

Valley Golf and Country Club, Inc.

From: CGFD LD <cgfd_ld@sec.gov.ph>
Sent: Friday, 2 September 2022 2:26 PM
To:
Cc: CGFD Account
Subject: Re: CGFD_VALLEY GOLF & COUNTRY CLUB, INC._SEC 20-IS Definitive Information Statement_31August2022

Dear Sir/Madam,

This refers to the Definitive Information Statement (DIS) and Management Report of Valley Golf and Country Club, Inc., which was sent via email on 31 August 2022. We found that the said DIS and MR are in order, thus the company is advised that said reports are okay for distribution to its stockholders.

Your feedback is important to help us improve the delivery of our service to the public. To this end, kindly accomplish the Client Satisfaction Survey through this link: <https://forms.gle/chevuNhzw8tMyiH8>

Your response is highly appreciated. Thank you.

On Wed, Aug 31, 2022 at 5:03 PM CGFD LD <cgfd_ld@sec.gov.ph> wrote:

Dear Sir/Madam,

This is to acknowledge receipt of your email. This will be forwarded to our handling Specialist.

*On 12 May 2021, the Commission issued a **NOTICE** with subject "Revised Guidelines on the Submission of Documents, Issuance of Payment Assessment Form, Other Request and Compliance", as a Guidance for the covered companies indicated therein. To view the complete Notice, please click this link - <https://www.sec.gov.ph/notices/revised-guidelines-on-the-submission-of-documents-issuance-of-payment-assessment-form-other-requests-and-compliance/>. This will supersede CGFD Notices dated June 24, 2020 and July 20, 2020 and incorporate submission requirements in SEC Memorandum Circular No. 3, Series of 2021 applicable for CGFD covered companies.*

Insofar as the covered companies enumerated therein are concerned (and with respect to reports, applications, requests and other documents falling within our Department's jurisdiction), only the submissions that are compliant with the requirements provided in the abovementioned Notice and SEC Memorandum Circular No. 3, Series of 2021 shall be considered as filed with the Commission.

We encourage you to regularly monitor the SEC Website (www.sec.gov.ph) and/or the SEC's Facebook page for updates and announcements.

Thank you.

----- Forwarded message -----

From: Valley Golf and Country Club, Inc. <info@valleygolf.com.ph>
Date: Wed, Aug 31, 2022 at 4:54 PM
Subject: CGFD_VALLEY GOLF & COUNTRY CLUB, INC._SEC 20-IS Definitive Information Statement_31August2022
To: <cgfd_ld@sec.gov.ph>, <cgfd@sec.gov.ph>

Dear Sir:

On behalf of Valley Golf and Country Club, Inc., with SEC Registration No. 13951, we are filing our SEC 20-IS Definitive Information Statement in connection with its Annual Stockholders' Meeting scheduled on 25 September 2022, complying with the comments of the CFGD LD. Copy of the same in PDF format is attached herewith, in compliance

with SEC Notice dated 12 May 2021. The corporation is availing of the option of filing by electronic mail in view of the Enhanced Community Quarantine imposed as of this date.

We have already paid the filing fees as evidenced by the Payment Assessment Order and Payment Deposit Slip with Landbank which were previously attached in our message when we filed our SEC 20-IS Preliminary Information Statement.

Please let us know if there is any difficulty or problem accessing the files sent.

Rosanna Arguelles

Comptroller

Valley Golf and Country Club, Inc.

--
Licensing Division
Corporate Governance and Finance Department
Securities and Exchange Commission

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Licensing Division
Corporate Governance and Finance Department
Securities and Exchange Commission

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OFFICIAL RECEIPT

Republic of the Philippines
 DEPARTMENT OF FINANCE
 SECURITIES AND EXCHANGE COMMISSION
 Secretariat Building, PICC Complex
 Roxas Boulevard, Pasay City, 1307



Accountable Form No. 51
 Revised 2006

ORIGINAL

DATE
 August 15, 2022

No. 2161240

PAYOR
 VALLEY GOLF & COUNTRY CLUB, INC.
 ANTIPOLO

NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
Information Statement (Reporting Co.)	4020199099	CGFD (678)	7,500.00
Legal Research Fee (A0823)	2020105000	(131)	75.00

TOTAL PHP 7,575.00

AMOUNT IN WORDS

SEVEN THOUSAND FIVE HUNDRED SEVENTY FIVE PESOS AND 00/100

Received <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Treasury Warrant <input type="checkbox"/> Check <input type="checkbox"/> Money Order	Received the Amount Stated Above OFELIA A. CAPISPISAN COLLECTING OFFICER
Treasury Warrant, Check, Money Order Number	
Date of Treasury Warrant, Check, Money Order	O.R. No. 2161240

NOTE: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

Machine Validation:

OR# 2161240
OFELIA A. CAPISPISANAugust 15, 2022 11:01AM
PHP7,575.00*****

Republic of the Philippines

DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

PAYMENT ASSESSMENT FORM

No. 20220811-5781792

DATE 08/11/2022	RESPONSIBILITY CENTER CGFD		
PAYOR: VALLEY GOLF & COUNTRY CLUB, INC. ANTIPOLO			
NATURE OF COLLECTION	QUANTITY	ACCOUNT CODE	AMOUNT
Information Statement (Reporting Co.)		4020199099 (678)	7,500.00
Legal Research Fee (A0823)		2020105000 (131)	75.00
---NOTHING FOLLOWS---			
TOTAL AMOUNT TO BE PAID			Php 7,575.00
Assessed by: jpcsbajis		Amount in words: SEVEN THOUSAND FIVE HUNDRED SEVENTY FIVE PESOS AND 00/100	
Remarks:			

Payment Options

- Online payment thru SEC Payment Portal
 - <https://espaysec.sec.gov.ph>
- Over the Counter Payments
 - SEC Cashier Office
 - Selected Landbank Branches

SEC BIR Accounts - DST

SEC Clearing Account	SEC Office
3752-1002-75	Head Office / NCR
0072-1178-59	Tarlac
0222-1003-48	Baguio
0132-1123-98	Legaspi
3302-1046-88	Iloilo
3162-1098-20	Bacolod
0142-1085-85	Cebu
0192-0639-30	Zamboanga
0152-1090-08	Cagayan De Oro
0162-1090-73	Davao

SEC BTR Accounts - LRF

SEC Clearing Account	SEC Office
3402-2319-20	Head Office / Tarlac
3402-2319-38	Baguio
3402-2319-46	Legaspi
3402-2319-54	Iloilo / Bacolod
3402-2319-62	Cebu
3402-2319-70	Zamboanga
3402-2319-89	Cagayan De Oro
3402-2319-97	Davao

Breakdown Summary

FUND ACCOUNT	AMOUNT	ACCOUNT #
SEC SRC Current Account	7,500.00	0552-1052-57
BTR Account - LRF	75.00	see SEC BTR accounts
TOTAL	Php 7,575.00	

Notes:

- This form is valid for forty-five (45) calendar days from the date of Payment Assessment Form (PAF)
- Accepted modes of payment at SEC Main Office, Pasay City:
 - Cash
 - Manager's/Cashier's Check
 - Postal Money Order
- Accepted modes of payment at selected Landbank branches:
 - Cash
 - Manager's/Cashier's Check payable to the Securities and Exchange Commission
- For check payment, please prepare separate checks per fund account as indicated on the breakdown summary. All checks must be payable to Securities and Exchange Commission
- For over the counter payment at LandBank, preparation of oncolli payment or deposit slip shall be per fund account as indicated on the breakdown summary.
 - If fund code is BTR, use an oncolli payment slip.
 - If fund code is BIR, REIT, SRC or RCC, use a regular deposit slip.
- Send through email the copy of the machine-validated oncolli payment slip / deposit slip to the issuer of this PAF to confirm that payment has been made.
- For National Capital Region, payments are only allowed through the following Landbank Branches: EDSA Greenhills, EDSA Congressional, Araneta EO, YMCA, DOTC, Ortigas EO, Muntinlupa, and North Avenue
- ANY ALTERATIONS WILL INVALIDATE THIS FORM**



30 August 2022

SECURITIES AND EXCHANGE COMMISSION (SEC)

North Wing Hall, Secretariat Building
PICC Complex, Pasay City 1307

Attention: Atty. Rachel Esther J. Guntang-Remalante
Director
Corporate Governance and Finance Department

Re: *Definitive Information Statement*

Dear Director Guntang-Remalante,

This is in reference to the electronic mail dated 23 August 2022 from the Corporate Governance and Finance Department-Licensing Division (CGFD-LD) addressed to Valley Golf & Country Club, Inc. ("Valley Golf"), directing Valley Golf to submit its Definitive Information Statement and Management Report together with the proxy forms in accordance with the following comments and recommendations in the checklist provided:

- (1) As to the Notice of Meeting on 1) Guidelines for the Stockholders' Meeting - Refer to the Section of the By Laws which allow remote communication; 2) Who are qualified to vote: Please clarify the submission date of the Proxy and 3) For Guidelines of the Meeting, provide the validation date of the Proxy.
- (2) On Item 1, Date, Time and Place of Meeting: Delete SEC Memorandum Circular No. 6 Series of 2020 and refer the Company By Laws or Board of Directors approval in conducting meeting via remote communication;
- (3) On Item 4, Voting Securities and Principal Holders in reference to Security Ownership of Management, provide the holding of new nominees namely: Mr. Caparros, Mr. Estrada, Ms. Esguerra, Mr. Guiang and Mr. Jorge;
- (4) On Item 17, Amendments of Charter, By Laws & Other Documents;- provide brief reasons and general effects of the amendments;
- (5) On the Management Report as to Holders; provide cut-off date.

