

	any benefits other than playing coupons.		other than playing coupons.
(d) Pension Plans, Obligations Incurred	Not applicable. The directors do not receive any benefits other than playing coupons.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive any benefits other than playing coupons.
(e) Life Insurance Premium	Not applicable. The directors do not receive any benefits other than playing coupons.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive any benefits other than playing coupons.
(f) Hospitalization Plan	Not applicable. The directors do not receive any benefits other than playing coupons.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive any benefits other than playing coupons.
(g) Car Plan	Not applicable. The directors do not receive any benefits other than playing coupons.	Not applicable. Valley Golf does not have non-executive directors	Not applicable. The directors do not receive any benefits other than playing coupons.
(h) Others (Specify)			
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Options/Rights/Warrants	Number of Indirect Options/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Not applicable. Valley Golf does not issue stock rights, options or warrants to the Directors.	Not applicable. Valley Golf does not issue stock rights, options or warrants to the Directors.	Not applicable. Valley Golf does not issue stock rights, options or warrants to the Directors.	Not applicable. Valley Golf does not issue stock rights, options or warrants to the Directors.	Not applicable. Valley Golf does not issue stock rights, options or warrants to the Directors.

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
Not applicable. There are no Incentive programs.	Not applicable. There are no Incentive programs.	Not applicable. There are no Incentive programs.

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Cliff M. Friedman – General Manager Fiscal Year ending June 30, 2021	Php 1,700,190.13

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable. There is no Executive committee	Not applicable. There is no Executive committee	Not applicable. There is no Executive committee	Not applicable. There is no Executive committee	Not applicable. There is no Executive committee	Not applicable. There is no Executive committee	Not applicable. There is no Executive committee
Audit	0	0		Manual of Corporate Governance	The Board shall establish an Audit Committee to enhance its oversight	a.Recommends the approval of the Internal Audit (IA) Charter, which formally defines the responsibilities,	The Audit Committee shall observe a robust process for approving and

			2	<p>capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>powers and authority of the IA Department, the audit plan of the IA Department, as well as oversees the implementation of the IA Charter;</p> <p>b. Through the IA Department, monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial operating, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to: a) safeguard the company's resources and ensure their effective utilization, b) prevent occurrence of fraud and other irregularities, c) protect the accuracy and reliability of the company's financial data, and d) ensure compliance with applicable rules and regulations;</p> <p>c. Oversees the IA Department and recommends the appointment and removal of IA head as well as his qualifications, and grounds for appointment and removal. The Audit Committee shall also</p>	<p>recommending the appointment, re-appointment, removal and fees of the external auditor. The appointment, re-appointment, removal and fees of the external auditor shall be recommended by the Audit Committee and approved by the Board of Directors and the shareholders. For the removal or change in the external auditor, the reasons for removal or change shall be disclosed to the Commission, the shareholders, and the public through the company website and other required disclosures.</p> <p>The Audit Committee shall have a Charter which shall include its responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and</p>
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					<p>approve the terms and conditions for outsourcing internal audit services, if applicable;</p> <p>d. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he shall directly report to the Audit Committee.</p> <p>e. Monitors the Management's responsiveness to the Internal Auditor's findings and recommendations;</p> <p>f. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to identify proper coverage and minimize duplication of efforts;</p> <p>g. Evaluates and determines the non-audit work, if any of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and the corporation's overall consultancy expenses. The Audit Committee shall</p>	<p>monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>
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					<p>disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the corporation's Annual Report and Annual Corporate Governance Report.</p> <p>h. Reviews and approves the Interim and Annual Financial Statement before their submission to the Board, with particular focus on the following matters:</p> <ul style="list-style-type: none"> • Any change/s in accounting policies and practices • Areas where a significant amount of judgment has been exercised; • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards; • Compliance with tax, legal and regulatory requirements; <p>i. Reviews the recommendations in the External Auditor's</p>	
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						<p>management letter;</p> <p>j. Performs oversight functions over the corporation's Internal and External Auditors and ensures their independence and unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions taking into consideration relevant Philippine professional and regulatory requirements;</p> <p>k. Coordinates, monitors and facilitates compliance with laws, rules and regulations;</p> <p>l. Recommends to the Board any appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements shall be prepared and presented to the shareholders;</p> <p>m. Evaluates on an ongoing basis existing relations between and among businesses and</p>	
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						<p>counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is updated to capture subsequent changes in relationship with counterparties (from non-related to related and vice-versa);</p> <p>n. In case of the absence of a Related Party Transactions (RPTs) Committee, evaluates all RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied;</p> <p>o. In case of the absence of an RPT Committee:</p> <ul style="list-style-type: none"> • Determines any potential reputational risk issues that may arise as a result of or in connection with RPTs. In evaluating RPTs, the Committee takes into account, among others, the
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					<p>following:</p> <ol style="list-style-type: none"> 1. The related party's relationship to the company and interest in the transaction; 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction; 3. The benefits to the corporation of the proposed RPT; 4. The availability of other sources of comparable products or services; and 5. An assessment of whether the proposed RPT is undertaken on terms and conditions that are comparable to the terms generally available to an unrelated party under certain circumstances. The company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs. <ul style="list-style-type: none"> • Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's 	
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						<p>RPT exposures, and policies on potential and/or actual conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;</p> <ul style="list-style-type: none"> • Reports to the Board of Directors on a regular basis, the status and aggregate exposure to each related party, as well as the total amount of exposures to all related parties; • Ensures the transactions with related parties, including write-off of exposures that are subject to a periodic independent review or audit process; • Oversees the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs, including a periodic review of RPT policies and procedures; and <p>p. Performs the functions of the Board Risk Oversight Committee, in the absence thereof;</p>	
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						<p>q. Meets Internally and with the Board at least once every quarter without the presence of the CEO or other Management team members, and periodically meets with the head of the IA.</p> <p>r. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of Internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p>	
Nomination	1	0	1	Manual of Corporate Governance and By-laws	The Nomination Committee shall prepare, sign and post at least fifteen (15) days before the annual meeting, a list of not less than four (4) nor more than six (6) candidates for the Board of Directors for the ensuing year.	It shall pre-screen and shortlist all candidates nominated to become a member of the Board of Directors	The Nomination Committee has the power to reject nominees to the Board. Identify qualified candidates to become Board of Directors.
Remuneration	2	0		Manual of Corporate Governance	Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the	Designate amount of remuneration, which shall be in a sufficient level to attract and retain officers who are needed to run the company successfully.	The Remuneration Committee has the power to evaluate and recommend compensation packages for the employees.

