COVER SHEET

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S.E.C Registration Number

VALLEY GOLF & COUNTRY

CLUB INC.

(Company's Full Name)

DON CELSO S TUASON

VICTORIA VALLEY ANTIPOLO CITY

Business Address: No. Street City / Town / Province

ELDA C. JUGO

Contact Person

8658-4901 to 03

Company Telephone Number

0 6 | 3 0

Month *Day*

Fiscal Year

17 - Q

FORM TYPE

0 9 | 4th SUN

Month *Day*

Annual Meeting

Second License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

Total Amount of Borrowings

1,594

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 III**, General Manager/Compliance Officer of **VALLEY GOLF & COUNTRY CLUB, INC.** with SEC registration number **13951** with principal office at **Don Celso S. Tuason Victoria Valley Antipolo City**, on oath state:

1. That on behalf of Valley Golf & Country Club, Inc., I have caused this **Quarterly Report (SEC Form 17-Q) for the period ended March 31, 2022** to be prepared;
2. That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
3. That the company Valley Golf & Country Club, Inc. will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
4. That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 12 MAY 2022 day of ____________.

Affiant

SSS ID: 33-3299606-2

SUBSCRIBED AND SWORN to before me this 12 MAY 2022 day of ____________.

ATTY. HONORATO J. DE LEON JR.
NOTARY PUBLIC
For Antipolo City, Cainta, Taytay, Rizal
Until December 31, 2022
Roll of Attorneys No. 27541
MCLE Compliance No. VI-0017458
IBP No. 181520; Jan. 03, 2022
PTR No. 8236289I; Jan. 03, 2022 Antipolo City

Doc. No. 249
Page No. 50
Book No. 56
Series of: 2022

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1.	For the quarterly period ended	:	**MARCH 31, 2022**
2.	Commission identification number	:	**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, Rizal**
6.	Industry Classification Code	:	**__________(SEC Use Only)**
7.	Address of issuer's principal office	:	**Don Celso S. Tuason Avenue Victoria Valley Rizal**
8.	Issuer's telephone numbers, including area code	:	**(02) 658-4901 to 03; (02) 658-0089**
9.	Former name, former address and former fiscal Year, if changed since last report	:	**Not Applicable**
10.	Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA		
	Title of each class	:	**Common Stock-P9,000 par value**
	Number of Shares Outstanding	:	**1,594**
	Amount of Debt Outstanding	:	**None**
11.	Are any or all of the securities listed on a Stock Exchange?	:	**Yes ( ) No (X)**
12.	Indicate by check mark whether the registrant:		
	(a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 And 141 of the Corporation Code of the Philippines, during the preceding twelve (12) Months (or for such shorter period the registrant was required to file such reports)	:	**Yes (X) No ( )**
	(b) Has been subject to such filing requirements For the past ninety (90) days	:	**Yes ( ) No (X)**

VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION

	Unaudited MAR 2022	Audited by SGV & Co. JUNE 2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	47,712,791	51,715,093
Trade and other receivables-net (Note 5)	19,050,049	13,731,908
Debt instrument at fair value through profit or loss (Note 9)	10,134,807	10,024,917
Other current assets (Note 6)	9,651,082	7,994,765
Total Current Assets	86,548,730	83,466,683
Noncurrent Assets		
Property and equipment-net (Note 7)	235,153,189	215,385,047
Investment properties-net (Note 8)	146,552	214,566
Trust Fund (Note 9)	4,811,529	4,811,529
Deferred Tax Asset (Note 22)	226,570	226,570
Other non-current assets (Note 10)	2,067,558	1,758,124
Total Noncurrent Assets	242,405,398	222,395,836
TOTAL ASSETS	**328,954,128**	**305,862,519**
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Trade and other payables (Note 11)	25,413,495	16,006,859
Members' deposits and others (Note 12)	17,506,131	16,888,951
Contract Liabilities (Note 13)	12,005,646	7,809,771
Accrued provision for probable claims (Note 14)	5,668,575	5,668,575
Total Current Liabilities	60,593,847	46,374,156
Noncurrent Liabilities		
Retirement benefit obligation (Note 24)	5,117,858	5,446,848
Other noncurrent liabilities	137,253	137,253
Total Noncurrent Liabilities	5,255,110	5,584,101
Total Liabilities	65,848,957	51,958,257
Members' Equity (Note 15)		
Capital Stock	14,346,000	14,346,000
Contribution in excess of par value	201,627,772	201,627,772
Accumulated excess of revenues over expenses	47,131,398	37,930,490
Total Members' Equity	263,105,171	253,904,262
TOTAL LIABILITIES AND MEMBERS' EQUITY	**328,954,128**	**305,862,519**

VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Corporation)
STATEMENTS OF COMPREHENSIVE INCOME
For the Quarters Ended March 31, 2022 and 2021

	2022 JUL-MAR	2021 JUL-MAR	2022 JAN-MAR	2021 JAN-MAR
REVENUES				
Revenue from contracts with customers (Note 16)	99,988,383	93,959,927	38,491,042	35,844,875
Rentals (Note 18)	15,285,029	14,512,412	5,065,391	5,802,543
Interest Income (Notes 4 & 9)	93,049	102,363	14,623	35,673
Unrealized gain on financial assets at fair value through profit or loss (Note 9)	109,979.99	-	34,194	-
Total Revenue	115,476,441	108,574,702	43,605,250	41,683,091
COST AND EXPENSES				
Cost of services (Note 19)	89,854,292	78,065,298	30,941,950	28,102,203
General and administrative (Note 20)	16,421,237	14,829,485	5,657,867	5,035,091
	106,275,529	92,894,783	36,599,817	33,137,294
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	9,200,912	15,679,919	7,005,433	8,545,797
PROVISION FOR (BENEFIT FROM) INCOME TAXES	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	9,200,912	15,679,919	7,005,433	8,545,797

Income/Loss for the quarter	9,200,912	15,679,919
No. of shares	1,594	1,594
EARNINGS PER SHARE	5,772	9,837

EARNINGS PER SHARE	5,772	9,837

EPS=net income /(loss)/ outstanding common shares

There are no diluted earnings per share

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VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Corporation)
SCHEDULE OF COST AND EXPENSES
For the Quarters Ended March 31, 2022 and 2021