VALLEY GOLF AND COUNTRY CLUB, INC.
Don Cato S. Tusson Avenue, Antipolo City 1870 Philippines
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Please be advised that Valley Golf has complied with the above directives, as follows:

COMMENTS/ RECOMMENDATIONS	PAGE REFERENCE
<p>General Comment (Notice of Agenda)</p> <p>1) Guidelines for the Stockholders' Meeting - Refer to the Section of the By Laws which allow remote communication; 2) Who are qualified to vote; Please clarify the submission date of the Proxy and 3) For Guidelines of the Meeting, provide the validation date of the Proxy.</p>	<p>Valley Golf has revised the Notice of Agenda included in the Definitive Information Statement to include the statement that the conduct of the meeting by way of remote communication was authorized by board resolution adopted by Valley Golf's board of directors on 23 July 2022.</p> <p>The revised Notice of Agenda also clarified that the deadline for filing of proxy forms is at 5:00 PM of September 18, 2022. It also provides that proxy forms shall be validated as these are received by the Club, provided that the proxy forms are submitted to the Club on or before 5:00 P.M. of September 18, 2022. The last day for validation of proxy forms is on September 19, 2022 at 5:00 P.M.</p>
<p>General Information</p> <p>ITEM 1. DATE, TIME AND PLACE OF MEETING</p> <p>Delete SEC Memorandum Circular No. 6 Series of 2020 and refer the Company By Laws or Board of Directors approval in conducting meeting via remote communication;</p>	<p>Item 1, paragraph 1, page 1 of the Definitive Information Statement was already corrected to delete the reference to SEC Memorandum Circular No. 6 Series of 2020 as well as to include reference to the Board Meeting of 23 July 2022 where the Board of Directors approved the conduct of the annual meeting by remote communication.</p>
<p>A. General Information</p>	

VALLEY GOLF AND COUNTRY CLUB, INC.
Don Cebu 5, Tucson Avenue, Antipolo City 1870 Philippines
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<p>ITEM 4. VOTING SECURITIES & PRINCIPAL HOLDERS (2) Security Ownership of Management On Item 4, Voting Securities and Principal Holders in reference to Security Ownership of Management, provide the holding of new nominees namely: Mr. Caparros, Mr. Estrada, Ms. Esguerra, Mr. Guiang and Mr. Jorge;</p>	<p>Please refer to page 14 of the Definitive Information Statement where we have included the shareholdings of the nominees for directors, namely: Mr. Caparros, Mr. Estrada, Ms. Esguerra, Mr. Guiang and Mr. Jorge.</p>
<p>ITEM 17. AMENDMENTS OF CHARTER, BY-LAWS & OTHER DOCUMENTS provide brief reasons and general effects of the amendments;</p>	<p>Please refer to pages 43 to 46 of the Definitive Information Statement under Item 7, where we have provided the brief reasons and general effects of the amendments to the Articles of Incorporation and By-Laws.</p>
<p>MANAGEMENT REPORT Market Price of and Dividends required by Part V of Annex C, as amended. (2) Holders Disclose 1) approximate number of Holders of Each Class of Common Security as of the latest practicable date but in no event more than 90 days prior to the filing of report, 2) names of the Top Twenty (20) Shareholders of Each Class, 3) Number of Shares Held, 4) Percentage of Total Shares Outstanding Held by Each;</p>	<p>Please refer to page 2 of the Management Report under Operational and Financial Information (Market Price and Dividends) attached to the Definitive Information Statement where the Top Twenty (20) Shareholders are disclosed along with the number of Shares held and percentage of Total Shares Outstanding Held by each. Valley Golf has only one class of shares.</p>
<p>MANAGEMENT REPORT Market Price of and Dividends required by Part V of Annex C, as amended</p>	<p>Please refer to page 7 of the Management Report under Operational and Financial</p>

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Provide cut-off date.

Information (Market Price and Dividends) where we included under (2) Holders the top 20 shareholders of Valley Golf and Country Club, Inc. as of 30 June 2022.

We also revised the 2nd paragraph of the Guidelines of the 25 September 2022 Stockholders Meeting by deleting the reference to SEC Memorandum Circular No. 6 Series of 2020 and instead, referring to the board meeting of 23 July 2022 wherein the Board of Directors approved the holding of the annual meeting by remote conference.

Please find the attached Definitive Information Statement and Management Report and other Annexes in relation to the Annual Meeting of the Stockholders to be held on 25 September 2022. We trust you will find everything in order and in compliance with the electronic mail of the CGFD-ED dated 23 August 2022.

Thank you very much.

Very truly yours,

DAN L. SALVADOR III
General Manager
Valley Golf & Country Club, Inc.

VALLEY GOLF AND COUNTRY CLUB, INC.
Don Cefas S. Tuzon Avenue, Antipolo City 1870 Philippines
Telephone: 86564901 to 03

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VALLEY GOLF &

ANTIPOLLO CITY, PHILIPPINES
P.O. BOX 702 Q. PLAZA, CAINTA
TELS: 658-4901 TO 03, 658-4919 TO 20
FAX NO: 658-4918

COUNTRY CLUB, INC.

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IV. CERTIFICATION SIGNED BY MR. DAN L. SALVADOR III GENERAL MANAGER OF VALLEY GOLF & COUNTRY CLUB, INC.	
ANNEX "A": <i>Notice and Agenda of the Annual Meeting</i>	
ANNEX "B": <i>Rules of the Meeting and the Guidelines for the September 25, 2022 Stockholders' Meeting</i>	
ANNEX "C": <i>SEC Form 17-C filed on 20 October 2021; Certification on the Qualifications of Independent Directors Mr. Jose G. Razon and Mr. Constantine Kohchhet-Chua</i>	
ANNEX "D": <i>Corporate Governance</i>	
ANNEX "E": <i>Management Report</i>	
ANNEX "F": <i>Management's Discussion & Analysis</i>	
ANNEX "G": <i>Statement of Management's Responsibility for Financial Statements and Management's Responsibility for Annual Income Tax Return</i>	
ANNEX "H": <i>Audited Financial Statements</i>	
ANNEX "H-1": <i>Quarterly Report (SEC Form 17-Q) for the Third Quarter of the year 2021</i>	
ANNEX "I": <i>Proxy Form</i>	
ANNEX "J": <i>Proposed Amendments to the Articles of Incorporation</i>	
ANNEX "J-1": <i>Proposed Amendments to the By-Laws</i>	

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter:

Valley Golf & Country Club, Inc.

3. Antipolo, Rizal, Philippines

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number : 13951

5. BIR Tax Identification Code: 000-649-197

6.

Don Celso S. Tuason Avenue, Victoria Valley, Antipolo
City

1870

Address of principal office

Postal Code

7. Registrant's telephone number, including area code :

(02) 658-0079 / 658-0089

8. September 25, 2022, 4:00 p.m., Valley Golf Clubhouse

Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders September 3, 2022

10. In case of Proxy Solicitations :

Name of Person Filing the

Statement/Solicitor : Atty. Allan Jocson, in his capacity as Corporate Secretary

Address and Telephone

No. : c/o Valley Golf & Country Club, Inc., 658-0079 / 658-0086

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<u>Common</u> <u>outstanding</u>	<u>1,594</u> shares issued and outstanding

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes _____ No x.

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:


ALLAN J. CASON
Corporate

Secretary



NOTICE AND AGENDA OF ANNUAL MEETING OF STOCKHOLDERS

**TO: ALL STOCKHOLDERS
VALLEY GOLF & COUNTRY CLUB, INC.**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of VALLEY GOLF & COUNTRY CLUB, INC. will be conducted virtually via Live Streaming on September 25, 2022 at 4:00P.M. as provided for in the Minutes of the Meeting dated 23 July 2022 wherein the Board of Directors approved the conduct of the annual meeting via remote communications.

Because of the present pandemic situation, stockholders may only attend the meeting by remote communication through an online live broadcast and exercise their right to vote in absentia through the Club's secure online voting system or by appointing a proxy. Stockholders intending to participate by remote communication and exercise the right to vote in absentia should notify Valley Golf by sending an e-mail to admin@valleygolf.com.ph and submit a fully accomplished and signed Letter of Intent (LOI) and Data Privacy Consent form.

Elections for Members of the Board shall likewise be held on September 21 (8:00 a.m.) up to September 22, 2022 (5:00 p.m.) for members Voting in Person online and September 23, 2022 (from 8:00 a.m. to 5:00 pm) for those Voting by Proxy online.

AGENDA

1. Call to Order
2. Corporate Secretary's Certification of Service of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders held on September 26, 2021
4. Matters arising from the Minutes and action taken.
5. Financial Report of the Treasurer
6. President's Report
7. Ratification of the President and Treasurer's Reports, Acts of the Board and Management (July 1, 2021 to June 30, 2022)
8. Appointment of External Auditor
9. Amendment of the Articles of Incorporation:
 - a. Article II, Secondary Purposes
 - b. Article III
 - c. Article IV
 - d. Article VI
 - e. Article VII

VALLEY GOLF AND COUNTRY CLUB, INC
Don Celso S. Tusson Ave. Antipolo City 1870 Philippines
Telephone: 8658 4901 to 03

www.valleygolf.com.ph
E-mail: info@valleygolf.com.ph



10. Amendment of the By-laws:
 - a. Article I – Office
 - b. Article III – Meeting
 - i. Section 1. Annual Meetings
 - ii. Section 2: Special Meetings
 - iii. Section 3. Notice of Meetings
 - iv. Section 4. Quorum
 - v. Section 5. Proxies
 - vi. Section 6. Election of Directors
 - vii. Section 8. Eligibility to vote and be voted
 - viii. Section 9. Stockholder's Consent
 - ix. Section 10. Committee on Election
 - c. Article IV – Directors
 - i. Section 1. Board of Directors
 - ii. Section 3. Board Meeting
 - d. Article V – Officers
 - i. Section 1. Designation
 - ii. Section 2. Qualification
 - iii. Section 4. Compensation
 - iv. Section 5. Duties and Responsibilities
 - e. Article VI – Committees
 - i. Section 3
 - f. Article VII – Membership
 - i. Section 1. Classification
 - ii. Section 3.
11. Election of Directors
12. Other Matters
13. Adjournment

WHO ARE QUALIFIED TO VOTE

The Board of Directors has fixed August 1, 2022 as the record date for the determination of the stockholders who are entitled to vote at said Annual Meeting. "Only stockholders in good standing shall have the right to vote and be voted upon x x x." (Article III, Sec. 8, Amended By-Laws). The stock and transfer book of the corporation will not be closed.