			1		remuneration packages of corporate officers and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.		
Others (specify)							

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.		Not applicable. There is no Executive committee.
Member (ED)	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.		Not applicable. There is no Executive committee.
Member (NED)	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.		Not applicable. There is no Executive committee.
Member (ID)	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.		Not applicable. There is no Executive committee.

Member	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.	Not applicable. There is no Executive committee.
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(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Dir. Renato Balibag	Nov. 21, 2020	1	1	100%	1
Member (ED)	Atty. Ronald O. Solis	Nov. 21, 2020	1	1	100%	1
Member (ID)	Dir. Rafael Raymundo	Nov. 21, 2020	1	1	100%	1
Member (ID)	Dir. Jose Arsenio Isidro Borromeo III	Nov. 21, 2020	1	1	100%	1
Member	Mr. Donald Joseph Macomb	Nov. 21, 2020	1	1	100%	1
Member	Mr. Val Constantine Co	Nov. 21, 2020	1	1	100%	2
Member	Mr. Romeo Avila	Nov. 21, 2020	1	1	100%	1
Member	Mr. Jason Sy	Nov. 21, 2020	1	1	100%	1
Member	Mr. Nestor Borromeo	Nov. 21, 2020	1	1	100%	1
Adviser	Mr. Virgilio Bucat	Nov. 21, 2020	1	1	100%	3
Adviser	Mr. Antonio Cruz	Nov. 21, 2020	1	1	100%	1
Adviser	Mr. Manuel Espinoza	Nov. 21, 2020	1	1	100%	1

Disclose the profile or qualifications of the Audit Committee members.

Mr. Renato C. Balibag is a member of the Club since May 2008. He is the President and CEO OF Wave Broadcasting Network, Inc. He is currently the Chairman of the Audit Committee.

Atty. Ronald O. Solis is a Club Member since June 2003. He is the Senior Partner in Solis Medina Limpingo & Fajardo Law Offices, President of UP Sigma Rho Council, Lecturer in UP Diliman and the College of Law, Lyceum of the Philippines and First Vice-President and Director of the Philippine Electronics & Telecommunications Federation Inc. He is currently the Chairman of the Legal Committee.

Mr. Rafael S. Raymundo is a member of the Club since Sept. 2004 as Playing Rights Member and turned Proprietary on May 2009. He is currently the Chairman of the House Committee.

Mr. Jose Arsenio Isidro D. Borromeo III is a member of the Club since Sept. 2016. He is a semi-retired businessman. He is currently the Chairman of the Membership and Security Committees.

Mr. Donald Joseph Macomb is a member of the Club since 2006. He is the Operations Manager of United Laboratories.

Mr. Val Constantine Co is a member of the Club since 2015. He is a Businessman

Mr. Romeo Avila is a member of the Club since 2005.

Mr. Jason Sy is a member of the Club since 2009.

Mr. Nestor Borromeo is a member of the Club since 2015. He is a Business/Financial Consultant.

Mr. Virgilio Bucat is a member of the Club since 2005. He is the President of Sagada Builders.

Mr. Antonio Cruz is a member of the Club since 2002. He is the Audit and Assurance Partner of Alba Romeo & Co. CPA's

Mr. Manuel Espinoza is a member of the Club since 2002.

Describe the Audit Committee's responsibility relative to the external auditor.

- a) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- b) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- c) Review the reports submitted by the internal and external auditors;
- d) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service to the Committee
Chairman	Engr. Arnold Duay	June 19, 2021	2	2	100%	1 yr.
Member (ID)	Dir. Jose Arsenio Isidro Borromeo III	June 19, 2021	2	2	100%	1 yr.
Member (ID)	Dir. Rafael Raymundo	June 19, 2021	2	2	100%	1 yr.
Member	Mr. Bartolo Monforte	June 19, 2021	2	2	100%	1 yr.
Member	Mr. Donald Joseph Macomb	June 19, 2021	2	2	100%	1 yr.

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service to the Committee
Chairman (ED)	Dir. Leopoldo Garcia	Nov. 21, 2020	6	6	100%	3 yrs.
Member	Engr. Armando Perez	Nov. 21, 2020	6	5	83%	3 yrs.
Member	Arch. Joey Guterrez	Nov. 21, 2020	6	5	83%	1 yr.
Member	Mr. Errol Collado	Nov. 21, 2020	6	4	66%	1 yr.
Member	Engr. Mar de Guzman	Nov. 21, 2020	6	4	66%	3 yrs.
Member	Engr. Marcelino Corpuz	Nov. 21, 2020	6	3	50%	1 yr.
Member	Mr. Randy Reyla	Nov. 21, 2020	6	2	33%	1 yr.
Member	Mr. Gabriel Valte	Nov. 21, 2020	6	5	83%	1 yr.
Member	Mr. Ron See	Nov. 21, 2020	6	5	83%	1 yr.

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Finance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service by the Committee
Chairman (ED)	Dir. Pablito M. Gregore	Oct. 17, 2020	11	11	100%	1 yr.
Vice Chairman	Mr. Jose B. Cruz	Oct. 17, 2020	11	11	100%	1 yr.
Member	Mr. Igor Adamovitch	Oct. 17, 2020	11	7	64%	1 yr.
Member	Mr. Augusto Cruz	Oct. 17, 2020	11	11	100%	1 yr.
Member	Mr. Joel Mercado	Oct. 17, 2020	11	11	100%	1 yr.
Member	Mr. Joaquin Tolentino	Oct. 17, 2020	11	10	91%	1 yr.
Member	Mr. Emerito Ramos III	Oct. 17, 2020	11	5	45%	1 yr.
Adviser	Mr. Michael Raymund Liamzon	Oct. 17, 2020	11	8	73%	5 yrs.
Adviser	Mr. Abraham dela Cruz	Oct. 17, 2020	11	5	45%	1 yr.

Grounds Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service by the Committee
Chairman (ED)	Dir. Albert Que	Oct. 17, 2020	2	2	100%	4 yrs.
Member	Mr. Wilfredo Manahan	Oct. 17, 2020	2	1	50%	1 yr.
Member	Engr. Rafael Estanislao	Oct. 17, 2020	2	2	100%	1 yr.
Member	Mr. Raymundo Estrada	Oct. 17, 2020	2	1	50%	1 yr.
Member (ID)	Dir. Jose Arsenio Isidro Borromeo III	Oct. 17, 2020	2	2	100%	1 yr.
Member	Mr. Damasus Wong	Oct. 17, 2020	2	1	50%	3 yrs.
Member	Engr. Arnold Duay	Oct. 17, 2020	2	2	100%	3 yrs.
Member	Mr. Adrian Mauricio	Oct. 17, 2020	2	1	50%	2 yrs.
Member (ED)	Dir. Carlo Carpio	Oct. 17, 2020	2	1	50%	1 yr.