	2022 JUL-MAR	2021 JUL-MAR	2022 JAN-MAR	2021 JAN-MAR
PERSONNEL:				
Salaries, contributions and allowances	19,651,994	18,325,541	6,912,175	6,164,767
Retirement/ separation gratuity	1,170,000	1,170,000	390,000	390,000
Bonus and gratuity	1,384,182	1,152,923	398,700	410,429
	22,206,176	**20,648,464**	**7,700,875**	**6,965,196**
SUPPLIES:				
Repairs and maintenance	7,264,419	4,439,529	2,634,555	2,818,806
Operating supplies	3,240,223	3,246,633	1,125,488	921,483
Gasoline & oil	3,390,053	2,433,239	1,186,375	812,080
Stationery and office supplies	996,149	811,248	360,106	325,364
Uniforms	564,406	455,650	16,779	380,091
Dental and medical	977,169	481,626	554,395	191,813
	16,432,419	**11,867,925**	**5,877,698**	**5,449,637**
UTILITIES:				
Electricity	6,565,458	4,082,706	2,530,614	1,653,815
Communication	728,832	632,712	231,651	202,287
Water	1,725,264	1,305,681	612,355	413,990
	9,019,554	**6,021,099**	**3,374,620**	**2,270,092**
OUTSIDE SERVICES:				
Retainer fee	611,337	1,495,333	65,111	454,000
Legal fees	692,071	483,550	183,997	143,900
Audit fees	434,119	378,171	144,706	125,100
Security services	8,100,033	7,232,166	2,610,313	2,686,784
Laundry services	37,516	20,990	9,240	4,650
Maintenance crew	1,466,017	779,940	485,926	349,463
Golf course maintenance	20,387,200	18,000,000	7,091,200	6,000,000
	31,728,293	**28,390,150**	**10,590,494**	**9,763,897**
SUNDRIES:				
Taxes and Licenses	3,678,370	4,125,264	1,303,011	1,187,835
Board and members' meetings	670,109	595,878	181,736	271,275
Insurance	416,755	467,352	124,474	136,697
Advertisements and publication	60,772	41,818	8,500	41,818
Bank charges	978,400	849,334	332,329	378,905
Dues & registration fees	53,895	72,157	42,879	63,409
Promotional & industrial	78,723	57,694	19,908	6,124
Self Insurance Expense	291,808	264,189	161,536	95,006
Tournament	500	0	500	0
Miscellaneous	3,051,143	1,819,110	1,033,755	674,950
	9,280,475	**8,292,796**	**3,208,628**	**2,856,019**
DEPRECIATION & AMORTIZATION	**17,591,103**	**17,674,349**	**5,838,292**	**5,832,453**
FINANCE COST	**17,508**	**0**	**9,210**	**0**
GRAND TOTAL COST & EXPENSES	**106,275,529**	**92,894,783**	**36,599,817**	**33,137,294**

VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Corporation)
INTERIM STATEMENTS OF CASH FLOWS
For the Quarters Ended March 31, 2022 & 2021

	2022 JUL-MAR	2021 JUL-MAR
OPERATING ACTIVITIES		
Excess of revenues over expenses before income tax	9,200,912	15,679,919
Adjustments for:		
Depreciation (Note 19 and 20)	17,591,103	17,674,349.00
Provision for retirement benefit	(328,991)	(162,436.00)
Unrealized gain on financial assets at fair value through profit or loss		-
Working capital adjustments:		
(Increase) decrease in:		
Trade and other receivables	(5,428,031)	(632,974.00)
Prepayments and other current assets	(1,656,317)	(2,446,930.00)
Increase (decrease) in:		
Trade and other payables	9,406,636	642,425.00
Members' deposits and credit balances	617,180	(89,280.00)
Accrued provision for probable claims	0	(142,094)
Contract Liabilities	4,195,875	2,671,114
Income Tax paid		0
Net cash flows from operating activities	**33,598,368**	**33,194,093**
INVESTING ACTIVITIES		
Additions to:		
Property and equipment (Note 7)	(37,359,245)	(5,749,427)
Investment Property (Note 8)	68,014	101,328
(Increase) decrease in trust funds	0	19,046
(Increase) decrease in other non-current assets	(309,438)	(310,857)
Proceeds from sale of property and equipment	0	0
Net cash flows used in investing activities	**(37,600,669)**	**(5,939,910)**
FINANCING ACTIVITIES		
Proceeds from sale of shares of stocks	0	0
Payments of short-term loans-net	0	0
Net cash flows (used in) financing activities	0	0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,002,302)**	**27,254,183**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**51,715,093**	**34,087,111**
CASH AND CASH EQUIVALENTS AT END OF QUARTER	**47,712,791**	**61,341,294**

VALLEY GOLF & COUNTRY CLUB, INC.
(A NonProfit corporation)
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Quarters ended March 31, 2022 and 2021

	2022 MAR	2021 MAR
CAPITAL STOCK (Note 15)		
Issued and outstanding		
Balance at beginning of year	14,346,000	14,346,000
Issuance of shares during the quarter	-	-
Balance at end of quarter	14,346,000	14,346,000
Subscribed		
Balance at beginning of year	-	-
Subscriptions during the quarter	-	-
Subscription paid during the quarter		
Subscription cancelled during the quarter	-	-
Balance at end of quarter	-	-
	14,346,000	14,346,000
CONTRIBUTIONS IN EXCESS OF PAR VALUE		
Balance at beginning of year	201,627,772	201,627,772
Premium on shares issued during the quarter-net	-	
Premiums on subscription cancelled during the quarter	-	-
Balance at end of quarter	201,627,772	201,627,772
TREASURY SHARES		
Balance at beginning of year	-	-
Repurchased/ Buyback fr Stockholders	-	-
Balance at end of quarter	-	-
ACCUMULATED EXCESS OF REVENUE AND MEMBERS' SUPPORT OVER EXPENSES (Note 15)		
Balance at beginning of year	36,903,005	27,480,813
Excess (deficiency) of revenue and members' support over expenses	9,200,912	15,679,919
Other Comprehensive Income	1,027,482	(741,765)
Balance at end of quarter	47,131,399	42,418,967
TOTAL MEMBERS' EQUITY	**263,105,171**	**258,392,739**

1. Corporate Information

Valley Golf & Country Club, Inc. (the Club) was organized in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 14, 1958 as a nonprofit corporation 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 stockholders on November 18, 2007 and approved by the SEC on April 29, 2008.

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 was exempt from payment of income tax on income derived from social, recreational, and athletic activities on a nonprofit basis provided that no part of the Club's income shall inure to the benefit if any of its members, trustees and officers under Section 30 (E) of the Tax Reform Act of 1997.

On August 3, 2012, the Bureau of Internal Revenue (BIR) issued RMC-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 (SC) 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 (a) constitute as "income of recreational clubs from whatever source" that are "subject to income tax", and b) form part of the "gross receipts of recreational clubs" that are "subject to VAT". Since then, the Club stopped collecting 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 Avenue, Victoria Valley, Antipolo City.

2. Summary of Significant Accounting Policy

Basis of Preparation
The financial statements have been prepared on historical cost basis, except for the debt instrument 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, the Club's functional and presentation currency. All amounts are rounded off to the nearest peso, except when otherwise indicated. The financial statements provide comparative information in respect of the previous period.

Statement of Compliance
The **interim financial reports** have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

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 unless otherwise indicated.

- Amendments to PFRS 3, Business Combinations, Definition of a Business

- Amendments to PFRS 7, Financial Instruments: Disclosure 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 and Interpretations 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 Contributions of Assets between an Investor and its Associate or Joint Venture

Summary of Significant Accounting Policies

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.

<u>Cash and Cash Equivalents</u>
Cash consists of cash on hand and deposits with banks. Cash equivalents are short-term, highly liquid instruments 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 an insignificant risk of change in value.

<u>Financial Instruments</u>
A financial instrument is any contract that gives rise to a financial asset or one entity and a financial liability or equity instrument of another entity.

<u>Financial Assets</u>
<u>Initial Recognition and Measurement of Financial Assets</u>
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOC) and FVTPL.

The classification of financial assets at initial recognition depends on the financial assets 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, transactions costs.

In order for a financial asse to be classified and measured at amortized cos 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 are FVTPL. The Club has no financial assets at FVTPL as of September 30,2021 and no financial assets at FVOCI as of September 30, 2021.

<u>Subsequent Measurement of Financial Assets</u>
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.

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 instruments with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. 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 investment in unit investment trust fund (UITF).