Only stockholders in good standing as of August 1, 2022 and not appearing in the Club's delinquent list as posted on September 18, 2022 shall be qualified to vote.

For voting purposes, each share of stock shall be entitled to one (1) vote. However in electing the candidates for the Board of Directors, each shareholder shall be entitled to three (3) cumulative votes.

VALLEY GOLF AND COUNTRY CLUB, INC
Don Celso S. Tucson Ave. Antipolo City 1870 Philippines
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A stockholder may appoint a proxy to represent him or her during the Annual Meeting, subject to the Rules and Procedures in the Verification/Authentication of Proxies as shown in Enclosure No. 4. All proxies submitted and registered on or before 5:00 P.M. of the record date, shall be the basis for determining the quorum.

Deadline for filing of proxy forms is at 5:00 PM of September 18, 2022. Proxy forms shall be validated as these are received by the Club, provided that the proxy forms are submitted to the Club on or before 5:00 P.M. of September 18, 2022. The last day for validation of proxy forms is on September 19, 2022 at 5:00 P.M.

WHO ARE QUALIFIED FOR ELECTION

Only those nominated in accordance with Article III, Section 8, Article IV, Section 1 - Paragraph 2 and Article IV, Section 5 of the Club's By-Laws, who satisfied the qualifications and passed the screening of the Nominating Committee, shall qualify for election to the Board of Directors.

Stockholders on record shall elect three (3) Directors from the list of qualified candidates.

SCHEDULE OF VOTING, CANVASSING & ANNOUNCEMENT OF RESULT

September 21-22, 2022 (Wednesday – Thursday)	Voting in Person online from September 21 (8:00 a.m.) up to September 22, 2022 (5:00 p.m.)
September 23, 2022 (Friday)	Voting by Proxyholder online from 8:00 a.m. to 5:00 pm

Voting for stockholders may only be done through the Online Voting System/Portal and not during the live stream broadcast.

An independent third party entity will count and tabulate the votes cast in absentia through the Voting System/Portal. The Committee on Election will validate the voting results. The Committee on Election shall report the results of voting during the Meeting.

RULES OF THE MEETING

a. The virtual Stockholders' Meeting will either be via zoom or live streaming.

LIVESTREAM - ZOOM WEBINAR

VALLEY GOLF AND COUNTRY CLUB, INC
Don Celsa S. Tusson Ave. Antipolo City 1870 Philippines
Telephone: 8658 4901 to 03

www.valleygolf.com.ph
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- Please go to <https://zoom.us/test> and click "Join".
 - You will be given the option to "download and run Zoom" (if not yet installed previously, especially for mobile devices) or to "join from your browser" (recommended for desktop/laptop users).
 - To join the webinar, click the link that the host provided or the one you received in the confirmation page after you registered. If the host sent a registration confirmation email, the link can also be found there.
- b. Stockholders of record who have OTP will be provided a direct link to the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - c. Stockholders are advised to ensure a stable internet connection during online registration, voting, and viewing of the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - d. Items in the Agenda together with the questions, suggestions or comments sent through email by any stockholder including the results of the voting on every item in the Agenda will be presented sequentially during the meeting.
 - e. A recording of the full meeting will be available in the main page of the Club website. Simply click on the WATCH icon.
 - f. The invitation link is unique to the Stockholder and only one person may watch the live stream broadcast through that link.
 - g. Only the items in the Agenda and the results of the election will be taken up in the virtual meeting.
 - h. Only the Board of Directors and members of the Committee on Election (Comelec) (and administrative support staff) will be present in the virtual meeting.
 - i. Audio and video recordings of the 2022 ASM livestream broadcast will be adequately maintained by the Club and will be made available in the Club's website after the event.
 - j. Stockholders may submit questions and comments including objections, if any, on matters in the Agenda, on or before 5:00 p.m. on September 21, 2022 which will be posted with the corresponding replies thereto during the live stream of the 2022 Annual Stockholders Meeting (ASM).
 - k. Any questions or comments submitted and received after the deadline shall be answered directly by Management thru email to the stockholder concerned. Additional questions or comments may be sent to officeofthepresident@valleygolf.com.ph.

VALLEY GOLF AND COUNTRY CLUB, INC
Don Celso S. Tuason Ave. Antipolo City 1870 Philippines
Telephone: 8658 4901 to 03

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1. Mechanism for information dissemination – The website will include a portion for "Frequently asked questions". Stockholders are advised to visit the Frequently Asked Questions (FAQ) page prior to sending inquiries.

ATTY. ALAN JOCSON
Corporate Secretary

Enclosures: 1) Minutes of the Stockholders Meeting on September 26, 2021; 2) Summary of all Board Resolutions; 3) Rules and Procedures in the Verification/Authentication of Proxies and Election of Directors; 4) List of Candidates; and 5) Calendar.

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VALLEY GOLF & COUNTRY CLUB, INC.
ANNUAL GENERAL MEETING
September 25, 2022 at 4:00 P.M.
Via Live Streaming, VGCCI

PROXY
 No. _____ - ACCT. No. _____

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

 or, in the absence and/or non-attendance of my PROXY the Chairman of the Meeting, (EXCEPT THAT THE CHAIRMAN MAY NOT VOTE FOR CANDIDATES to the Board of Directors), as my attorney-in-fact and proxy, to represent me at the ANNUAL GENERAL MEETING of Valley Golf & Country Club, Inc., to be held on 25 September 2022 at 4:00pm¹, and/or any postponements or adjournment(s) thereof, as fully and to all intents and purposes as I lawfully might or could do if present and voting in person, hereby ratifying and confirming any and all actions taken on matters which may properly come before him during such meeting or adjournment(s) thereof. In particular, I hereby direct my said proxy to vote on the agenda items as I have expressly indicated by marking with a check "✓" the appropriate box below. I also authorize my proxy to vote for any of the candidates for the Board of Directors except the candidates marked with an "X" under the "AGAINST" column:

ITEMS	ACTION		
	FOR	AGAINST	ABSTAIN
1. To vote for Quorum purposes only.			
2. To approve the minutes of the 2021 Annual stockholders' meeting.			
3. To approve the Company's 2022 Annual Report and Audited Financial Statements.			
4. To confirm and ratify all acts and resolutions of the Board of Directors & Management (July 1, 2021 to June 30, 2022 inclusive).			
5. To appoint External Auditors.			
6. To approve the Amendment of Articles II (Secondary Purpose), III (Principal Office Address), IV (Term of Existence), VI (Number of Directors) and VII (On stock certificates) of the Amended Articles of Incorporation			
7. To approve the Amendment of Article I (Office), Article III (Meeting: Sections 1 to 10), Article IV (Directors: Section 1 and 3), Article V (Officers: Sections 1 to 5), Article VI (Committees: Section 3) and Article VII (Membership: Section 3) of the Amended By-Laws			

¹Stockholders may vote in person online from September 21 (starting at 8:00 a.m.) up to September 22, 2022 (5:00 p.m.). Voting by Proxyholders and attorneys-in-fact online shall be on September 23, 2022 from 8:00 a.m. to 5:00 p.m.

8. All matters arising from the agenda (except the sale or disposition, total or partial, of the corporate assets).			
9. Election of the Board of Directors			
a. Marvin A. Caparros			
b. Maria Cecilia Ng-Esguerra			
c. Raymundo G. Estrada			
d. Jose Ferdinand R. Guiang			
e. Nicanor S. Jorge			

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

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

Voting Rules

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

Validation of Proxies

Proxy form shall be validated as these are received by the Club, provided that the proxy forms are submitted to the Club on or before 5:00 p.m. of September 18, 2022 which is consistent with the deadline provided under the Club's By-Laws.

Revocation of Proxies

A member giving a proxy has the power to revoke it any time before the right granted is exercised. A proxy is also considered revoked if the member decides to vote and actually votes online from Sept. 21 to 22, 2022

Signed this _____ at _____

Printed Name of Member

Signature of Member or Authorized Signatory

PLEASE DATE AND SIGN YOUR PROXY

PLEASE MARK, SIGN AND EMAIL BACK YOUR PROXY AT VALLEY WEBSITE USING YOUR REGISTERED EMAIL ADDRESS OR SEND IT THRU PRIVATE COURIER ON OR BEFORE 5:00 P.M. OF SEPTEMBER 18, 2022.

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

GUIDELINES FOR THE SEPTEMBER 25, 2022 STOCKHOLDERS MEETING

The 2022 Annual Stockholders' Meeting (ASM) of VALLEY GOLF & COUNTRY CLUB, INC. (or "Club") is scheduled on September 25, 2022 at 4:00 PM (Manila Time).