Engineering Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Dir. Albert Que	Oct. 17, 2020	4	4	100%	2 yrs.
Member	Ma. Cecilia Esguerra	Oct. 17, 2020	4	3	75%	1 yr.
Member	Mr. Donald Joseph Macomb	Oct. 17, 2020	4	3	75%	2 yrs.
Member	Mr. Ramon Bernabe	Oct. 17, 2020	4	3	75%	1 yr.
Member	Mr. Bartolo Monforte	Oct. 17, 2020	4	4	10%	1 yr.
Member	Mr. Freddie Zachary Estoesta	Oct. 17, 2020	4	1	25%	4 yrs.
Member	Mr. Marvin Caparros	Oct. 17, 2020	4	4	100%	4 yrs.

Member	Arch. Gilbert Lui	Oct. 17, 2020	4	4	100%	4 yrs.
Adviser	Engr. Domingo Brion	Oct. 17, 2020	4	0	0%	6 yrs.
Adviser	Engr. Reynaldo Regino	Oct. 17, 2020	4	2	50%	7 yrs.

Membership Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Dir. Jose Arsenio Isidro Borromeo III	Oct. 17, 2020	10	9	90%	1 yr.
Vice Chairman	Mr. Miguel U. Silos	Oct. 17, 2020	10	7	70%	1 yr.
Member	Mr. Bernard Jao	Oct. 17, 2020	10	5	50%	1 yr.
Member	Mr. Alejandro Jose Hiran	Oct. 17, 2020	10	9	90%	1 yr.
Member	Mr. Edward Lim	Oct. 17, 2020	10	9	90%	1 yr.
Member	Mr. Anil Sehwanl	Oct. 17, 2020	10	8	80%	1 yr.
Member	Mr. Aristotle Viray	Oct. 17, 2020	10	6	60%	1 yr.
Member	Mr. Jaime Victor J. Santos	Oct. 17, 2020	10	3	30%	1 yr.
Adviser	Mr. Ernesto Severino	Oct. 17, 2020	10	2	20%	4 yrs.
Adviser	Mr. Jose B. Cruz	Oct. 17, 2020	10	0	0%	1 yr.

Sports & Games Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Dir. Carlo Carpio	Oct. 17, 2020	11	11	100%	3 yrs.
Vice Chairman	Mr. Joaquin Tolentino	Oct. 17, 2020	11	9	82%	2 yrs.
Member	Mr. Robert John Barretto	Oct. 17, 2020	11	6	55%	1 yr.
Member	Mr. John Sicat	Oct. 17, 2020	11	7	64%	1 yr.
Member	Mr. Kevin Lachica	Oct. 17, 2020	11	7	64%	2 yrs.
Member	Mr. Ravin Sehwanl	Oct. 17, 2020	11	8	73%	2 yrs.
Member	Mr. Elmer Espino	Oct. 17, 2020	11	5	45%	2 yrs.
Member	Mr. Paolo Tanjuatco	Oct. 17, 2020	11	5	45%	1 yr.
Member	Mr. Renato Mercado	Oct. 17, 2020	11	9	82%	1 yr.
Adviser	Mr. Jaime Victor Santos	Oct. 17, 2020	11	4	36%	1 yr.

House Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Dir. Rafael Raymundo	Oct. 17, 2020	8	8	100%	1 yr.
Member	Mr. Nilo Calatrava	Oct. 17, 2020	8	6	75%	1 yr.
Member	Mr. Constantine Kochet chua	Oct. 17, 2020	8	8	100%	1 yr.
Member	Atty. Rio Venturanza	Oct. 17, 2020	8	5	63%	1 yr.
Member	Engr. Arnold Duay	Oct. 17, 2020	8	4	50%	1 yr.
Member	Ms. Cielo Fregil	Oct. 17, 2020	8	6	75%	1 yr.
Member	Mr. Michael Echavez	Oct. 17, 2020	8	5	63%	1 yr.

Member (ID)	Dir. Jose Arseno Isidro Borromeo III	Oct. 17, 2020	8	4	50%	1 yr.
Adviser	Engr. Rafael Estanislao	Oct. 17, 2020	8	2	25%	1 yr.

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	Not applicable. There is no Executive Committee	Not applicable. There is no Executive Committee
Audit	The Board of Directors in their regular meeting last October 17, 2020 appointed Dir. Renato C. Ballbag as Chairman of the Audit Committee to replace Dir. Reginald Benjamin San Pedro	Dir. Reginald Benjamin San Pedro was elected as President of the Club in the Organizational Meeting of the Board of Directors on Sept. 27, 2020.
Nomination	<p>The Nomination Committee that was appointed by the Board of Directors last June 19, 2021,</p> <ol style="list-style-type: none"> 1. Mr. Arnold P. Duay - Chairman 2. Dir. Jose Arseno Isidro D. Borromeo III - Member 3. Dir. Rafael S. Raymundo - Member 4. Mr. Donald Joseph C. Macomb - Member 5. Mr. Bartolo H. Monforte - Member <p>The Nomination Committee that was appointed by the Board of Directors last June 15, 2019:</p> <ol style="list-style-type: none"> 1. Dir. Augusto A. Cruz, Jr. - Chairman 2. Dir. Leopoldo M. Garcia - Member 3. Mr. Jose B. Cruz - Member 4. Mr. Nicanor S. Jorge - Member 5. Atty. Miguel U. Silos - Member 	The practice of the Board is to appoint the new members of the Nomination Committee every fiscal year to comply with the By-laws.
Remuneration	Not applicable. There are no changes in the committee membership.	Not applicable. There are no changes in the committee membership.
Others (specify)	Not applicable. There are no changes in the committee membership.	Not applicable. There are no changes in the committee membership.