<u>Impairment of Financial Assets</u>

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 integrated 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, short-term deposits under "Other current assets" account and trust fund, the Club applies the low credit risk simplification. 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 a financial asset in default 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 following are the criteria:

- 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)

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.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes observable data about the following events.

- significant financial difficulty of the issuer or the borrower
- a breach of contract, such as a default or past due event
- 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
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties

The Club implements a policy on its receivables, wherein members who are delinquent or those with accounts that are past due for a certain period are reported to the BOD. The respective shares 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 in the statement of income.

Derecognition of Financial Assets

- 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.

Financial liabilities (including interest bearing loans and borrowings) pertain to issued financial liabilities or their components that are neither held for trading nor designated as at FVPL upon the inception of the liability and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable debt issuance cost. Debt issuance costs are amortized using the EIR method and unamortized debt issuance costs are included and offset against the related carrying value of the loan in the statement of financial position.

This accounting policy applies primarily to the Club's 'trade and other payables', 'members' deposit and others'.

Derecognition of Financial Assets and Liabilities

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.

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 at the moment.

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 cost in profit or loss.

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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.

Fair Value Measurement

The Club measures financial instruments and non-financial assets at fair value at each financial reporting date. Fair value is the price that would be received to sell and 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

Fair value hierarchy

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

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.

<u>Inventories</u>

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 is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. 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.

<u>Property and Equipment</u>

Property and equipment, except for land, are stated at cost less accumulated depreciation and accumulated 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 and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and amortization and accumulated impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is computed on the straight-line method over their estimated useful lives as follows:

Land improvements	3-50 years
Building and structures	5-50 years
Ground tools and service machinery and equipment	3-10 years
Furniture, fixtures and equipment	3-10 years
Transportation equipment	5 years

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

The residual values and estimated useful lives of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period to ensure consistency 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 the continued use of the asset. Any gain or loss arising from derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

Fully depreciated assets that are still used in operations continue to be carried in the accounts.

<u>Investment Property</u>

Investment property, which consists of land and building held for rentals or capital appreciation or both, is stated at cost for land and at cost less accumulated depreciation and impairment in value for building. The cost of the asset 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.

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 profit or loss. 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 comprehensive 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.

Trust Fund
Trust Fund pertains to short-term deposits for which the use is restricted to the daily operations of the Club.

Impairment of Property and Equipment, Investment Properties and Computer Software
The Club assesses at the end of each reporting period to identify indications that property and equipment and other non-financial assets may be impaired or, an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the higher of its net selling price and value in use. 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 time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

An impairment loss is recognized in the statement of income whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized with respect to cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro-rata basis, except that the carrying value of an asset should not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are recognized in the statements 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.

Revenue Recognition (prior to adoption of PFRS 15)
Revenues from contracts with customers is recognized when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club 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

Members’ dues pertain to monthly members’ 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
-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.
-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
-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 member's transactions. This includes transfer fees and service charge on playing guests. Transfer fees are transaction fees for transfers of member's shares of stocks. Service charges on playing guests are transactions 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
Corporate services pertain to fees charged by the Club to its concessionaires in exchange for the right granted for processing member's transactions. 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. Revenues are recognized overtime upon determination of the expired and unconsumed portion of the minimum required purchase of food & 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 is 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 payments.

<u>Contract Balances</u>
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 in 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 where the Club does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Lease income is accounted for on a straight-line basis over the lease terms and is included in profit or loss 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.

Defined benefit costs comprise the following:

- Service cost-include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expenses in statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These are calculated periodically by independent qualified actuaries.
- Net interest on the net defined benefit liability or asset-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 is recognized as expense or income in statement of income.
- Re-measurements of net defined benefit liability or asset-comprises 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. These 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 refund for the plan or reduction 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.

Income Taxes

Current Income Tax

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

Deferred Income Tax

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on 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 it has a legally enforceable right to set off current tax asset 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 amount 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 for liabilities of uncertain timing or amount when the Club has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where 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 and 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.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

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 and Estimates

The preparation and fair presentation of the accompanying financial statements in compliance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes thereto. The judgments and estimates used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of 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 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 accounts 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 therefore it is an agent in these contracts.

- The Club is not primarily responsible for fulfilling the promise to provide the goods and 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 that it retains substantially all the risks and rewards incidental to ownership of the properties and accounts for the contracts as operating leases.

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.

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 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 matric to adjust the historical credit loss experience with forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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.

For the period under review, there were no changes in the estimated useful lives of the Club's property and equipment and investment properties.

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. In determining the appropriated discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at end of 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 increased are based on expected future inflation rates for the Philippines.

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 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.

Provision 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 effects 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 accrued provision for possible claims amounting to P5.67 million as of March 31, 2021.

4. Cash and Cash Equivalents

This account consists of:

	As of Mar.2022
Cash on hand and in banks	**35,235,919**
Time deposits	**12,476,872**
	47,712,791

Cash in banks earns interest at the respective bank deposit rates. Short-term investments have varying maturities of up to 90 days and earn interest at the respective short-term deposit rates.

5. Trade and Other Receivables

The composition of this account follows:

	As of Mar.2022
Members	**14,715,538**
Others	**6,253,866**
	20,969,404
Allowance for doubtful accounts	**(1,919,354)**
	19,050,049

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

Other receivables mainly pertain to the share of the establishments for the security services and electricity and access roads around the Club, advances made to officers and employees and receivables from concessionaires and various organizations.

The aging analysis of trade and other receivables are as follows:

Not more than 30 days outstanding	**12,426,492**
Beyond 30 days outstanding:	
31-60 days	1**,229,486**
61-90 days	**576,146**
Over 90 days	**4,817,925**
Total	**19,050,049**

The movement in allowance for ECL/allowance for impairment loss are as follows:

Balance at beginning of year	2**,030,111**
Provision	**0**
Write-off	**(110,757)**
Balance at end of quarter	**1,919,354**

6. Other Current Assets

This account is composed of the following:

	As of Mar.2022
Recoverable input value added tax-net	**0**
Supplies inventory	**3,942,875**
Others	**5,708,207**
	9,651,082

Recoverable input value added tax pertains to accumulated input tax on purchases of goods and services, which can be applied against future output tax.

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

Other current assets pertain to creditable withholding taxes, prepaid medical expenses, prepaid insurance premiums and other prepayments.

7. Property and Equipment

The changes in the property and equipment accounts are summarized below.