As part of the Club's initiative to continuously promote shareholder rights while closely monitoring the public health impact of the coronavirus outbreak (COVID-19) in the country and adhering to all pertinent directives and advisories from the government, its various agencies and health authorities, especially in relation to the general community quarantine, we are pleased to inform our stockholders that VALLEY GOLF & COUNTRY CLUB, INC. will be conducting its 2022 Annual Stockholders' Meeting (ASM) via remote communication as authorized and provided for in the Minutes of the Meeting dated 23 July 2022 wherein the Board of Directors approved the conduct of the annual meeting via remote communications. The Board of Directors of the Club has approved a resolution authorizing the stockholders to participate in the 2022 ASM via remote communication and exercise their right to vote in absentia from the safety and comfort of their own homes.

1. GENERAL GUIDELINES:

- 1.1. The Notice of the Stockholders' Meeting and attachments (Minutes of the 2021 Stockholders' Meeting, Summary of Board Resolutions, Rules for the Election of Directors, List of Candidates, Annual Report and Calendar) will be sent to all Stockholders on record as of Sept.3, 2022 thru email. The Notice and the attached documents shall likewise be posted on the front page of the Club website and can be accessed by any proprietary member by logging in to our website using his/her account number and password.

NOTICE AND AGENDA OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of VALLEY GOLF & COUNTRY CLUB, INC. will be conducted virtually via Live Streaming on September 25, 2022 at 4:00P.M. as provided for in SEC Memorandum Circular No. 6, series of 2020.

Because of the present pandemic situation, stockholders may only attend the meeting by remote communication through an online live broadcast and exercise their right to vote in absentia through the Club's secure online voting system or by appointing a proxy. Stockholders intending to participate by remote communication and exercise the right to vote in absentia should notify Valley Golf by sending an e-mail to admin@valleygolf.com.ph and submit a fully accomplished

and signed Letter of Intent (LOI) and Data Privacy Consent form.

Elections for Members of the Board shall likewise be held on Sept 21 (8:00 a.m.) up to Sept. 22, 2022 (5:00 p.m.) for members Voting In Person online and September 23, 2022 (from 8:00 a.m. to 5:00 pm) for those Voting by Proxy online.

AGENDA

1. Call to Order
2. Corporate Secretary's Certification of Service of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders held on September 26, 2021
4. Matters arising from the Minutes and action taken.
5. Financial Report of the Treasurer
6. President's Report
7. Ratification of the President and Treasurer's Reports, Acts of the Board and Management (July 1, 2021 to June 30, 2022)
8. Appointment of External Auditor.
9. Amendment of the Articles of Incorporation:
 - a. Article II, Secondary Purposes
 - b. Article III
 - c. Article IV
 - d. Article VI
 - e. Article VII
10. Amendment of the By-laws:
 - a. Article I – Office
 - b. Article III – Meeting
 - i. Section 1. Annual Meetings
 - ii. Section 2. Special Meetings
 - iii. Section 3. Notice of Meetings
 - iv. Section 4. Quorum
 - v. Section 5. Proxies
 - vi. Section 6. Election of Directors
 - vii. Section 8. Eligibility to vote and be voted
 - viii. Section 9. Stockholder's Consent
 - ix. Section 10. Committee on Election
 - c. Article IV – Directors
 - i. Section 1. Board of Directors
 - ii. Section 3. Board Meeting
 - d. Article V – Officers
 - i. Section 1. Designation
 - ii. Section 2. Qualification
 - iii. Section 4. Compensation
 - iv. Section 5. Duties and Responsibilities
 - e. Article VI – Committees
 - i. Section 3
 - f. Article VII – Membership
 - i. Section 1. Classification

ii. Section 3.

11. Election of Directors

12. Other Matters

13. Adjournment

- 1.2. There will be audio and video recordings of the meeting.
- 1.3. Stockholders intending to participate by remote communication and exercise the right to vote in absentia should notify Valley Golf by sending an e-mail to admin@valleygolf.com.ph and submit a fully accomplished and signed Letter of Intent (LOI) and Data Privacy Consent form.
- 1.4. Each Stockholder will be given a One Time Password (OTP) sent thru email. In case he intends to participate by remote communication and exercise his right to vote in absentia
- 1.5. All information and documents submitted online shall be subject to verification and validation by the Office of Membership and Internal Audit.
- 1.6. After verification and validation, an e-mail confirmation will be sent by Club.
- 1.7. A notification for the opening of online voting system shall be sent to the stockholders.
- 1.8. The procedures for online voting in absentia, and participation in the meeting through remote communication can be accessed through the Club's website, www.valleygolf.com.ph.
- 1.9. Stockholders who have the issued OTP can vote in absentia and access the online livestreaming of the annual stockholders' meeting. You will not be able to vote through the Online Voting System/ Portal if you do not have the OTP
- 1.10. Stockholders intending to participate by appointing a proxy should submit their proxy forms online not later than 5:00 p.m. on September 18, 2022
- 1.11. Stockholders who have no email address may submit their proxy (hard copies) at the Registration area.
- 1.12. Only Stockholders who have submitted the information and registration requirements, completed the online registration process, received confirmation of their registration and received the OTP can vote and participate in the meeting through remote communication or vote in absentia.
- 1.13. To protect your privacy, personal data and information, identity, and rights as a stockholder, the Club **highly discourages** the use of an email address that does not belong to you. Please remember that your log-in credentials to the Online Voting System/Portal and live stream Invitation, as well as official communications from the Club will be sent to this email address hence, we advise that you use your own active personal email address.

The Club likewise discourages the use of the following:

- Inactive email addresses
- Email addresses of family members
- Work emails
- Compromised emails or emails with two or more people having access

2. CONDUCT OF THE STOCKHOLDERS' MEETING

- 2.1. The virtual Stockholders' Meeting will either be via zoom or live streaming.

Livestream - Zoom Webinar

- 2.1.1. Please go to <https://zoom.us/test> and click "Join".
 - 2.1.2. You will be given the option to "download and run Zoom" (if not yet installed previously, especially for mobile devices) or to "join from your browser" (recommended for desktop/laptop users).
 - 2.1.3. To join the webinar, click the link that the host provided or the one you received in the confirmation page after you registered. If the host sent a registration confirmation email, the link can also be found there.
- 2.2. Stockholders of record who have OTP will be provided a direct link to the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - 2.3. Stockholders are advised to ensure a stable internet connection during online registration, voting, and viewing of the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - 2.4. Items in the Agenda together with the questions, suggestions or comments sent through email by any stockholder including the results of the voting on every item in the Agenda will be presented sequentially during the meeting.
 - 2.5. A recording of the full meeting will be available in the main page of the Club website. Simply click on the WATCH icon.
 - 2.6. The invitation link is unique to the Stockholder and only one person may watch the live stream broadcast through that link.
 - 2.7. Only the items in the Agenda and the results of the election will be taken up in the virtual meeting.
 - 2.8. Only the Board of Directors and members of the Committee on Election (Comelec) (and administrative support staff) will be present in the virtual meeting.
 - 2.9. Audio and video recordings of the 2022 ASM livestream broadcast will be adequately maintained by the Club and will be made available in the Club's website after the event.
 - 2.10. Stockholders may submit questions and comments including objections, if any, on any matter in the Agenda, on or before 5:00 p.m. on September 21, 2022 which will be posted with the corresponding replies thereto during the live stream of the 2022 Annual Stockholders Meeting (ASM).
 - 2.11. Any questions or comments submitted and received after the deadline shall be answered directly by Management thru email to the stockholder concerned. Additional questions or comments may be sent to officeofthepresident@valleygolf.com.ph
 - 2.12. Mechanism for information dissemination – The website will include a portion for "Frequently asked questions". Stockholders are advised to visit the Frequently Asked Questions (FAQ) page prior to sending inquiries.

3. PROXIES AND SPECIAL POWER OF ATTORNEY (SPA)

- 3.1. **Both Online and Hard Copies of SPA and Proxies will be allowed.**

- 3.1.1.** Stockholders may request for the SPA form or Pre-numbered Proxy form online in the Valley Golf Website.
 - 3.1.2.** After receipt of the request, the SPA or Proxy forms will be sent thru registered email to the requesting Stockholder.
 - 3.1.3.** The Stockholder may likewise download the above forms and then print, sign, scan and submit the signed and notarized SPA or the signed Proxy thru email. To ensure the integrity of the document, each stockholder must use his/her registered email address to send in the SPA and Proxy online otherwise, the SPA or Proxy will not be accepted and considered not submitted.
 - 3.1.4.** Stockholders who will send their SPAs and proxies online are required to keep the original copies in their files for at least three (3) months and submit the same to the Club upon the latter's request.
 - 3.1.5.** The member may choose to execute a proxy form or an spa in favor of another member to exercise his right to vote. The Proxy Form or the SPA, whichever is chosen by the member, must designate one person only.
 - 3.1.6.** Unless the reason for replacement is due to death or severe physical, mental or medical incapacity to discharge the representative's functions under the proxy or SPA, once the proxy form or SPA have been validated and posted, the same shall be deemed final, without prejudice to the right of the Stockholder to personally appear to cancel the proxy form or SPA (equipped with notarized document) and cast his vote before his proxy or assignee shall have cast a vote in his favor.
 - 3.1.7.** An Attorney-in-Fact cannot execute a Proxy Form for his principal.
- 3.2.** Stockholders with limited technical support may send the hard copy of the signed and notarized SPA or the signed Proxy thru courier. Hard copies of the SPA or Pre-numbered Proxy forms may be requested at the Registration. After the forms are properly accomplished (and the SPA notarized), the same may be submitted at the registration.
- 3.3.** Candidates and other Stockholders may submit signed and notarized SPA's and get the corresponding Proxies at the Registration.
- 3.4.** If the SPA is submitted with 2 names as Atty-in-fact (and/or), it will be invalid for voting and considered for quorum purposes only. If the SPA corrected before submission then it is valid. If a Stockholder sign 2 SPA's In favor of 2 AIF and the 2 AIF submit both SPA's signed by the same stockholder, the SPA's are invalid for voting and considered for quorum purposes only. Without prejudice to the right of the stockholder to exercise his/her right to vote online either remote or in-person.
- 3.5.** In case of loss or destruction of the numbered proxy form, the stockholder concerned may request for a Duplicate/New Proxy form. The stockholder must submit a written Request for Replacement Form citing the reason for the request.
- 3.6.** In case of a corporate stockholder, the person appearing before the Committee should be equipped with a duly notarized Secretary's

Certificate showing that he is authorized to cause the cancellation of the subject proxy form.