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	Not applicable. There is no Executive Committee	Not applicable. There is no Executive Committee

Audit	Monitor compliance of Company in regard to existing regulation, mandates, and operating guidelines when it comes to Disbursements and Collections. Review Covid response and protocols in reference to IATF Rulings	There were no issues addressed.
Nomination	Screening and Posting of the candidates for the election of the Board of Directors.	There were no issues addressed.
Remuneration	Implemented skeletal force and hired New General Manager	There were no issues addressed.
Finance	Financial and Budget Plan, auction of delinquent shares of stock, In-house development of the Membership and Registration system and proposals for online payment system.	There were no issues addressed.
Grounds	Rehabilitation of blue and white tees at South Course, Installation of Sprinklers on North Course Hole 14 Nursery and Tree trimming for both courses	There were no issues addressed
Engineering & Construction	South Putting Green Expansion, Member's Golf Cart Parking, Registration Glass Enclosure, North Tee Box # 1 Construction, Locker Hallway Renovation, Lay-by Construction of South Hole 9 & 18 and Construction of Rotonda at North Hole 5	DCT Road Repairs, Repair of Cart Path at South Hole 10, Repair of North Bridge Hole 3, Repair of Cart Path at South Hole 6, Repair of Cart Path at North Hole 8 and Installation of Concrete Pathway to Ladies Tee-Box
Membership	Interview of Applicants Screening for membership Acted on several complaints of members	There were no issues addressed.
Sports & Games	Revision of tee time guidelines and Revision of safety protocols for members, caddies and golf operations staff to comply with IATF guidelines.	Overbooking of tee times and decrease in safety protocol violators
House	Renovation of swimming pools, Renovation of Ladies locker, Renovation of Locker Hallway, Extension of Men's locker at the main clubhouse and Construction of additional parking space for golf carts-1st phase	There were no issues addressed.

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
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Executive	Not applicable. There is no Executive Committee	Not applicable. There is no Executive Committee
Audit	Annual Supplier Accreditation	Systematic accreditation for Suppliers for the latter's compliance on existing policies by the Club.
Nomination	Not applicable. No planned program.	None
Remuneration	None	None
Finance	Implementation of the Financial and Business Plan, Increase in the market value of shares of stock, auction of delinquent shares of stock and implementation of the new Membership and Registration System	None
Grounds	Installation of Satellite Controllers at North Course, Additional drainage installation on fairways for both courses and New pumps for North Course irrigation.	None
Engineering & Construction	Main and North Clubhouse Retrofitting Works, Sewerage Treatment Plant Construction, Main Clubhouse Fine Dining Restaurant at Upper Veranda and Main Clubhouse Coffee Shop/Lounge.	None
Membership	Increase the market value of shares of stock	None
Sports & Games	Exclusive tournaments in the future if IATF allows.	New process of submission of scores.
House	Construction of additional function rooms at the view deck, Construction of additional parking space for golf carts-2nd phase, Tile replacement at the main clubhouse, Master Plan for Clubhouses and Renovation of North & South Clubhouses.	None

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

Identify and assess the business risks as early as possible, prioritize and control the probability and/or impact of the event.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The effectiveness of the risk management system of the Club is usually reviewed at the beginning of the term of the Board of Directors in the month of Sept. The risk management system is adequate.

(c) Period covered by the review;

The period covered is for a period of twelve (12) months from Sept. 2020.

- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

The risk management system is reviewed regularly by the Audit Committee with the Internal Auditors. The assessment on its effectiveness is upon evaluation and recommendation of the Audit Committee

- (e) Where no review was conducted during the year, an explanation why not.

Not applicable. There is regular review.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Fire	Assets are covered by Fire Insurance.	To mitigate the impact of losses.
Typhoon damage	The Financial and Budget Plan provides for a yearly calamity fund.	To ensure funds are available in case of damage by typhoon.
Theft	Security guards are posted in strategic areas and CCTV cameras are installed. Insurance coverage for money, payroll and robbery.	Deterrent for theft and safeguard of assets.

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Golf related injuries	The Club is covered by comprehensive general liability insurance.	To mitigate the impact of losses.
Cases filed against the Club and the Board of Directors.	The Board of Directors are covered by the Directors Liability Insurance	To cover the legal expenses and possible claims.

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
Not applicable. There are no minority shareholders and no controlling shareholders.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Fire	Fire insurance is updated, and coverage regularly reviewed.	The coverage of the fire insurance is inspected and assessed by the insurance company
Typhoon damage	Calamity fund is provided in the budget and readily available.	The amount of Php 5 Million is allocated in the Budget for the Calamity Fund.
Theft	The deployment of the security guards is reviewed regularly, CCTV cameras are working, and insurance is updated.	The Security Committee meets every month to assess the effectiveness of the security

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Golf related Injuries	Comprehensive general liability insurance is updated.	Documentary requirements on claiming for reimbursement should be complied with.
Cases filed against the Club and the Board of Directors.	The Board of Directors are covered by the Directors Liability Insurance	To cover the legal expenses and possible claims.

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	The Audit Committee reviews the Internal controls of the Club and assesses the improvements that need to be imposed.	Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

Security Committee	The Security committee reviews the adequacy of the security guards deployed in the premises and the security procedure.	<ul style="list-style-type: none"> a. Oversees the protection of all Members, Employees and Guests. b. Ensures protection of all company assets c. Ensures implementation of all traffic and security rules. d. Recommends approval of Security contract.
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G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the Internal control system of the company:

(a) Explain how the Internal control system is defined for the company;

Auditing activities play an essential and useful role in the conduct of successful operations. The policies/guidelines/procedures developed by the Company such as By-laws, Manual of Corporate Governance, Code of Conduct, Operations Manual and Organizational Structure are independently and regularly reviewed and evaluated not only to provide reasonable assurance that the controls are operating effectively but also to improve the effectiveness of risk management, control and governance process in the financial, administrative, and operational activities of the enterprise, which supplies management personnel at all levels with information to assist in their attainment of objectives for which they are responsible.

Two (2) In-house auditors are performing the internal audit functions of the Club who are directly reporting to the Audit Committee.

(b) A statement that the directors have reviewed the effectiveness of the Internal control system and whether they consider them effective and adequate;

As mandated by the Manual of Corporate Governance, the Board of Directors appointed the members of the Audit Committee for the fiscal year 2021. The Audit Committee is primarily responsible in assisting the Board in the performance of its oversight responsibility and monitors compliance with the system of internal controls and policies of the Club. Through the assistance of the Internal Audit Department the Board of Directors through the Audit Committee ensures the effectiveness and adequacy of the Internal control system.