2022

	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	**Total**
Cost								
July 1	9,400,307	319,277,831	57,488,137	37,266,003	5,333,006	32,494,648	9,827,400	**471,087,332**
Additions	--	315,196	--	8,821,378	--	868,000	27,197,058	**37,201,632**
Disposals	--	--	--	(29,804)	--	--	--	**(29,804)**
Transfers	--	--	--	--	--	--	--	**--**
Mar 31	9,400,307	319,593,027	57,488,137	46,057,577	5,333,006	33,362,648	27,344,079	**508,259,160**
Accumulated Depreciation								
July 1	–	156,510,389	41,741,070	29,314,436	5,332,793	22,803,597	--	**255,702,285**
Depreciation	–	9,478,584	1,451,424	3,005,036	--	3,468,642	--	**17,403,686**
Disposals	–				--	--	--	**--**
Mar 31	–	165,988,973	43,192,494	32,319,472	5,332,793	26,272,239	–	**273,105,971**
Net Book Value	**9,400,307**	**153,604,054**	**14,295,643**	**13,738,105**	**213**	**7,090,409**	**27,024,458**	**235,153,189**

2021

	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	**Total**
Cost								
July 1	9,400,307	318,965,479	57,224,630	36,620,648	5,333,006	32,700,005	1,488,254	**461,732,329**
Additions	--	312,351	263,507	857.286	--	--	4,195,358	**5,628,502**

Disposals	--	--	--	--	--	--	--	--
Transfers	--	--	--	--	--	--	--	--
Dec 31	9,400,307	319,277,830	57,488,137	37,477,934	5,333,006	32,700,005	5,683,612	**467,360,831**
Accumulated Depreciation								
July 1	–	143,757,605	39,738,359	25,995,882	5,332,793	18,211,804	–	**233,036,443**
Depreciation	–	9,547,584	1,500,195	2,910,682	--	3,594,963	–	**17,553,424**
Disposals	–	--	--	--	--	--	--	--
Dec 31	–	153,305,189	41,238,554	28,906,564	5,332,793	21,806,767	–	**250,589,867**
Net Book Value	**9,400,307**	**165,972,641**	**16,249,583**	**8,571,370**	**213**	**10,893,238**	**5,683,612**	**216,770,964**

8. Investment Properties

The composition of this account follows:

2022

	North Clubhouse	Land	**Total**
Cost			
July 1	53,718,366	73,563	**53,791,929**
Disposals			**-**
Mar 31	53,718,366	73,563	**53,791,929**
Accumulated Depreciation			
July 1	53,577,363	–	**53,577,363**
Depreciation	68,014	–	**68,014**
Mar 31	53,645,377	–	**53,645,377**
Net Book Value	**P 72,989**	**73,563**	**146,552**

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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 P45.2 million and P31.8 million, respectively.

Rental income earned from investment property consists of lease of north clubhouse's rooftop to a local communications company (Smart Communications, Inc.) to be used as cell site under certain conditions. Direct expenses related to investment properties consist mainly of amortization.

9. Trust Fund

Pursuant to the resolution passed by the stockholders 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 country.

The stockholders' 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. The September 12, 1982 stockholders' resolution was amended on May 21, 1989 as follows: "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 P14.8 million in UITF. The investment consists of the Club's trust fund, originally invested in time deposits amounting to P4.8 million and additional investment amounting to P10.0 million.

10. Other Noncurrent Assets

The composition of this account follows:

	As of Mar. 2022
Computer Software Cost	3,065,951
Amortization	(2,684,418)
Net carrying amount	381,533
Others	1,686,025
	2,067,558

Computer software licenses are amortized on a straight-line basis over three years. Amortization expense amounted to P94,600 for the 3rd quarter.

Miscellaneous deposits mainly pertain to deposits with 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.

11. Trade and Other Payables

The composition of this account follows:

	As of Mar. 2022
Accrued Expenses	7,891,201
Trade	1,888,513
Vat Payable	645,731
Organizations and cooperative	10,326,080
Concessionaires	3,101,969
Others	1,560,001
	25,413,495

Trade payables are unsecured, non-interest 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 financial year.

Organizations and cooperative are loans and advances by the employees from the association.

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

Other payables mainly consist of deposits, withholding tax payable and unearned revenues.

12. Members' Deposits and Others

The breakdown of the account follows:

	As of Mar. 2022
Cash deposit	9,990,000
Due to former members	6,290,071
Security Deposit	1,266,060
	17,506,131

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.

Credit balances of former members consist mainly of proceeds from auction sale of shares & payable to former members.

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

13. Contract Liabilities / Membership Dues Paid in Advance

	As of Mar. 2022
Membership dues paid in advance	10,533,100
Tournament Deposit	139,009
Green Fee coupons	1,252,467
Others	81,070
	12,005,646

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

Tournament deposits pertain to advance payments for an upcoming golf tournament.

Green Fee Coupons are issued to PrimeSports which operated a driving range facility within the Club at a discounted rate. The coupons are issued at different prices. These coupons are sold to Korean guests by PrimeSports.

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

Prior to adoption of PFRS 15, the tournament deposit, green fee coupons and other advance payment are presented as part of “Trade and other payables”.

14. Accrued Provision for Probable Claims

Accrued provision for probable claims pertains to the estimated liability to resolve various probable claims against the Club. Any payment of actual claims against the Club requires the approval of the BOD.

The information usually required by PAS 37, Provision, Contingent Liabilities and Contingent Assets, is not disclosed on the ground that it can be expected to prejudice the outcome of these lawsuits, claims, arbitration and assessments.

15. Member’s Equity

The details of capital stock are shown below.

	As of Mar. 2022 Shares	As of Mar. 2022 Amount
Common shares-9,000 par		

Authorized-1,800 shares		
Issued		
Balance at beginning of year	**1,594**	**14,346,000**
Additions during the quarter	**0**	**0**
Balance at end of quarter	**1,594**	**14,346,000**
Subscribed		
Balance at beginning of year	**0**	**0**
Subscriptions during the quarter	**0**	**0**
Subscriptions paid during the quarter	**0**	**0**
Balance at end of quarter	**0**	**0**
Treasury Share	**0**	**0**
TOTAL	**1,594**	**14,346,000**

Accumulated Excess of Revenues Over Expenses	
Accumulated excess of revenues over expenses	**P 46,103,916**
Other Comprehensive Income (loss):	
Item not to be reclassified to profit or loss in subsequent periods:	
Beginning Balance	**(741,767)**
Re-measurement gains (losses) on defined Benefit obligation	**1,769,249**
	P 47,131,398

16. Revenue from Contracts with Customers

Nature of services	
Membership Dues	**P 40,914,296**
Sports and recreation	**12,463,340**
Assessment for road maintenance	**19,098,263**
Corporate services	**16,008,091**
Revenue from special events	**472,513**
Sale of properties	**0**
Concessionaires' fee (Note 17)	2**,311,999**
Patronage Fees	3**,041,443**
Surcharge	**588,124**
Others	**5,090,314**
	P 99,988,383

Membership dues and assessments are collected by the Club from its members primarily to cover expenses related to the maintenance and are utilized for improvement 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.

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.

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 fixed rate is charged for different types of motor vehicles.

Sports and recreation arise from green fees which are generated from the use of the Club's golf courses-the North and South. For now, both courses are open only to the Club's members, their dependents and guests.

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

Surcharge are penalties charged to members with delinquent accounts for over 45 days from the statement 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 fully settled.

Others pertain to income earned by the Club such as sale of scraps, clamping fee, etc.

17. Concessionaires' Fees

This account consists of fees charged to the concessionaires/service providers:

	As of Mar.2022
Food and beverage services	**1,519,232**
Retail services shop	**792,767**
Spa services	**0**
	2,311,999

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 & beverage operations of the Club located at the North Clubhouse. Said 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 as security deposit to answer for any damages or expenses incurred. The agreement is for a period of three (3) years from August 1, 2016 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. In 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. To date, JFMI's contract was renewed subject to terms & conditions to be mutually agreed upon by both parties.

b) Golf Kitchen OPC, local food concessionaire and the Club entered into a concession agreement on November 1, 2021 whereby GKOPCI operates the coffee lounge and restaurant of the Club at the Main Clubhouse. The agreement also provides that GKOPCI shall pay a fee of 5% of its gross monthly sales, exclusive of value added tax, local tax and service charge during the period of this covid 19 pandemic. After the covid 19 pandemic or once gross sales has reached two million pesos a month whichever comes first, GKOPCI, shall pay a concessionaire's fee of P10% of the gross sales per month exclusive of the 12% value added tax, local tax and service charge.