- 3.7. Once a Duplicate/New Proxy Form has been issued, the Original Proxy form shall be automatically canceled and can no longer be used even if subsequently found.
- 3.8. All SPA and Proxies sent thru email or submitted at the registration or via courier will be consolidated by Admin and subject to Internal Audit Procedure.

4. ONLINE VOTING PROCEDURE

4.1 The Annual Stockholders Meeting (ASM) webcast uses an entirely different secure system. For cyber security purposes, the Online Voting System/Portal also uses a separate, secure system or platform.

4.2. An electronic absentee ballot will be available upon login of all registered Stockholders in the front page portion of the website dedicated for the Stockholders Meeting. OTP is required for login in the voting system. The Stockholder will receive his/her OTP thru the registered email while Proxyholders will be sent a separate OTP for voting thru Proxy. All agenda items in the Notice of the Stockholders' Meeting may be voted upon as follows:

4.3 For all items in the Agenda except the Election of Directors, the Stockholder/Proxyholder will click any of the following:

STEP 1: Click the link in the email sent to you containing your log-in credentials to access the ONLINE VOTING PORTAL. Alternatively, you may also click on the VOTE icon in the microsite.

STEP 2: Enter the log-in credentials provided and click LOGIN.

STEP 3: Vote on each agenda item. A brief description of each item for stockholder's approval is appended to the NOTICE OF MEETING.

Vote "Yes", "No", or "Abstain" on each agenda item for approval.

4.3.1 Voting for the Election of Directors

4.3.1.1 Electronic Ballot for the Stockholder – the registered Stockholder shall indicate the number of votes for each candidate by following the step by step procedure on the ballot. The number of votes shall not

exceed the number of shares owned by the stockholder multiplied by three (3).

4.3.1.2 Electronic Ballot for the Proxyholder – the registered Proxyholder shall indicate the number of votes for each candidate by following the step by step procedure on the ballot. The number of votes shall not exceed the number of valid proxies multiplied by three (3).

4.3.1.3 For election of directors, vote for three nominees, withhold vote for any of the nominees, or vote for certain nominees only

Note: The stockholder may vote such number of shares for as many persons as there are directors to be elected or cumulate such said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares owned, or distribute them on the same principle among as many candidates as may be seen fit, provided that the total number of votes cast shall not exceed the number of shares owned by the stockholder multiplied by three (3). The three candidates with the most number of votes shall be declared elected.

STEP 4: Once you have reached the last of the agenda items and have made your votes, click on the **CONFIRM AND SUBMIT** button.

STEP 5: You will then be presented with a summary where you can review the votes you have casted. If you are satisfied, once again click the **CONFIRM AND SUBMIT** button. Once confirmed, the Stockholder/Proxyholder will no longer be allowed to make any changes in his ballot. You will also receive an email confirming that your votes have been submitted to the Club.

Note: a stockholder attending and participating in the ASM in multiple capacities must go through the voting process for each capacity. Stockholders must exert all effort in ensuring that their votes are proper prior to submitting the same.

STEP 6: The Stockholder/Proxyholder will logout from the system.

Note: A stockholder who personally casts his vote or votes through an attorney-in-fact or proxy online shall be considered present for purposes of determining quorum even if he or his attorney-in-fact or proxy does not join the webinar during the virtual stockholders' meeting itself.

- 4.4** Stockholders who have not executed a valid SPA or issued a proxy (or have decided to disregard the same) and wish to vote online will be counted for quorum purposes thru the authorization that will be confirmed before access is allowed in the voting system.
- 4.5** An independent third party entity will count and tabulate the votes cast in absentia through the Voting System/Portal.
- 4.6** The Comelec shall validate the voting results and report the same to the Board during the Meeting.

4.7 Schedule of Voting

a.m.)	September 21-22, 2022 (Wednesday – Thursday)	Voting In Person online from Sept 21 (8:00 up to Sept. 22, 2022 (5:00 p.m.)
	September 23, 2022 (Friday)	Voting by Proxyholder and Attorney-in-fact online from 8:00 a.m. to 5:00 pm

Voting by the stockholders can only be done exclusively through the Online Voting System/Portal stated above and not during the live stream broadcast on September 25, 2022

5 OTHER MATTERS TO ADDRESS ADMINISTRATIVE, TECHNICAL AND LOGISTICAL ISSUES.

- 5.1** The Club is not responsible for the reliability, stability, or the speed of the hardware and software of the computer or device being used by the stockholder, nor shall the Club be responsible for the connection, speed, and stability of the internet connection of the computer or device of the stockholder when using the Online Voting System, and Livestream Broadcast of the 2022 Annual Stockholders Meeting (ASM).
- 5.2** The Club has taken all necessary steps and precautions within its power to ensure the security of the Online Voting System and Livestream Broadcast. This notwithstanding, should the Club detect any unauthorized third-party access, intrusion, interference, and/or interruption with said systems, which in the sole determination of the



Club poses a risk of disclosure of personal and private data or may result in a breach of data privacy laws and regulations, the Club reserves the right to immediately disable any of the systems without prior notice.

A handwritten signature in black ink, appearing to read 'Allan Jocson', written over a faint, light-colored signature line.

ALLAN JOCSON
Corporate Secretary

VALLEY GOLF & COUNTRY CLUB, INC.
Antipolo City
Philippines

The enclosed proxy is for use in voting at the Annual Meeting of Stockholders of the Valley Golf & Country Club, Inc. is scheduled to be conducted virtually via Live Streaming on September 25, 2022 at 4:00P.M. from Valley Golf and Country Club's principal office in Antipolo City, as provided for in SEC Memorandum Circular No. 6, series of 2020, in view of the COVID 19 pandemic and current government rules on social distancing and prohibitions on mass gatherings.

Elections for Members of the Board shall likewise be held on September 21 (8:00 a.m.) up to September 22, 2022 (5:00 p.m.) for members Voting in Person online and September 23, 2022 (from 8:00 a.m. to 5:00 pm) for those Voting by Proxy and Attorneys-in-fact online.

PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Stockholders

- a) The stockholders' meeting is to be conducted virtually via Live Streaming on September 25, 2022 at 4:00P.M. as provided for in the Minutes of the Meeting dated 23 July 2022, wherein the Board of Directors approved the conduct of the annual meeting via remote communication in view of the current COVID-19 pandemic and current government rules on social distancing and prohibition on mass gatherings.
- b) Elections for Members of the Board shall likewise be held on September 21 (8:00 a.m.) up to September 22, 2022 (5:00 p.m.) for members Voting in Person online and September 23, 2022 (from 8:00 a.m. to 5:00 pm) for those Voting by Proxy and Attorneys-in-fact online.

- c) **The complete mailing address of the principal office of the Company is Valley Golf & Country Club, Inc., Don Celso S. Tuason Avenue, Victoria Valley, Antipolo City.**
- d) **All Information statements and proxy forms shall be sent to all shareholders on 03 September 2022.**
- e) **The Board of Directors has fixed August 01, 2022 as the record date for the determination of the stockholders who are entitled to vote at said Annual Meeting. "Only stockholders in good standing shall have the right to vote and be voted upon x x x." (Article III, Sec. 8, Amended By-Laws). The stock and transfer book of the corporation will not be closed. Only stockholders in good standing as of August 01, 2022 and not appearing in the Club's delinquent list as posted on September 18, 2022 shall be qualified to vote.**
- f) **Please refer to the Notice and Agenda of the Annual Meeting including the Rules of the Meeting and the Guidelines for the September 25, 2022 Stockholders' Meeting which are attached herein as Annexes "A" and "B".**

Item 2. Dissenters' Right of Appraisal

Pursuant to Title X, Sections 80 and 81 of the Revised Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in the following instances:

- a) **In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any shares of any class, or of extending or shortening the term of corporate existence;**
- b) **In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;**
- c) **In case of merger or consolidation; and**

- d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. The procedure for the exercise by a dissenting stockholder of his appraisal right is as follows:

- a) The dissenting stockholder shall make a written demand on the corporation within 30 days after the date on which the vote was taken for payment for the fair value of his shares. The failure of the stockholder to make the demand within 30-day period shall be deemed a waiver on his appraisal right;
- b) If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of corresponding certificate(s) of stock within 10 days after demanding payment for his shares (Sec. 85), the fair value thereof; and
- c) Upon payment of the agreed or awarded price, the stockholder shall transfer his share to the corporation.

For the stockholders' meeting on 25 September 2022, the extension of the term of corporate existence may give rise to the dissenter's appraisal right. The amendment is being effected to fully comply with the Revised Corporation Code, Securities Regulation Code, and other applicable SEC issuances.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director or officer of the Company since the beginning of the last fiscal year, nominee for election as director, or associate of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

B. Control and Compensation Information

Item 4. Voting Securities and Principal Holders Thereof

Valley Golf and Country Club, Inc. is registered with the Securities and Exchange Commission under a single class of shares. Only common shares of no distinction are issued to shareholders whether natural persons or corporate entities.

Each of the outstanding 1,594 shares of record as of August 01, 2022, except those declared delinquent and not yet fully paid as at/of said date is entitled to vote/be elected at any stockholders' meeting.