(c) Period covered by the review;

Fiscal year June 30, 2021

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the Internal control system; and

To achieve the effectiveness of the Internal control system, the Audit Committee meets once a month to review and evaluate the audit and financial reports as well as the over-all operations of the Club. The report of the Audit Committee is discussed, reviewed and evaluated in the Board Meeting.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable. There is regular review of internal controls.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Head, internal Audit	Responsible for the administration of the internal audit activity. Responsible for the internal audit plans, the conduct of internal audits, and the internal audit reports issued within the segment(s) where responsibility has been assigned.	In-house Auditor	Maria Cristina Odon	Reports directly to Audit Committee to ensure and maintain independence of internal audit function.
Internal Audit Assistant	Performs routine to complex internal audit work as may be assigned.	In-house Auditor	Rachel Ann Magsakay	Reports directly to the Head of Internal Audit

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes. All appointment and/or removal whether outsourced or In-house requires the recommendation of the Audit Committee and approval of the Board.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Head of Internal Audit, together with the Internal Audit Assistant reports regularly to the Audit Committee on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting also includes significant risk exposures and control issues, items related to management's process of risk management, control and governance, management's progress in addressing the issues, any areas where management has accepted a level of residual risk that may be unacceptable to the organization, and other matters needed or requested by the board.

All concerns and correspondences of the Internal Audit Department are coursed through Initially to the Audit Committee and will be eventually elevated to the Board of directors. Yes, the Internal Audit Department has a direct and unfettered access to the Board of directors (which will be coursed through first to the Audit Committee) and to all records, properties and personnel.

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

State of Audit Staff	Findings
Not Applicable	Not Applicable

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	The Internal Audit Department has review significant processes related to the Club's overall operations including compliance to established policies and procedures of the Company. Recommendations on control mechanisms were made in relation to review of processes were made.
Issues ⁶	There were no significant issues that had a material effect on the Company's financial statements and its operations.
Findings ⁷	There were no significant issues that had a material effect on the Company's financial statements and its operations.
Examination Trends	Regular. Generally adequate and effective internal control

[The relationship among progress, plans, issues and findings should be viewed as an Internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Recruitment process	Implemented. Generally adequate
Procurement Policy for Items subject to Bidding	In Progress

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
Internal Audit – - all internal auditors are expected to abide by The Institute of Internal Auditors' Code	Not applicable	Not applicable	Not applicable

⁶ "Issues" are compliance matters that arise from adopting different interpretations.

⁷ "Findings" are those with concrete basis under the company's policies and rules.

<p>of Ethics, specifically including the four principles of Integrity, Objectivity, Confidentiality, and Competency as set out in the Code.</p> <ul style="list-style-type: none"> - In the course of the assignments, internal auditors will be in contact with personnel at all levels of authority and position. At all times Independence in mental attitude is to be maintained. Reports resulting from their efforts should always contain full and unbiased disclosure of all but minor audit findings. - they should guard against any conduct or mannerisms that present an impression that they consider themselves a "home office expert" sent to check on employees in the field. <p>External Auditors</p> <ul style="list-style-type: none"> - reviews and confirms the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company, including non-audit services, and discusses the relationship with the auditors 			
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(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance

BOARD OF DIRECTORS

President	Mr. Benjamin Reginald San Pedro
Vice President	Mr. Leopoldo Garcia
Treasurer	Mr. Pablito Gregore

Director - Independent	Mr. Renato Ballbag
Director - Independent	Mr. Jose Arsenio Isidro Borromeo III
Director – Independent	Mr. Rafael Raymundo
Director	Mr. Carlo Carpio
Director	Atty. Pope Solis
Director	Mr. Albert Que

AUDIT COMMITTEE

Chairman (ID)	Renato Ballbag
Member (ED)	Ronald O. Solis
Member (ID)	Rafael Raymundo
Member (ID)	Jose Arsenio Isidro Borromeo III
Member	Donald Joseph Macomb
Member	Val Constantine Co
Member	Romeo Avila
Member	Jason Sy
Member	Nestor Borromeo
Adviser	Virgilio Bucat
Adviser	Antonio Cruz
Adviser	Manuel Espinoza

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	The Vision of the Club – Valley Golf, the premier golf and country club providing unparalleled recreational experience to our members their families and guests.	Golf tournaments among members and various clubs within Valley Golf, Bingo social and raffle, Members and Guests tournament (Don Celso and Founders' Cup Tournament) and participation in Outside tournaments. Providing variety of menu from our F & B Concessionaires.
Supplier/contractor selection practice	The Bids and Awards Committee is in charge of awarding major contracts. Other suppliers are accredited, and regular canvass is conducted.	Bidding, Announcement thru publication and circulars and canvassing.
Environmentally friendly value-chain	All supplies are non-toxic and environmentally friendly.	Elimination of the use of plastic, Styrofoam, harsh chemicals, use of materials recovery facility and segregation of waste materials.
Community interaction	Part of the proceeds from the Bingo/Raffle is donated to charitable institutions designated by DSWD of Antipolo City.	School supplies, toiletries, food stuff and clothes are donated to Children in conflict with the law, Kanlungan ng Kabataan Village, Bahay Kalinga and Senior Citizen/PWD
Anti-corruption programmes and procedures?	The Club has Internal Control policies that strictly safeguard company assets against corruption. There is check and balance in the operating	The Internal Controls and Operating Procedures are regularly reviewed by the Internal and External Auditors.

	procedures. We have an Independent Internal and External Auditors.	Modifications and improvement are adopted to safeguard the assets.
Safeguarding creditors' rights	Valley Golf complies with the credit terms of the suppliers and other creditors.	The accounting operational procedure provides for the aging and subsidiary ledgers of the creditors for proper monitoring of credit terms and schedule of payment.

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Not applicable. Valley Golf does not have a separate corporate responsibility (CR) report/section or sustainability report/section.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

Valley Golf provides for the health card (HMO) of the employees with a maximum limit of P90,000 per year, Annual medical checkup, a Clinic with a full time Nurse and available Physician once a week. The employees are covered by a group life Insurance. The employees assigned to the Engineering Dept. are provided with safety gears, safety shoes and raincoats and boots. During the pandemic the employees regularly undergo Antigen Swabbing.

(b) Show data relating to health, safety and welfare of its employees.

There was no work related accident during the fiscal year 2021.

(c) State the company's training and development programmes for its employees. Show the data.

a. The Following employee attended the following seminars

1. Ms. Rosanna Arguelles attended the following webinars

- Finding Happiness amidst challenging Times conducted by PICPA on Oct. 6, 2020
- Data Loss controls conducted by Ernst & Young on Oct. 15, 2020
- PICPA Annual Business Meeting 2020 conducted by PICPA on Oct. 16, 2020
- Taxpayers Rights and Remedies in the BIR Tax Audit conducted by PICPA on Oct. 23, 2020
- Local Accounts Payable Process (Income Tax Deductions) conducted by PICPA on Nov. 26, 2020
- Local Accounts Payable Process (Input Value-Added Tax) conducted by PICPA on Dec. 2, 2020
- Local Accounts Payable Process (Expanded Withholding Tax) conducted by PICPA on Dec. 4, 2020
- New Code of Corporate Governance for Public Companies and Registered Users conducted by Center for Global Best Practices Foundation on Jan. 12, 2021
- Tax Reminder and Updates conducted by PICPA on March 12, 2021
- A Closer look on how CREATE will be fully Implemented conducted by PICPA on Apr. 22, 2021
- Where are we on CREATE? Diving into the details of this piece of Legislation conducted by PICPA on April 22, 2021.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The rank and file employees are covered by CBA. The Supervisors are subject to annual performance evaluation that is the basis of the salary increase. The Club recently approved Organizational Improvement Program that covers the salary administration guidelines, job evaluation and classification and performance appraisal.