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 concession fee of 5% plus VAT of the monthly gross sales for the duration of the Covid pandemic situation. Beginning on the first day of the month following the lifting of all alert levels in Rizal province or the gross sales reaching P2 Million a month whichever comes first, concessionaire shall pay a concession fee of 10% plus Vat. The concession Fee shall in no case be less than Forty Thousand (P40,000.00) a month. The agreement is for a period of five (5) years starting January 1, 2021.

d. Retail Shop

A local company was awarded the concession to operate a retail sales outlet, referred to as Pacsports Phils. Inc.,inside the Clubhouse to serve exclusively the members, guests and dependents. In consideration for operating the Shop, the Club charges a basic minimum monthly rental of P70, 000 or

15% of their gross sales per month inclusive of value added tax whichever is higher. The new agreement shall become effective on January 1, 2021 and shall remain valid until December 31, 2023. The period may be extended upon mutual agreement.

18. Rentals

	As of Mar. 2022
Golf cart rental	**11,185,731**
Golf Cart Storage Fee	**2,831,874**
Venue and room fee	**108,929**
Locker rental	**671,627**
Pullcart rental	**385**
Driving range	**267,388**
Communication cell site (Note 8)	**219,095**
Others	**0**
	15,285,029

Golf carts, pull carts and locker pertain to rental fees charged to members and guests. The Club provides pull carts to its members and guests in exchange for a rental fee for every play of golf. Rentals of golf carts are for the use of the golf carts provided by the Club for its members and guests. Rentals of lockers are for the use of the Club's locker rooms.

Golf cart storage pertains to storage fees charged to members for safekeeping the golf carts in parking station 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 P25,000, inclusive of VAT, subject to a 10% escalation starting on the third (3rd) year. As part of the agreement, the lessee shall pay P450,000 representing one (1) year advance rental and six (6) months security deposit.

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"and its current portion under "Trade and other payables" in the statement of financial position.

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 Php15,000, 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 ten (10) years which took effectivity on October 1, 2017 and expiring on September 30, 2027.

19. Cost of Services

	As of Mar. 2022
Outside Services	**30,220,129**
Personnel cost (Note 23)	**15,759,384**
Depreciation and amortization (Notes 7, 8 and 10)	**17,368,000**
Utilities	**8,627,087**
Repairs and maintenance	**7,256,004**
Supplies	**7,729,129**
Club Events	**500**
Others	**2,894,059**
	89,854,292

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

20. General and Administrative

	As of Mar. 2022
Personnel costs (Note 21)	**6,446,791**
Depreciation and amortization (Notes 7, 8 and 10)	**223,103**
Others	**9,751,343**
	16,421,237

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

21. Personnel Costs

	As of Mar. 2022
Cost of Services	
Salaries and wages	**10,493,849**
Employees benefits	**4,333,352**
Retirement benefit expense (Note 27)	**932,184**
	15,759,385
General and administrative	
Salaries and wages	**4,326,796**
Employees benefits	**1,882,179**
Retirement benefit expense (Note 27)	**237,816**
	6,446,791
	22,206,176

22. Income Taxes

The composition of provision for (benefit from) income taxes for **FY 2021**:

Current	**188,131**
Deferred	**140,521**
	328,652

The components of the Club's net deferred tax asset (liability) are as follows:

Deferred tax assets:	
Allowance for ECL	**507,528**
Advance payments of membership dues and others	**21,194**
Re-measurement Allowance for impairment losses	-
	528,722
Deferred tax liabilities:	
Re-measurement gain on deferred benefit obligation	-
Rent Receivable	**(298,766)**
Interest Income from accretion	**(3,386)**
	(302,152)
	226,570

As of June 30, 2021, the Club has available NOLCO amounting to P3,535,815 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years.

As of June 30, 2021, the Club has available MCIT amounting to P243,221 (year of expiration-2024) that can be claimed as deduction from future taxable liabilities.

Bayanihan to Recover as One Act

On September 11, 2020, President 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 Recovery 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.

23. Related Party Disclosures

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 or common significant influence. Related parties may be individuals or corporate entities.

Key Management Personnel Compensation
Compensation & short-term benefits of key management personnel amounted to P2,425,688 as of March 31, 2022.

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 amount of green fees charged to playing guest ranges from ₱1,421 to ₱2,221. Green fee coupons expire after six (6) months. The Club also authorizes certain Club officers to entertain house guests and use the Club's facilities free-of-charge.

24. Retirement Benefit Obligation

The Club has a funded, non-contributory, defined benefit pension 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.

Movement in retirement benefit obligation as of March 31, 2022:

Balance at beginning of year	**₱5,446,848**
Retirement benefit expense	**1,170,000**
Contributions paid	**(1,498,990)**
Balance at end of quarter	**₱5,117,858**

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

	2021
Discount rate	**1.00%**
Future salary increases	**1.00%**

The Club's latest actuarial valuation report was on **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 is to raise finance for the Club's operations. The Club has various financial assets such as cash in banks 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 approved the policies for managing each of these risks:

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. Provisions for ECL/ impairment losses on receivables will also be made if the situation so warrants subject to the BOD's review and approval.

Credit quality per class of financial asset

The credit quality of financial assets is being managed by the Club using internal credit ratings. High grade financial assets are those that are current and collectible. Standard grade financial assets need to be consistently followed up but are still collectible.

Cash in banks and cash equivalents and trust fund are considered as high grade since these are deposited with reputable financial institutions.

High grade trade receivables pertain to those receivables from customers that consistently pay before the maturity date. Standard grade receivables include other receivables that are collected on their due dates even without an effort from the Club to follow them up.

Past due but not impaired trade receivables include those that are past due but are still collectible.

Past due and individually impaired financial assets are those accounts identified by the Club that needs to be provided with allowance. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts such as but not limited to the length of the Club's relationship with the member, the member's payment behavior and known market factors.

Impairment of financial assets

The Club's financial assets that are subject to the ECL model consists of cash in banks and cash equivalents, trade and other receivables and trust fund.

With respect to credit risk for these financial assets, the Club's maximum exposure equals to the carrying amount of these instruments.

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.

Fair Value Measurements

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transactions.

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

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 investments properties is adjusted considering the location, size and physical attributes of the property.

Fair Value Hierarchy

The Club uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3: Those inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There are no changes in the valuation techniques used for assets classified under level 3 category. During the year ended June 30, 2021, 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.

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 stockholder 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 members' equity as capital.

No changes were made in the objectives, policies or processes as of March 31, 2022.

26. Other Matters

Due to the dramatic rise in Covid 19 cases, the community quarantine for NCR, Rizal and other areas was subsequently extended or changed.

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. 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.

The Club was closed from January 8-12, 2022 due to the increasing number of positive Covid 19 cases amongst the ranks of employees, including those in the frontlines. The risk of transmission got higher despite the safety protocols that the Club is implementing. During the closure, the Club facilities were thoroughly disinfected and continuous testing to exposed and infected employees were done. Likewise, contract tracing to identify who have been exposed was conducted. This is necessary to ensure the safety & well-being of the general membership.

27. Supplementary Tax Information under Revenue Regulation (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 prescribed 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 as of December 31, 2021:

<u>Value added-tax (VAT)</u>

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%.

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% to 12% effective February 1, 2006.