Vote Required for Approval

Voting upon all questions at meetings of stockholders shall be made by holders of shares of stock, with each share of stock being counted as one vote.

Method by which Votes will be Counted

All matters subject to approval and election, except in cases where the law or by-laws provide otherwise, shall be decided by the plurality vote of stockholders in person or by proxy and entitled to vote thereat, a quorum being present. Cumulative voting shall be allowed for the election of directors of the Board as discussed below.

Voting Procedure

When proxies are properly dated, executed and returned, the shares they represent will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given or when the proxy is endorsed in blank, or in favor of the chairman or presiding officer, the same shall be used only for purposes of establishing a quorum and will not be voted in favor of any candidate.

Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting and entitled to vote thereat, the vote of any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder/member voting, or in his name by his proxy if there be such proxy, and shall state the number of shares owned by him.

Only those nominated in accordance with Article III, Section 8, Article IV, Section 1 - Paragraph 2, and Article IV, Section 5 of the Club's By-Laws, who satisfied the qualifications and passed the screening of the Nominating Committee, shall qualify for election to the Board of Directors.

Stockholders on record shall elect three (3) Directors from the list of qualified candidates.

As stated earlier, voting shall be done online. The schedule is as follows:

SCHEDULE OF VOTING, CANVASSING & ANNOUNCEMENT OF RESULT

September 21-22, 2022 (Wednesday - Thursday)	Voting in Person online from September 21 (8:00 a.m.) up to September 22, 2022 (5:00 p.m.)
September 23, 2022 (Friday)	Voting by Proxyholder and Attorneys-in-fact online from 8:00 a.m. to 5:00 p.m.

Voting for stockholders may only be done through the Online Voting System/Portal and not during the livestream broadcast.

An independent third-party entity will count and tabulate the votes cast in absentia through the Voting System/Portal. The Committee on Election will validate the voting results. The Committee on Election shall report the results of voting during the Meeting.

The following shall be the Rules and Guidelines of the Meeting, including the voting online procedure:

GENERAL GUIDELINES:

- a. Because of the present pandemic situation, stockholders may only attend the meeting by remote communication through an online live broadcast and exercise their right to vote in absentia through the Club's secure online voting system or by appointing a proxy.

- b. There will be audio and video recordings of the meeting.**
- c. Stockholders intending to participate by remote communication and exercise the right to vote in absentia should notify Valley Golf by sending an e-mail to admin@valleygolf.com.ph and submit a fully accomplished and signed Letter of Intent (LOI) and Data Privacy Consent form.**
- d. Each Stockholder will be given a One-Time Password (OTP) sent thru email in case he intends to participate by remote communication and exercise his right to vote in absentia**
- e. All information and documents submitted online shall be subject to verification and validation by the Office of Membership and Internal Audit.**
- f. After verification and validation, an e-mail confirmation will be sent by Club.**
- g. A notification for the opening of online voting system shall be sent to the stockholders.**
- h. The procedures for online voting in absentia, and participation in the meeting through remote communication can be accessed through the Club's website, www.valleygolf.com.ph.**
- i. Stockholders who have the issued OTP can vote in absentia and access the online livestreaming of the annual stockholders' meeting. Stockholders will not be able to vote through the Online Voting System/ Portal if they do not have the OTP.**
- j. Stockholders intending to participate by appointing a proxy should submit their proxy forms online not later than 5:00 p.m. on September 18, 2022. All proxy forms shall be furnished to the Corporate Secretary.**
- k. Stockholders who have no email address may submit their proxy (hard copies) at the Registration area.**

- l. Only Stockholders who have submitted the information and registration requirements, completed the online registration process, received confirmation of their registration and received the OTP can vote and participate in the meeting through remote communication or vote in absentia.
- m. To protect the stockholder's privacy, personal data and information, identity, and rights as a stockholder, the Club **highly discourages** the use of an email address that does not belong to the stockholder. Please remember that the stockholder's log-in credentials to the Online Voting System/Portal and live stream invitation, as well as official communications from the Club will be sent to this email address hence, the Club advises the stockholder to use his active personal email address.

The Club likewise discourages the use of the following:

- Inactive email addresses
- Email addresses of family members
- Work emails
- Compromised emails or emails with two or more people having access

Conduct of the Stockholders' Meeting

- a. The virtual Stockholders' Meeting will either be via zoom or live streaming.

LIVESTREAM - ZOOM WEBINAR

- Please go to <https://zoom.us/test> and click "Join".
 - Stockholder will be given the option to "download and run Zoom" (if not yet installed previously, especially for mobile devices) or to "Join from your browser" (recommended for desktop/laptop users).
 - To join the webinar, click the link that the host provided or the one you received in the confirmation page after you registered. If the host sent a registration confirmation email, the link can also be found there.
- b. Stockholders of record who have OTP will be provided a direct link to the live stream broadcast of the 2021 Annual Stockholders Meeting (ASM):

- c. **Stockholders are advised to ensure a stable internet connection during online registration, voting, and viewing of the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).**
- d. **Items in the Agenda together with the questions, suggestions or comments sent through email by any stockholder including the results of the voting on every item in the Agenda will be presented sequentially during the meeting**
- e. **A recording of the full meeting will be available on the main page of the Club website. Simply click on the WATCH icon.**
- f. **The invitation link is unique to the Stockholder and only one person may watch the live stream broadcast through that link.**
- g. **Only the items on the Agenda and the results of the election will be taken up in the virtual meeting.**
- h. **Only the Board of Directors and members of the Committee on Election (Comelec) (and administrative support staff) will be present in the virtual meeting.**
- i. **Audio and video recordings of the 2022 ASM livestream broadcast will be adequately maintained by the Club and will be made available on the Club's website after the event.**
- j. **Stockholders may submit questions and comments including objections, if any, on matters on the Agenda, on or before 5:00 p.m. on September 18, 2022 which will be posted with the corresponding replies thereto during the live stream of the 2022 Annual Stockholders Meeting (ASM).**
- k. **Any questions or comments submitted and received after the deadline shall be answered directly by Management thru email to the stockholder concerned. Additional questions or comments may be sent to officeofthepresident@valleygolf.com.ph**
- l. **Mechanism for information dissemination – The website will include a portion for “Frequently asked questions”. Stockholders are advised to visit the Frequently Asked Questions (FAQ) page prior to sending inquiries.**

Proxies and Special Power of Attorney (SPA)

Both Online and Hard Copies of SPA and Proxies will be allowed.

- a. **Stockholders may request for the SPA form or Pre-numbered Proxy form online on the Valley Golf Website.**
 1. **After receipt of the request, the SPA or Proxy forms will be sent thru registered email to the requesting Stockholder.**
 2. **The Stockholder may likewise download the above forms and then print, sign, scan and submit the signed and notarized SPA or the signed Proxy thru email. To insure the integrity of the document, each stockholder must use his/her registered email address to send in the SPA and Proxy online otherwise, the SPA or Proxy will not be accepted and considered not submitted.**
 3. **Stockholders who will send their SPAs and proxies online are required to keep the original copies in their files for at least three (3) months and submit the same to the Club upon the latter's request.**
 4. **The member may choose to execute a proxy form or a SPA in favor of another member to exercise his right to vote. The Proxy Form or the SPA, whichever is chosen by the member, must designate one person only.**
 5. **Unless the reason for replacement is due to death or severe physical, mental or medical incapacity to discharge the representative's functions under the proxy or SPA, once the proxy form or SPA has been validated and posted, the same shall be deemed final, without prejudice to the right of the Stockholder to personally appear to cancel the proxy form or SPA (equipped with notarized document) and cast his vote before his proxy or assignee shall have cast a vote in his favor.**
 6. **An Attorney-in-Fact cannot execute a Proxy Form for his principal.**

- b. Stockholders with limited technical support may likewise request hard copies of the SPA or Pre-numbered Proxy forms of the Registration. After the forms are properly accomplished (and the SPA notarized), the same may be submitted to the registration or thru courier.
- c. Candidates and other Stockholders may submit signed and notarized SPA's and get the corresponding Proxies at the Registration.
- d. If both hard and PDF copies of the notarized SPA or signed Proxy in favor of different persons were submitted by the same stockholder, the latest in date of notarization (for SPA) or date of execution of Proxy will take precedent.
- e. In case of loss or destruction of the numbered proxy form, the stockholder concerned may request for a Duplicate/New Proxy form. The stockholder must submit a written Request for Replacement Form citing the reason for the request.
- f. In case of a corporate stockholder, the person appearing before the Committee should be equipped with a duly notarized Secretary's Certificate showing that he is authorized to cause the cancellation of the subject proxy form.
- g. Once a Duplicate/New Proxy Form has been issued, the Original Proxy form shall be automatically canceled and can no longer be used even if subsequently found.
- h. All SPA and Proxies sent thru email or submitted at the registration or via courier will be consolidated by Admin and subject to Internal Audit Procedure.

Online Voting Procedure

The Annual Stockholders Meeting (ASM) webcast uses an entirely different secure system. For cyber security purposes, the Online Voting System/Portal also uses a separate, secure system or platform.

- a. An electronic absentee ballot will be available upon login of all registered Stockholders in the front page portion of the website dedicated for the Stockholders Meeting. OTP is required for login in to the voting system. The Stockholder will receive his/her OTP thru the registered email while

Proxyholders will be sent a separate OTP for voting thru Proxy. All agenda items in the Notice of the Stockholders' Meeting may be voted upon as follows:

1. For all items in the Agenda except the Election of Directors, the Stockholder/Proxyholder will click any of the following:

STEP 1: Click the link in the email sent to you containing your log-in credentials to access the ONLINE VOTING PORTAL. Alternatively, you may also click on the VOTE icon on the microsite.

STEP 2: Enter the log-in credentials provided and click LOGIN.