4) What are the company's procedures for handling complaints by employees concerning illegal (Including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

Complaints of employees covered by the CBA concerning Management and other employees are submitted to the HR/Admin. The process stated in the Grievance procedure of the CBA is being followed. Complaints against club members are submitted to the General Manager wherein the member is given the chance to reply in writing regarding the incident. The documents are submitted to the Membership Committee for discussion and recommendation is made to the Board of Directors for proper action. Management makes sure that employees are protected from retaliation.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Not applicable. There is no shareholder holding 5% or more shares.	Not applicable. There is no shareholder holding 5% or more shares.	Not applicable. There is no shareholder holding 5% or more shares.	Not applicable. There is no shareholder holding 5% or more shares.

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Not applicable. There is no shareholder holding 5% or more shares.	Not applicable. There is no shareholder holding 5% or more shares.	Not applicable. There is no shareholder holding 5% or more shares.	
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance Indicators	Yes
Non-financial performance Indicators	Yes
Dividend policy	Not applicable. Valley Golf does not issue dividends.
Details of whistle-blowing policy	Not applicable. Valley Golf does not have a whistle-blowing policy.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Not applicable. The CEO and

	the Board of Directors does not receive remuneration
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Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip Gorres Velayo & Co.	P400,000 plus vat and out of pocket expenses	P115,000 plus vat and out of pocket expenses

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

- a. Website
- b. Short Messaging System (SMS)
- c. Email
- d. Viber Community
- e. Facebook
- f. Circulars
- g. Announcement in the Bulletin Boards
- h. Tarpaulin
- i. TV Monitors
- j. Personal Calls

5) Date of release of audited financial report: September 24, 2021

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

RPT	Relationship	Nature	Value
The Maintenance Crew	Ms. Sylvia Carpio is the	Maintenance Crew	

service contractor of Valley Golf is Yukon General Manpower Services wherein the General Manager is Ms. Sylvia Carpio.	wife of Director Carlo Carpio.	service contractor.	P2,617,547.92
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When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

Dir. Carpio have no management control or participation over Yukon General Manpower Services and was not involved in the decision of Valley Golf management to enter into business with said company. The engagement of manpower services was bidded out and all procedures of the procurement policy was followed by the Bids and Awards Policy. Yukon General Manpower Services submitted the lowest bid and complied with the requirements of the BAC.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	A quorum at any meeting shall consist of a majority of stockholders, represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, except in cases where a different number of votes is required by law.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Procurement, Bids and Awards Policy
Description	The Implementing Rules and Regulation on procurement is in line with Valley Golf's commitment to adhere to the Principles of Transparency, Competitiveness, Streamlined procurement, System of accountability and Monitoring.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Not applicable. The Stockholders rights are consistent with the Corporation Code.	Not applicable. The Stockholders rights are consistent with the Corporation Code.

Dividends

Declaration Date	Record Date	Payment Date
Not applicable. Valley Golf does not issue dividends.	Not applicable. Valley Golf does not issue dividends.	Not applicable. Valley Golf does not issue dividends.

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Agenda, matters for discussion, Minutes of previous years Stockholders', Summary of Resolutions of the Board of Directors for the fiscal year and the list of Candidates for the Board of Directors and the Annual Report were sent to the Stockholders.	Envelopes containing the documents were sent thru courier and mail. Notices of the Stockholders' Meeting were posted on the Website, Bulletin Board and Tarpaulin.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution

The proposed amendments in the By-laws and the explanations are circularized to the Stockholders and posted in the Bulletin Board, Website and TV Monitor. In order to participate in corporate decisions, proposed amendments are included in the ballots distributed during the Stockholders' Meeting for the stockholders to vote.

- b. Authorization of additional shares
Not applicable, no request for authorization for additional shares.
- c. Transfer of all or substantially all assets, which in effect results in the sale of the company
Not applicable. There is no transfer of all or substantially all assets of the Club.

3. Does the company observe a minimum of 21 business days for giving out notices to the AGM where items to be resolved by shareholders are taken up?
 - a. Date of sending out notices: September 4, 2020
 - b. Date of the Annual/Special Stockholders' Meeting: September 27, 2020

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

1. From Cecile Ng Esguerra – When will the starter house be completed at the North Course? What is the budget for this and who is the contractor?

The chairman answered on behalf of the Engineering Committee headed by Dir. Albert Que that the project will be completed in a week or two. The budget is ₱310,150.00 and was constructed via in house.

2. From Cecile Ng Esguerra – What is the status of the case between Mr. Joe Tayawa and the five (5) Board of Directors. Is it true that the case was filed against the 5 individuals and not Valley Golf? If so, why is Valley funding the case?

The Chairman directed the Legal Counsel to reply to the query. Atty. A-dan Tayag replied that the plaintiff himself included Valley Golf in the complaint because he was asking in his complaint to be reinstated or

the suspension be lifted. He had to include Valley Golf as a necessary party because the individual directors cannot by themselves implement the reinstatement or lifting of suspension. Dir. Solis commented that this is the only reason why Valley Golf has been made a party defendant in case the court issues the prayer asked for in the complaint to reinstate or to lift the suspension of the plaintiff, it will be addressed to Valley Golf & Country Club.

Dir. Solis then made a clarification whether the plaintiff sought for damages against Valley or only against the 5 individual directors?

Atty. Tayag replied that the plaintiff sought for damages only against the 5 individual directors.

Going back to the question of Ms. Cecile Ng, why is it that Valley Golf is the one paying for expenses when it is not being assessed for damages. Atty. Tayag replied that the directors enacted the resolution to suspend not as individuals but in their capacity as members of the board of directors. It was procedurally valid, so it is an act of the board and Valley Golf. Valley Golf has the right to vindicate and defend this resolution.