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

Net sales/Receipts and Output VAT declared in the Club's VAT returns

	Net Sales/ Receipts	Output Vat
Taxable Sales		
Sales of services	**P 63,399,634**	**P 7,607,956**
		-
Exempt Sales	**16,493,001**	**-**
	P 79,892,635	**P 7,607,956**

Input VAT	
Balance at July 1, 2021	
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	**P 589,034**
Capital goods exceeding P1M	**311,268**
Domestic purchase of services	**2,240,647**
	3,140,949
Applied against output tax	**(3,140,949)**
Balance as of March 31, 2022	**-**

Withholding Taxes	
Withholding taxes on compensation and benefits	**P 37,925**
Expanded withholding taxes	**1,722,550**
Creditable withholding taxes	**972,867**

P 2,733,342

Other Taxes and Licenses
This includes all other taxes, local and national, including real estate taxes, license and permit fees lodged under "Taxes and Licenses" account under "Cost and Expenses" section in the statement of income:

Real Estate Taxes	**P 2,952,524**
Business taxes (Local Business Tax)	**725,846**
Documentary Stamp Tax	**0**
Capital Gains Tax	**0**
Expanded Withholding tax	**0**
	P 3,678,370

Tax Assessments

The Club received BIR Letter of Authority (eLA201900004666 LOA-045-2021-00000410) on December 7, 2021. The Club has already reproduced & submitted the documents as requested on December 15, 2021 for the audit /verification of tax liabilities for the taxable year July 1, 2019 to June 30, 2020.

28. Other Information

As to material event/s and uncertainties, apart from those already disclosed or presented in the accompanying financial statement(s):

- There are no amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years which have a material effect in the current interim period.
- There are no issuances, repurchases and repayments of debt and equity securities.
- There are no dividends paid (aggregate or per share) separately for ordinary shares and other shares.
- There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date.
- There are no material contingencies and any other event/s or transaction/s that are material to an understanding of the current interim period.
- There are no material accounting change and the reason for making it.
- There are no material retroactive prior period adjustments made during any period covered by the interim financial statements and the effect thereof upon the balance of retained earnings.
- There are no adjustments which are in the opinion of management necessary for a fair statement of the results for the interim period presented. All adjustments made are of normal recurring nature.
- There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

- There are no event/s that will trigger direct or contingent financial obligation, including any default or acceleration of an obligation.

- There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company.

- The Club's material commitments for capital expenditures have been approved during the last fiscal year but are still ongoing and not yet completed as of end of December 31, 2021. These projects will be carried forward to the next quarter until their completion. The fund to be used for these projects will come from available cash or time deposit.

- There are no significant elements of income or loss that did not arise from the issuer's continuing operations.

- The effects of seasonality/cyclicality aspects on the interim operations are not material.

- There are no segment revenue and segment result for business segments or geographical segment which have material effect in the current interim period.

All financial accounting records and related data have been made available to you. We are not aware of any accounts, transactions and events or material agreements not fairly described, properly recorded and disclosed under SEC Form 17-C. The Club has complied with all aspects required thereto.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited interim financial statements of Valley Golf & Country Club, Inc. for the 3rd quarter ended March 31, 2022 (with comparative figures as of June 30,2021 balance sheet and for the 3rd quarter ended March 31,2021 statement of comprehensive income, cost and expenses, cash flows & changes in equity respectively). Certain information and footnote disclosure normally included in the audited financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

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. Renovation of Ladies Locker Room with a budget of P2.14Million.
   b. Lower Lanai Multi-Purpose Room with a budget of P3.96Million
   c. Renovation of Guests' Locker Room with a budget of P965k
   d. Implementation of the new Club Management and Accounting System with a Budget of P4 Million by June 2022.
   e. Installation of CCTV Cameras on vital areas of operation in the Clubhouses with a budget of P500k by December 2021.

2. MANAGEMENT DISCUSSION AND ANALYSIS

Completed Projects & Newly acquired fixed assets as of March 31, 2022:

a. Backhoe Loader-Caterpillar-1unit	P3,750,000
b. Pump Rehabilitation-NC/SC	2,031,250
c. Furniture-various (for gazebo)	1,228,730
d. Mitsubishi L300 FB w/ dual aircon-1 unit	868,000
e. Locker Cabinet-25 units	453,600
f. Riprap Hole#15-NC	315,196
g. IPad-10 units	259,900
h. Golf Course Information Board	246,400
i. Aircon-Floor Standing-1 unit	159,386
j. Smart TV-5 units	126,000
k. IPad-3 units	79,500
l. Aircon -Single Phase 1 unit	70,093
m. Laptop Dell- 1 unit	47,536

n.	Aircon-wall mounted-1 unit	44,499
o.	Velop Mesh Router-2 units	42,188
p.	Smart TV-1 unit	36,999
q.	Desktop-Lenovo-1 unit	36,603
r.	Backpack Blower-1 unit	30,869
s.	Air Purifier-2 units	29,801
t.	Kawasaki Brush cutter	28,571
u.	Printer-2 units	21,990
v.	Printer-1 unit	19,307
w.	Wooden Bench Table	15,369
x.	Hand-held Radio-Motorola-1 unit	13,785
y.	Aircon-Everest-1 unit	13,499
z.	Submersible Pump-1 unit	13,393
aa.	Portable Steel Cutter-1 unit	11,160
bb.	Printer- 1 unit	10,950
	Total	**P10,004,574**

Disposal as of March 31, 2022:

a.	Laptop-Lenovo-1 unit	**(P 29,804)**

On-going projects as of March 31, 2022:

a.	Swimming Pool	P 5,249,185
b.	Golf Cart Garage-2 Level	20,590,195
c.	Cabana	3,813,120
d.	Hallway, Locker, Pro-shop	3,023,842
e.	Landscaping (Softscape)	429,600
f.	Landscaping (Hardscape)	2,116,941
g.	Carabao Grass Removal/ Zoysia Infusion	778,301
h.	Kitchen Renovation	292,855
i.	Nursery-SC	730,419
	Total	**P37,024,458**

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.

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

	As of March 31, 2022	As of June 30, 2021
Current Assets	86,548,730	83,466,683

Current Liabilities	60,593,847	46,374,156
Current Ratio	1.43	1.80

This above ratio indicates that the Club is less liquid as compared to FY ended June 30, 2021. The principal reason is the increase in current assets by P3,082,047 & current liabilities by P14,219,691 respectively.

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.

Acid Test Ratio **=** **Current Assets Less Inventory / Current Liabilities**

	As of March 31, 2022	As of June 30, 2021
Current Assets less Inventory	82,605,855	79,869,420
Current Liabilities	60,593,847	46,374,156
Acid Test Ratio	1.36	1.72

The amount of Current Assets less Inventory for the 3rd quarter is more than the level as of June 30, 2021, while the amount of current liabilities for the 3rd quarter is likewise higher than the June 30, 2021 level, accounting for the decline in the ratio.

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 pf 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.

Long-Term Debt to Equity Ratio **=** **Long-Term Debt / Total Equity**

	As of March 31, 2022	As of June 30, 2021
Long-Term Liabilities	5,255,110	5,584,101
Total Members' Equity	263,105,171	253,904,262

Long Term Debt to Equity Ratio	.02	.02

The ratio of .02 indicates that the Club derives two-thirds of its capital financing from debt and one-third from shareholder equity. This is still considered a good ratio.

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.