STEP 3: Vote on each agenda item. A brief description of each item for stockholder's approval is appended to the NOTICE OF MEETING.

Vote "Yes", "No", or "Abstain" on each agenda item for approval.

2. Voting for the Election of Directors

- a. Electronic Ballot for the Stockholder – the registered Stockholder shall indicate the number of votes for each candidate by following the step-by-step procedure on the ballot. The number of votes shall not exceed the number of shares owned by the stockholder multiplied by three (3).
- b. Electronic Ballot for the Proxyholder – the registered Proxyholder shall indicate the number of votes for each candidate by following the step-by-step procedure on the ballot. The number of votes shall not exceed the number of valid proxies multiplied by three (3).
- c. For the election of directors, vote for all nominees, withhold vote for any of the nominees or vote for certain nominees only.

Note: The stockholder may vote such number of shares for as many persons as there are directors to be elected or cumulate such said shares and give one candidates as many votes as the number of directors to be elected multiplied by the number of shares owned, or distribute them on the same principle among as many candidates as may be seen fit, provided that the total number of votes cast shall not

exceed the number of shares owned by the stockholder multiplied by three (3).

STEP 4: Once the stockholder has reached the last of the agenda items and has made your votes, click on the **CONFIRM AND SUBMIT** button.

STEP 5: The stockholder will be then presented with a summary where he can review the votes he has cast. If the stockholder is satisfied, once again click the **CONFIRM AND SUBMIT** button. Once confirmed, the Stockholder/Proxyholder will no longer be allowed to make any changes in his ballot. He will also receive an email confirming that your votes have been submitted to the Club.

Note: a stockholder attending and participating in the ASM in multiple capacities must go through the voting process for each capacity. Stockholders must exert all effort in ensuring that their votes are proper prior to submitting the same.

STEP 6: The Stockholder/Proxyholder will logout from the system.

Note: A stockholder who personally casts his vote or votes through an attorney-in-fact or proxy online shall be considered present for purposes of determining quorum even if he or his attorney-in-fact or proxy does not join the webinar during the virtual stockholders' meeting itself.

- a. Stockholders who have not executed a valid SPA or issued a proxy (or have decided to disregard the same) and wish to vote online will be counted for quorum purposes thru the authorization that will be confirmed before access is allowed in the voting system.
- b. An independent third party entity will count and tabulate the votes cast in absentia through the Voting System/Portal.
- c. The COMELEC shall validate the voting results and report the same to the Board during the Meeting.

For the full details, please refer to the Guidelines for the September 25, 2022 Stockholders' Meeting (see, Annex "B").

Abstentions with respect to any matter are treated as shares present or represented and entitled to vote for the purpose of determining whether the matter has been approved by the stockholders. Abstentions shall neither be for or against any issue. Shares as to which proxy authority has been withheld with respect to any matter are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained.

Atty. Joseph Joel R. Castillo (Chairman), Atty. Wendell V. Dimaculangan, and Atty. Mark Boncris Santos, as members of COMELEC, shall be the authorized persons to count the votes.

Cumulative Voting

A shareholder or his proxy may choose to vote the shares registered in his name in the stock books of the corporation for the three (3) directors to be elected. He or his proxy may, however, opt to cumulate said shares and give one candidate as many votes equivalent to the number of his shares multiplied by three (3) or he may distribute the said number of votes among as many candidates as he may see fit. The discretion and authority to vote cumulatively are solicited and authorized in the Club's Standard Proxy Statement.

Security Membership of Management (As of August 01, 2022)

Title of Class	Name of Beneficial Owner	Amount/ Nature of Beneficial Ownership	Citizen ship	Percent of Class
Ordinary	Carlo J. Carpio	1 share	Filipino	Negligible
Ordinary	Reginald Benjamin V. San Pedro	1 share	Filipino	Negligible
Ordinary	Rio Sesinando E. Venturanza	1 share	Filipino	Negligible
Ordinary	Rafael S. Raymundo	1 share	Filipino	Negligible
Ordinary	Renato C. Ballibag	1 share	Filipino	Negligible
Ordinary	Jose Arseno Isidro D. Borromeo III	1 share	Filipino	Negligible
Ordinary	Pablito M. Gregore	1 share	Filipino	Negligible
Ordinary	Constantine L. Kohchet-Chua *	1 share	Filipino	Negligible
Ordinary	Jose G. Razon *	1 share	Filipino	Negligible
Ordinary	Allan Jocson	1 share	Filipino	Negligible

Security Membership of Nominees As of 01 August 2022

Title of Class	Name of Beneficial Owner	Amount/Nature of Beneficial Ownership	Citizenship	Percent of Class
Ordinary	Marvin A. Caparros	1 share	Filipino	Negligible
Ordinary	María Cecilia Ng Esguerra	1 share	Filipino	Negligible
Ordinary	Raymundo G. Estrada	1 share	Filipino	Negligible
Ordinary	Jofer Ferdinand R. Gulang	1 share	Filipino	Negligible
Ordinary	Nicanor S. Jorge	1 share	Filipino	Negligible

Security Ownership of Certain Record and Beneficial Owners of more than 5%

As of June 30, 2022, there are no individuals or single group that owns at least 5% of the company's securities.

Voting Trust Holders of 5% or more

As of this date, the Corporation is not aware of the existence of any voting trust holders of any proportion of the existing authorized capital stock.

Description of any arrangement which may result in a change in control of registrant if a change of control has occurred since the beginning of the last Fiscal Year:

There is no arrangement that may result in a change in management control of registrant since the beginning of the last Fiscal Year.

Item 5. Directors and Executive Officers

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

Name	Age	Citizenship	Position	Term of Office as Director/Period Served
Carlo Maria J. Carpio	54	Filipino	President	3 yrs. 2019 - Present

Reginald Benjamin V. San Pedro	41	Filipino	Vice-President	3 yrs. 2019 - Present
Rio Sesinando E. Venturanza	63	Filipino	Treasurer	3 yrs. 2021 - present
Rafael S. Raymundo	59	Filipino	Asst. Treasurer	3 yrs. 2020 - Present
Renato C. Balbag	67	Filipino	Director	3 yrs. 2020 - Present
Jose Arsenio Isidro D. Borromeo III	52	Filipino	Director	3 yrs. 2020 - Present
Constantine L. Kohchet-Chua *	56	Filipino	Director	3 yrs. 2021 - present
Pablito M. Gregore	59	Filipino	Director	3 yrs. 2019 - Present
Jose G. Razon *	66	Filipino	Director	3 yrs. 2021 - present
Allan Jocson	48	Filipino	Corporate Secretary	N.A.
Dan L. Salvador III	58	Filipino	General Manager	N.A.
Rosanna R. Arguelles	58	Filipino	Division Manager	N.A.
* Independent Director				

President Carlo Maria De Jesus Carpio graduated from De la Salle University with the Masteral Degree in Business Administration. He is a businessman. Pres. Carpio is currently the Vice President – Sales and Marketing of Polara Chemical Corp. and Texicon Agri Ventures Corp.

Vice President Reginald Benjamin V. San Pedro graduated with a degree of Bachelor of Science in Business Administration from De La Salle College of St. Benilde and Strategic Business Economics Program from the University of Asia and the Pacific. VP San Pedro is currently the COO, Corporate Secretary and Managing Director of the B-Mirk Group of Companies.

Treasurer Atty. Rio Sesinando E. Venturanza graduated with a degree in Bachelor of Laws and Bachelor of Arts in Economics from the University of the Philippines. Atty. Venturanza is currently a Partner of Tan Venturanza Valdez Law Offices, Director of Palm Concepcion Power Corporation, Maugat Holdings Inc, Blue Panel Equities & Dev. Inc., T&V Realty Corporation and U.P. Law Class 82 Foundation Inc. He is also the Corporate Secretary of Sta Clara International Corporation, Meridian Securities Inc., Professional Parking & Management Corp. and ParkSecure Management Corp.

Asst. Treasurer Rafael S. Raymundo is a graduate of Bachelor of Science in Management from San Beda University. Mr. Raymundo is currently the President of Service One Corporation.

Dir. Pablito M. Gregore has an MBA Degree from Ateneo de Manila University and a graduate of Bachelor of Science in Civil Engineering from Mapua Institute of Technology. Dir. Gregore is currently the Managing Director at Colorsteel Systems Corporation.

Dir. Renato C. Balibag is a graduate of Bachelor of Science in Business Administration major in Marketing from University of the East and an MBA Candidate from Ateneo de Manila University. Mr. Balibag is currently the President/CEO of Wave Broadcasting Network, Inc. and President of Eastern Samar Construction Corporation.

Dir. Jose Arsenio Isidro D. Borromeo III is a graduate of Business Management from the Centennial College of Toronto Canada. Mr. Borromeo was formerly the Country Manager of Learn Earn Own Trading Partners, Inc.

Dir. Jose G. Razon is a graduate of Bachelor of Science in Mining Engineering from the University of the Philippines. Dir. Razon is currently the Executive Vice President /Corporate Secretary of Razons Food Corporation.

Dir. Constantine L. Kohchet-Chua is a graduate of Bachelor of Science in Business Administration and Accountancy from the University of the Philippines and he is a CPA. Dir. Kohchet-Chua is currently the General Manager of K.C. Bros. Industrial Corp.

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

Mr. Dan L. Salvador III was born on June 5, 1964 and is now 58 years old. He was previously the General Manager of Valley Golf and Country Club and served as General Manager, consultant, manager, and director of various golf clubs in the country. Now, he is the General Manager of Valley Golf, starting 1 September 2021.