Dir. Solis inquired how much has Valley paid by way of legal fees to the lawyers representing VGCC and the five directors. Ms. Arguelles replied that the total legal fees as of June 30, 2020 is 1.16 million.

The chairman clarified that the board resolution of suspension was among those ratified by the stockholders during the last annual meeting. And that the engagement of the Legal Counsel was made in the previous board and not during the term of this Board.

3. From Cecile Ng Esguerra – What is Valley’s rule for members caught cheating during a tournament?

The Chairman replied that the procedure is that once a written incident report was submitted to the office of the General Manager, the erring member will be requested to submit written explanation. All the documents including the incident report, the statement from the witnesses and the explanation letter from the erring member will then be submitted to the Membership Committee. The Membership Committee, upon gathering all facts, will now submit its recommendation to the Board for appropriate action.

4. From Rogello Avenido – Is there a schedule to improve DCT Avenue by way of asphalt overlay?

The Chairman replied that it will depend on if there will be a budget.

5. From Rogello Avenido – The resolution to elect should be a resolution to confirm the three successful candidates.

The Corporate Secretary took note of the comment.

6. From Louie Quologue – During my time as a director, we objected to the membership of any chairman of a committee that maintains a budget in the Audit Committee. This year, the Audit Committee has for its members are chairpersons of the Sports and Games and the Security Committee. The chairman of the Audit Committee is also a member of the Bids and Awards Committee. Among the projects that the committee reviewed was the DCT and Founders Cup Tournament. How can we rely on any audits that were conducted then?

5. Result of Annual/Special Stockholders’ Meeting’s Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Annual Meeting Held on 22 September 2019	Approved	None	None

Chairman's and Treasurer's Report	Approved	None	None
Ratification of Prior Acts of the Board of Directors and Management	Approved	None	None
Appointment of External Auditor Sycip Gorres Velayo & Co.	Approved	None	None

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:
September 27,2020

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modification	Reason for Modification
Not applicable, there is no modification of the regulations.	Not applicable, there is no modification of the regulations.

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Wilfredo G. Manahan	Sept. 27 2020	By poll	4.77%	49.43%	54.20%
	Albert DG. San Gabriel					
	Leopoldo M. Garcia					
	Pablito M. Gregore					
	Jeremy Z. Parulan					
	Albert G. Que					
	Ronald O. Solis					
	Carlo Carpio					
	Reginald Benjamin San Pedro					

	Marcus Antonius Andaya	T.					
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(ii) Does the company appoint an independent party (Inspectors) to count and/or validate the votes at the ASM/SSMs?

Valley Golf appoints the Internal Auditors to count the votes and with the External Auditors as observers.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Each common share carries three (3) votes in the election of directors since every year there are three (3) directors to be elected. In the voting for the amendment of the Articles and By-laws, one (1) common share is entitled to one (1) vote. Valley Golf has common shares only.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	<i>Every stockholder is entitled to vote at any meeting of stockholders and may so vote by proxy, provided that the proxy shall have been appointed by the stockholder himself or by his duly authorized attorney-in-fact in an official numbered proxy form issued by the Club. No other proxy form shall be recognized by the Club.</i> (Section 58 of the Corporation Code and Article III, Section 5 of our Club's By-Laws);
Notary	Proxies are not required to be notarized.
Submission of Proxy	<i>Stockholders of good standing who wish to be represented by an attorney-in-fact must submit their duly notarized Special Power of Attorney (SPA) on or before 5 p.m. of Sept. 1, 2020. No cancellation or revocation of the SPA or substitution of the attorney-in-fact can be done after 5 p.m. of Sept. 1, 2020.</i> <i>Stockholders who are not represented by an attorney-in-fact must submit their proxies on or before 5 p.m. of September 20, 2020. No cancellation or revocation or replacement of proxies shall be allowed after September 20, 2020</i>
Several Proxies	The latest proxy submitted is considered valid.
Validity of Proxy	<i>All previous proxies are invalid and of no force and effect for the 2017 elections (SEC Memorandum Circular No. 5, Series of 1996, dated August 6, 1996);</i>
Proxies executed abroad	Original copies of the proxy must be submitted.

Invalidated Proxy	Invalidated proxies are not entitled to vote.
Validation of Proxy	Proxies submitted and on file with the COMELEC may be verified by any stockholder, and any objection to said proxies must be registered with the COMELEC within the verification period.
Violation of Proxy	Violation of proxy is subject to resolution of the COMELEC.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedures
Notices of the Annual Stockholders' Meeting must be sent to the Stockholders at least 30 days before the Stockholders' meeting.	The Club complies with the policy and posts the Notices, Proxy forms, Proxy Rules and other attachments in the Club's Website at least 30 days before the Stockholders' meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,594
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	Not applicable. There are no market participants/certain beneficial owners
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	September 4, 2020
State whether CD format or hard copies were distributed	Distribution is thru email and website
If yes, indicate whether requesting stockholders were provided hard copies	Yes, requesting stockholders were provided with hard copies.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	No. The names of the nominees for directors are included. The profiles of the Nominees for the election are sent separately in the email of Stockholders, posted in the Club's Website, Viber Community and

	Facebook.
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Not applicable. Valley Golf does not issue dividends
The amount payable for final dividends.	Not applicable. Valley Golf does not issue dividends
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Not applicable. Valley Golf does not have minority stockholders.	Not applicable. Valley Golf does not have minority stockholders.

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Not applicable. Valley Golf does not have minority stockholders.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The communication policies are reviewed by Management and the Board of Directors. Major company announcements are approved by the Board of Directors.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details-
(1) Objectives	To facilitate the most efficient mode of communication
(2) Principles	Transparency and Services to Members
(3) Modes of Communications	Website, circulars, Email, Viber Community, Facebook, announcements and posters
(4) Investors Relations Officer	The Membership Head Ms. Zarina Manzano and Membership Supervisor Mary Ann Veraque handles investor relations. Email at membership@valleygolf.com.ph and tel. no 86584901 up to

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

Not applicable. Valley Golf does not engage in acquisition of corporate control in the capital markets, and has no extraordinary transactions such as mergers, and sales of substantial portions of corporate assets.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

Not applicable. Valley Golf does not engage in acquisition of corporate control in the capital markets, and has no extraordinary transactions such as mergers, and sales of substantial portions of corporate assets.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
Annual Donation during Christmas time to CSWD or other projects like Vaccination Program of the LGU.	CSWD supported organizations like Bahay Kalinga, Children In conflict with the Law, Kanlungan ni Maria (Senior Citizens) and Antipolo City LGU.