Debt to Total Assets Ratio **=** $\dfrac{\textbf{Total Liabilities}}{\textbf{Total Assets}}$

	As of March 31, 2022	As of June 30, 2021
Total Liabilities	65,848,957	51,958,257
Total Assets	328,954,128	305,862,519
Debt to Total Assets Ratio	0.20	0.17

The ratio of 0.20 for the 3rd quarter is considered a good debt ratio meaning the Club has a low default risk.

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.

Proprietary Ratio **=** $\dfrac{\textbf{Total Members' Equity}}{\textbf{Total Assets}}$

	As of March 31, 2022	As of June 30, 2021
Total Members' Equity	263,105,171	253,904,262
Total Assets	328,954,128	305,862,519
Asset to Equity Ratio	0.80	0.83

This ratio of 0.80 indicates the dependence of the company on debt to run its business.

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.

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

	As of March 31, 2022	As of June 30, 2021
Total Liabilities	65,848,957	51,958,257
Total Members' Equity	263,105,171	253,904,262
Debt to Equity Ratio	0.25	0.20

The increase in ratio means that the total liabilities comprise a higher percentage of the total stockholders' equity. This is the result of increase in total liabilities (P13.9 million) compared to increase in members equity (P9.2 million) as of the 3rd quarter.

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

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

	As of March 31, 2022	As of June 30, 2021
Total Assets	328,954,128	305,862,519
Total Members' Equity	263,105,171	253,904,262
Asset to Equity Ratio	1.25	1.20

The ratio of 1.25 for the 3rd quarter which is higher than 1.20 for the FY2021 is still considered as conservative.

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.

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

	As of March 31, 2022	As of June 30, 2021
EBIT	9,218,420	9,593,605
Interest Expense	17,508	0
Interest Rate Coverage Ratio	526.53	0

This ratio represents outstanding bank loan for Company vehicle payable in one (1) year.

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.

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

	As of March 31, 2022	As of June 30, 2021
Net Income (Loss)	9,200,912	9,422,193
Total Members' Equity	263,105,171	253,904,262
Return on Equity	0.03	0.04

The operations for the 3rd quarter resulted to a net income of P9,200,912 which is just 0.01 lower compared to 0.04 for FY2021.

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

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

	As of March 31, 2022	As of June 30, 2021
Net Income/ (Loss)	9,200,912	9,422,193
Average Total Assets	328,954,128	305,862,519
Return on Assets	0.03	0.03

Operations for the 3rd quarter resulted to a net income of P9,200,912 as compared to net income of P9,422,193 in Fiscal Year 2021 which is lower by only P221,281, while average total assets increased by P23,091,600 causing the same ratio for return on assets.

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.

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

	As of March 31, 2022	As of June 30, 2021
Net Income/ (Loss)	9,200,912	9,422,193
Total Revenue	115,476,441	140,976,489
Net Profit Margin	0.08	0.07

For the 3rd quarter, the Club garnered a positive profit margin of 0.08 indicating that the Club was able to effectively control its costs, compared to positive net profit margin of 0.07 for FY2021 ended June 30.

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.

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

	As of March 31, 2022	As of June 30, 2021
Net Income/ (Loss)	9.200,912	9,422,193
Common Shares Outstanding	1,594	1,594
Earnings per share (EPS)	5,772.22	5,911.04

For the 3td quarter ended March 31, 2022, the earnings per share is positive P5,772.22 which can be considered favorable.

The following are the details of the operations of the Club for the 3rd quarter ended March 31, 2022 vs. 2021

OPERATING RESULTS

1. Revenues – revenues went up from P108,574,702 in 2021 to P115,476,441 in 2022, an increase of P6,901,739 or 6%. Sources of increase in Revenue from Contracts with Customers are Monthly Dues by P614,515, Green Fees by P3,022,168, Self-Insurance Fee by P101,331, Service Fee-Non-Members by P65,230, Swimming Pool Fee by P39,643, Sticker Fee by P145,965, Service Charge Renewal by P2,465,625, Tournament Fee by P34,466, Christmas Fund Assessment by P304,676, Concessionaires Fee by P357,550, & Miscellaneous Income by P1,211,814. For the rentals, Golf Cart Fee increased by P6,026, Golf Cart Storage Fee by P490,300, Rental of Driving Range by P144,621, Venue Fee by P134,821 & Rental-Smart by P9,435. Unrealized Gain on Financial Assets went up by P109,980. Revenue sources that decreased in 2022 include Road Users Fee by P319,732, Service Charge Initial by P1,738,552, Service Charge Corporate by P40,179, Transfer Fee by P57,600 & Patronage Fee by P141,451. For the rentals, the following went down- Locker Rental by P5,671, Pull car rental by P1,155 & Golf Bag Storage Fee by P5,759. Interest Income decreased by P9,313.

Monthly Dues went up due to higher number of Playing Rights members & Associate Dependents in 2022 & increase in Monthly Administration Fee effective November 1, 2021. Green Fees increased due to higher number of accompanied guests thereby increasing also Self Insurance Fee & Service Fee for Non-Members. Service Charge Renewal Fee increased from P30k gross to P50k gross, for consultants and other positions P60k gross. Concessionaires Fee increased due to higher sales for restaurant (North) & Tee-Houses. Miscellaneous Income increased due to utility charges to the concessionaires, wheel clamping fees collected, sale of scrap, etc. Golf Cart Storage Fee increased due to higher number of private carts stored compared in 2021. Rental of Driving Range increased due to a lower base in 2020 caused by waiver of rental from July-October 2020 in view of pandemic restrictions for dine-in activities & non-acceptance of guests. Venue Fee went up by P134,821 since placing Rizal under Alert Level 1 where social events/ gatherings are already allowed. Rental-Smart increased due to yearly escalation effective October 2021. Unrealized gains on Financial Assets represent the increased value from investments in UITF on February 19, 2021.

Decrease in Road Users Fee is due to lower number of passersby in the DCT Avenue & less ingress / egress of delivery trucks. Service charge initial & corporate likewise decreased despite the escalated rate for service charge initial due to lesser takers for new playing rights members. Patronage Fee decreased due to higher availment of F&B facilities. Surcharge also decreased due to settlement of overdue accounts. Locker Rental went down due to lower billing. Interest Income decreased due to lower interest rate on time deposits & transfer of time deposit to operation

2. Cost and Expenses - For the 3rd quarter ended March 31,2022 the total cost of services and general and administrative expenses amounted to P106,275,529, representing an increase of P13,380,747 or 14% from previous figure of P92,894,783 in 2021.

Personnel Expenses increased from P20,648,464 in 2021 to P22,206,176 in 2022 or an increase of P1,557,712 or 8%. Expenses which increased include the ff: Salaries and Wages by P876,770 due to hiring of New General Manager & Golf Director, promotion of Management Staff & CBA increase of P550@ for rank & file employees, Overtime by P281,117 due to preparation of pass card for next day players based on booking, relieving duties in the reception, night shift duties for golf cart operations, etc. Hazard Pay by P150,140 for swabbing duty of Club Nurse, Covid 19 Supplemental Allowance by P24,000 for Covid infected employees & those in home quarantine, SSS, PHIC & ECC by P55,712 due to increase in premium contributions (employer share) because of overtime & salary adjustments, bonus & gratuity of P229,270 granted to former GM Friedman at the end of contract & training/ seminar for Basic Life Support & Basic First Aid Training which includes seminar fees & meals. Expenses which decreased include meal allowance by P69,67537, Meal Allowance 2 by P20,500, Pagibig Contribution by P3,050 & Vacation & Sick Leave by P14,638. Decreases resulted from retired & resigned employees.