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	President's Report, Treasurer's Report and Audited Financial Reports to the Stockholders.	<p>a) Knowledge of the business: Does this director have an adequate understanding of the company's strategies, industries, markets, competitors, financials, operating issues, regulatory concerns, technology and general trends?</p> <p>b) Initiative: Whenever appropriate, does this director take the initiative to obtain relevant information on boardroom issues? When absent from meetings, do they make sure they are brought up-to-date on discussions they have missed? Do they initiate contact with the</p>

		<p>board chair or committee chairs when appropriate?</p> <p>c) Preparation: Do directors come fully prepared to meetings having read advance materials and completed pre-meeting assignments? Do they spend an appropriate amount of time learning about company issues to make informed decisions?</p> <p>d) Time: Do directors attend a sufficient number of board and assigned committee meetings for consultation or special situations?</p> <p>e) Judgment and candor: Is a director able to speak his mind constructively even if his views differ from others at a meeting? Is he an effective contributor to discussions? Does he offer innovative ideas and solutions?</p> <p>f) Integrity: Is the director able to keep the information he receives confidential? Does he demonstrate objective, fair and ethical behaviour?</p>
<p>Board Committees</p>	<p>Committee Reports to the Stockholders</p>	<p>a) Knowledge of the business: Does this committee member have an adequate understanding of the company's strategies, industries, markets, competitors, financials, operating issues, regulatory concerns, technology and general trends?</p> <p>b) Initiative: Whenever appropriate, does this committee member take the initiative to obtain relevant information on committee issues? When absent from meetings, do they make sure they are brought up-to-date on discussions they have missed? Do they initiate contact with the board chair or committee chairs when appropriate?</p>

		<p>c) Preparation: Do committee members come fully prepared to meetings having read advance materials and completed pre-meeting assignments? Do they spend an appropriate amount of time learning about company issues to make informed decisions?</p> <p>d) Time: Do committee members attend a sufficient number of committee meetings for consultation or special situations?</p> <p>e) Judgment and candor: Is a committee member able to speak his mind constructively even if his views differ from others at a meeting? Is he an effective contributor to discussions? Does he offer innovative ideas and solutions?</p> <p>f) Integrity: Is the committee member able to keep the information he receives confidential? Does he demonstrate objective, fair and ethical behaviour?</p>
<p>Individual Directors</p>	<p>Committee Reports to the Stockholders</p>	<p>a) Knowledge of the business: Does this director have an adequate understanding of the company's strategies, industries, markets, competitors, financials, operating issues, regulatory concerns, technology and general trends?</p> <p>b) Initiative: Whenever appropriate, does this director take the initiative to obtain relevant information on boardroom issues? When absent from meetings, do they make sure they are brought up-to-date on discussions they have missed? Do they initiate contact with the board chair or committee chairs when appropriate?</p> <p>c) Preparation: Do directors</p>

		<p>come fully prepared to meetings having read advance materials and completed pre-meeting assignments? Do they spend an appropriate amount of time learning about company issues to make informed decisions?</p> <p>d) Time: Do directors attend a sufficient number of board and assigned committee meetings for consultation or special situations?</p> <p>e) Judgment and candor: Is a director able to speak his mind constructively even if his views differ from others at a meeting? Is he an effective contributor to discussions? Does he offer innovative ideas and solutions?</p> <p>f) Integrity: Is the director able to keep the information he receives confidential? Does he demonstrate objective, fair and ethical behaviour?</p>
<p>CEO/President</p>	<p>President's Report to the Stockholders.</p>	<p>a) Knowledge of the business: Does this CEO/President have an adequate understanding of the company's strategies, industries, markets, competitors, financials, operating issues, regulatory concerns, technology and general trends?</p> <p>b) Initiative: Whenever appropriate, does this CEO/President take the initiative to obtain relevant information on boardroom issues? When absent from meetings, do they make sure they are brought up-to-date on discussions they have missed? Do they initiate contact with the board chair or committee chairs when appropriate?</p> <p>c) Preparation: Does the CEO/President come fully prepared to meetings having read advance</p>

		<p>materials and completed pre-meeting assignments? Do they spend an appropriate amount of time learning about company issues to make informed decisions?</p> <p>d) Time: Does the CEO/President attend a sufficient number of board and assigned committee meetings for consultation or special situations?</p> <p>e) Judgment and candor: Is the CEO/President able to speak his mind constructively even if his views differ from others at a meeting? Is he an effective contributor to discussions? Does he offer innovative ideas and solutions?</p> <p>f) Integrity: Is the CEO/President able to keep the information he receives confidential? Does he demonstrate objective, fair and ethical behaviour?</p>
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N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
<p>To strictly observe and implement the provisions of the manual of corporate governance, the following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff in case of violation of any of the provision of this Manual:</p> <ul style="list-style-type: none"> a. in case of first violation, the subject person shall be reprimanded. b. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. c. For third violation, the maximum penalty of 	<p>The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.</p>

<p>removal from office shall be imposed.</p> <p>The commission of a third violation of this manual by any member of the board of Valley Golf & Country Club, Inc. shall be a sufficient cause for removal from directorship.</p>	
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Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of _____ on _____, 20__.

SIGNATURES



REGINALD BENJAMN V. SAN PEDRO
 Chief Executive Officer/President
 Chairman of the Board



RENATO C. BALIBAG
 Independent Director



JOSE ARSENI0 ISIDRO D. BORR0MEO III
 Independent Director



RAFAEL S. RAYMUNDO
 Independent Director



ALLAN JOCSON
 CORPORATE SECRETARY




DAN L. SALVADOR III
 COMPLIANCE OFFICER / GENERAL MANAGER

OCT 06 2021

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20__ affiant(s) exhibiting to me their _____, as follows:

NAME/NO.	TIN #
REGINALD BENJAMIN V. SAN PEDRO	235-166-433
RENATO C. BALIBAG	147-920-834
JOSE ARSENI0 ISIDRO D. BORR0MEO III	470-158-467
RAFAEL S. RAYMUNDO	107-444-146
ALLAN JOCSON	205-687-949
DAN L. SALVADOR III	106-096-608

Doc No. EM
 Page No. 17
 Book No. XVII
 Series of NOM


ANDREW V. FERRER
 NOTARY PUBLIC UNTIL DECEMBER 31, 2021
 PTR NO. 15581721 A 01/04/2021
 IBP CC NO. 15581721 01/04/2021
NOTARY PUBLIC
 Rizal Chapter / MCLE Compliance
 No. VI-0028918, October 4, 2019
 Roll No. 39811/Appointment No. 20-25
 No. 9. A. Bonifacio Ave., Cainta, Rizal