Supplies cost went up from P11,867,925 in 2021 to P16,432,419 in 2022 or an increase of P4,564,495 or 38%. The increase is attributable to higher consumption of supplies, price adjustments, opening of lockers & swimming pool & capitalized input tax for expenses allocable to non-VAT monthly dues, etc. Stationeries and office supplies went up by P184,901, Gasoline & Oil by P956,815, Repairs & Maintenance by P2,824,890, Toilet & cleaning by P363,538, Janitorial supplies by P171,059, Service Supplies by P25,4171, Uniform by P108,756, Medical and Dental supplies by P495,543 & Motorpool /Ground supplies by P48,848. Linen supplies decreased by P9,600 due to issuance of face towels only & Miscellaneous supplies by P659,221 due to non-recurring items such as electronic locks, etc in 2021.

Utilities increased from P6,021,098 in 2021 to P9,019,554 in 2022 or a 50% increase of P2,998,456. Electricity increased by P2,482,753 or 61%, communication by P96,121 or 15% & water by P419,583 or 32%. Increase resulted from power rate adjustments & higher consumption due to full operation of men's & ladies' lockers.

Outside Services increased from P28,390,150 in 2021 to P31,728,293 in 2022 or an increase of P3,338,143 or 12%. Legal Fees increased by P208,521 due to legal services rendered for Jose Tayawa case, Audit Fees increased by P55,948 due to provision for raise in professional fees of External Auditor, Security Services increased by P867,867 due to higher rate per guard c/o new service provider effective September 1, 2021. Laundry services increased by P16,526 due to tablecloths & other linens used for Club operations, Maintenance Crew increased by P686,077 due to deployment of in-house casual & workers from service provider for the general upkeep of the Club. Golf Course Maintenance increased by P2,387,200 due to adjustment in monthly service fee as per new contract. Retainers Fee decreased by P883,996 due to non-renewal of contract of former General Manager Cliff Friedman effective September 13, 2021

Sundries went up from P8,292,796 in 2021 to P9,280,475 in 2022 or an increase of P987,679 or 12%. The following sundries expenses increased-Transportation & Travel by P3,020, Board, committee & stockholders by P74,231 due to various committee meetings (hybrid) held & catering services during Stockholders meeting & election, Ads & Publication by P18,954 due to Auction Ads, Promotional & Industrial increased by P21,029 due to F&B incurred for government & private transactions, Bank charges by P129,066 due to higher credit card & auto debit transactions, Self-Insurance Expense by P27,618 due to higher hole-in-one winners & golf related accidents requiring medical attention, Tournament Expense by P500 for markers & Miscellaneous by P1,229,012 due to gratuity granted to Security Guards (Gold Cross) in lieu of share on road users fee collected amounting to P350,000, structural, retrofitting design services of MCH -P139,500 & structural, electrical, plumbing & mechanical services of MCH-P378,000, zoning clearance of P50,838, information & rule signage of P45,800, etc. On the other hand, these expenses went down -Taxes and Licenses by P446,894 due to lower local business taxes, Insurance by P50,597 due to lower premiums for renewal of insurance policies for Property Floater, etc. & Dues & Registration Fees by P18,261 due to timing difference.

A. BALANCE SHEET ACCOUNTS

1. Cash and cash equivalents – declined from P51,715,093 in June 2021 to P47,712,791 in March 2022 which is a decrease of P4,002,302 or 7.74%. Net cash flows from operating activities amount to

P33,598,368 while net cash flows from investing activities resulted to (P37,600,669).

2. Trade and other receivables – went up from P13,731,908 in June 2021 to P19,050,049 in March 2022, representing an increase of P5,318,141 or 38.73%. Increase was due to higher Members Account-billings & charges.

3. Debt instruments at fair value – represents the short-term investment of the funds from operations in UITF in the amount of P10.02Million plus unrealized gains.

4. Other current assets – went up from P7,994,765 in June 2021 to P9,651,082 in March 2022 which is an increase of P1,656,317 or 20.72%. Increase resulted from higher supplies inventory & advance payment of real property taxes for Yr2022 to avail of discount.

5. Property and equipment – increased from P215,385,047 in June 2021 to P235,153,189 in March 2022 representing a gain increase of 19,768,142 or 9.18%. Additions for the period include completed project & newly acquired fixed assets net of disposal amounting to P9,974,770 and movements for the on-going projects namely: Swimming Pool-P221,749, Golf Cart Garage 2-Level-P16,291,910, Cabana-P3,311,441, Hallway, Locker & Proshop-P3,023,842, Landscaping (Softscape)-P429,600, Landscaping (Hardscape)-P2,116,941, Carabao Grass Removal/Zoysia Infusion-P778,300, Kitchen Renovation-P292,855 & Nursery (SC)-P730,420. Depreciation expense for the 3rd quarter amounts to (P17,403,686).

6. Investment properties – went down from P214,566 in June 2021 to P146,552 in March 2022, representing a decrease of P68,014 or 31.70%. Depreciation for the 3rd quarter amounted to P68,014 for the North Clubhouse.

7. Deferred tax asset – no movement for the 3rd quarter -same amount as of June 30,2021, which is P226,570. This figure was arrived at by 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 – went up in value from P1,758,124 in June 2021 to P2,067,558 in March 2022, representing an increase of P309,434 or 17.60%. Increase is due to additions to Computerization Project net of depreciation for completed software.

9. Trade and other payables – went up from P16,006,859 in June 2021 to P25,413,495 in March 2022, representing an increase of P9,406,636 or 58.77%. Increase was due to rise in Accrued Expenses by P2,805,949, Vat Payable by P254,520, Due to Concessionaires by P1,664,105, Due to Organizations, Cooperative, etc by P5,186,217 & Others by P791,589. Accounts Payable Trade & Others decreased by (P1,295,744).

10. Members' Deposits and Others increased from P16,888,951 in June 2021 to P17,506,131 in March 2022, representing a gain of P617,180

or 3.65%. The increase resulted from cash deposit of new playing rights members amounting to P845,000, refundable security deposit of tee-house Concessionaire, Doturak of P960,000 & deduction of the credit balance of members reclassified (P1,187,820).

11. Contract Liabilities-went up from P7,809,771 in June 2021 to P12,005,646 as of March 31, 2022, which is higher by P4,195,875 or 53.73%. Increase was due to 1-year monthly dues, golf cart storage fee & locker rental collected in advance.

12. Retirement benefit obligation –decreased from P5,446,848 in June 2021 to P5,117,858 in March 2022 or a decline of P328,991 or 6.04%. The decrease resulted from adding the provision for retirement benefit expense of P1,170,000 & deducting the contribution of P1,498,990 from the beginning balance of P5,446,848.

13. Members' Equity –increased from P253,904,262 in June 2021 to P263,105,171 in March 2022 or by 5.81% representing the addition to net income from operations of P9,200,912 for the 3rd quarter.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ISSUER **VALLEY GOLF & COUNTRY CLUB, INC.**

ATTY. RIO SESINANDO E. VENTURANZA
Principal Financial Officer/ Treasurer

DAN L. SALVADOR III
General Manager/Compliance Officer

ROSANNA R. ARGUELLES
Comptroller/Head Controllers' Division

ELDA C. JUGO
Principal Accounting Officer/ Finance & Accounting Manager