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

Independent Directors¹

The following directors are considered Independent Directors as they are independent of management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors:

1. Dir. Constantine L. Kohchet-Chua;
2. Dir. Jose G. Razon.

Dir. Constantine L. Kohchet-Chua was nominated by Mr. Emmanuel Yu; while Dir. Jose G. Razon was nominated by Mr. Errol Collado. All the directors nominated are not related by consanguinity or affinity to the members/individuals who nominated them. Their Certificates of Qualification as Independent Directors as stated in the 17-C filed on 20 October 2021 are attached herein as Annex "C".

Here are the profile and qualifications of the independent directors:

1. Dir. Constantine L. Kohchet-Chua

Club Member since	: Proprietary Member – January 8, 2011	10 years
Date of Birth	: January 13, 1966	55 years old
Educ'l Attainment/Profession	: BS in Business Administration and Accountancy (U.P. Diliman)	1983 - 1988
Company Affiliation	: K.C. Bros. Industrial Corp.	April 1998 to present
Position	: General Manager	
	Evolution Electric Cars Ph	Dec. 2020 to present
	Managing Director	
	: Geely Fairview	June 2021 to present

¹ Independent director: The Company has complied with the Guidelines set forth by SRC (Securities Regulation Code) Rule 38 regarding the Nomination and Election of Independent Director. The Company's By-Laws incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule.

	Director	
Other Work Experience	K.C. Bros Industrial Corp. Sales Manager/Co-Operations Manager	May 1990-Mar. 1998
	Acumen Brand Strategy Consultant (Affiliate Consultant)	June 2014-Dec. 2014
	The Big AdsVantage, Inc. Managing Director	Sept. 2004-Mar. 2007
	CAL Computer Schools-Del Monte Av., Inc. Managing Director	April 1009-Dec. 2014
	Procter and Gamble, Phils Brand Marketing Dept. - Asst. Brand Manager	Dec. 1989-Apr. 1990
	Procter and Gamble, Phils. Sales Dept. (Sales Trainee)	Oct. 1989-Nov. 1989
	Procter and Gamble, Phils. Brand Marketing Dept. Brand Assistant	June 1988-Sept. 1989
Committee Membership	N/A	

2. Dir. Jose G. Razon

Club Member since	: Propriety Member - April 14, 2013 Playing Guest - January 29, 2006	8 years 3 years
Date of Birth	: December 20, 1955	66 years old
Educ'l. Attainment/Profession	: BS - Mining Engineering - U.P. Diliman	1970-1976
Company Affiliation	: Razons Food Corporation	
Position	: Executive Vice President/Corporate Secretary	
Line of Business	Food	2005-2012
	Sydcorn Wireless Corp., Markham, ON (National Sales Manager)	2002-2005

Committee Membership	:	Member - House Committee (2014)
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The Valley Golf & Country Club, Inc. has independent nomination and election committees, which are, likewise, separate committees from each other. The **Nomination Committee** was created on 18 June 2022, and the following are the chairman and members of the said committee. The club undertakes to amend their by-laws in accordance with Rule 38 of the SRC.

- Chairman - Mr. Arnold P. Duay
- Members - Dir. Constantine L. Kohchet Chua, Independent Dir.
Dir. José Arsenio Isidro D. Borromeo III
Dir. Rafael S. Raymundo
Atty. Marcus Antonius T. Andaya

The **Election Committee** was created on 30 April 2022, with the following members:

- Chairman - Atty. Joseph Joel R. Castillo
- Members - Atty. Wendell V. Dimaculangan
Atty. Mark Boncris Santos

The nomination procedure is as follows: 1) the names of candidates for directors are submitted to the Club's Nomination Committee; 2) said committee then screens said candidates and determines their eligibility to run under the Club's Rules and By-laws; and 3) said committee then posts the names of the qualified candidates for directors. The By-laws² provide that:

No more than sixty (60) days prior to the annual meeting of the stockholders, the President with the approval of the Board of Directors, shall appoint a nominating committee of five (5) directors, three (3) of whom are not Directors. The said nominating committee shall prepare, sign and post at least fifteen (15) days before the annual meeting, a list of not less than four (4) nor more than six (6) candidates for the Board of Directors for the ensuing year. Any five (5) stockholders may nominate additional candidates for the Board by posting a signed list not later than ten (10) days

² Regarding the composition of the Nomination and Election Committees, the Club undertakes to amend their By-laws in accordance with Rule 38 of the Securities Regulation Code (SRC).

before the Annual Meeting. The nominating Committee shall evaluate all candidates to ensure compliance with the required qualifications. A list of the qualified candidates nominated shall be included in the notice of the annual meeting that is sent out to each stockholder.

Significant Employees

Mr. Dan L. Salvador III was born on June 5, 1964 and is now 58 years old. He was previously the General Manager of Valley Golf and Country Club and served as General Manager, consultant, manager, and director of various golf clubs in the country. Now, he is the General Manager of Valley Golf, starting 1 September 2021.

Mr. Cliff M. Friedman was born on Oct. 24, 1958 in United States of America and is now 62 years old. Mr. Friedman started his employment with Valley Golf last June 11, 2019 with a 2-year contract up to June 12, 2021. He is a graduate of Associate of Arts, Secondary Education in Northern Marianas College, Saipan, Northern Marianas Islands. His last previous employment is with Bana Hills Golf Club in Danang Vietnam. He served as General Manager of Valley Golf until August 31, 2021.

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

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

These are the General Manager, Division Manager and Department Manager and are considered the key personnel of the Club. The division and department managers as well as supervisors were previously given a yearly increase in salaries at a maximum of 7.5%. But in 2010, instead of giving annual increases, managers and supervisors were given performance bonuses - percentage from the audited net income. They also receive Christmas bonuses. All duties and responsibilities are ensured to be rotated to other supervisors within

the department so there will be no monopoly of knowledge. The friendly atmosphere between management and supervisors and the benefits that the employees receive are factors that contribute to the sense of loyalty of the employees.

Election of Directors

The three (3) candidates for election as directors at the Annual Meeting who will receive the highest number of affirmative votes will be elected and shall serve for a term of three (3) years. Only three (3) directors are elected every year, to replace the corresponding three (3) directors whose three-year term expires on that particular year. This is pursuant to the provisions of the Club's Amended By-laws (approved by the SEC on 14 July 2004).

The current directors whose term shall expire this year are:

Name	Age	Citizenship	Position	Term of Office as Director/ Period Served
Carlo Maria I. Carpio	54	Filipino	President	3 yrs. 2019 - Present
Reginald Benejamin V. San Pedro	41	Filipino	Vice President	3 yrs. 2019 - Present
Pablito M. Gregore	59	Filipino	Director	3 yrs. 2019 - Present

Nominees'/Candidates' Profile³

1. Marvin A. Caparros (Acct No. 1058)		
Nominated by	: Edward Lim	
Date of Nomination	: July 30, 2022	
Club Member since	: Proprietary Member - July 26, 2017	5 years
	: Playing Guest - September 15, 2001	16 years
Date of Birth	: April 12, 1969	53 years old

³ Additional candidates may be nominated pursuant to Par. 2, Section 1, Art. IV by-Laws.

Educ'l Attainment/Profession	: Bachelor of Science Major in Civil Engineering	1991
Company Affiliation	: R.S. Caparros Associates and Co.	
Position	: C.E.O & President	
Line of Business	:	
Other Work Experience	: M.A. Caparros Management and Development Corporation	2020 to present
	C.E.O & President	
	G.O.C.C Board	2012 to present
	President	
	Construction and Project Management Association of the Phils	2020 to present
	Board Director	
	JAHAMA Base Foundation, Inc.	2018 to present
	Vice President and Board Director	
	Tradetek International, Los Angeles	1998 to present
	Board of Director	
	Mercedes Benz - Auto Nation Group, Inc.	2016 to present
	Director for Golf	
Committee Membership	Engineering Committee - Member	2020 - 2021
	Sports & Games Committee - Member	2021 - 2022
2. Raymundo G. Estrada (Accnt No. 0537)		
Nominated by	: Ronaldo Castro	
Date of Nomination	: July 30, 2022	
Club Member since	: Proprietary Member - March 18, 1999	23 years
Date of Birth	: June 6, 1963	58 years old
Educ'l Attainment/Profession	: Masters in Business Administration emphasis on Marketing/Operation Management	1991

	University of Texas at Austin, Austin, Texas	
	Bachelor of Arts in Business Administration	1986
	Maryknoll College, Quezon City	
	Institute of Certified Management Accountants	2014-present
Work Experience	: Enderun Colleges	2011 to present
	: Program Head - Entrepreneurship	
	Faculty - BA/BSE	
Other Work Experience	: Murcia Agricultural and Industrial Corporation	2005 to present
	Vice President and Director	
	Miriam College	2010-2012
	Senior Lecturer	
	Bistro Mateo	2004-2014
	Restaurant Co-Owner/Proprietor and Manager	
	Unirock Corporation	1998-2014
	Implementation & Logistics Manager	
	Fiserv/Personix Inc.	1995-1998
	Implementation Manager	
	GTech Corp/Transactive Corporation	1992-1995
	Senior Market Analyst	
Committee Membership	: House Committee - Member	2014- 2015
	Grounds Committee - Member	2018 - 2019
	Sports & Games Committee - Member	2019 - 2020
	Engineering Committee - Member	2019 - 2020
	Ethics Committee - Chairman	2021 - 2022
3. Ma. Cecile Ng-Esguerra (Accnt No. 0275)		
Nominated by	: Fernando Reyla	
	Gregorio Lamanilao	

	Renato Ballbag	
Date of Nomination	: July 29, 2022	
Club Member since	: Proprietary Member - June 22, 2012	10 years
Date of Birth	: January 23, 1962	60 years old
Educ'l. Attainment/Profession	: Bachelor of Fine Arts in Interior Design	1979-1983
Company Affiliation	: RN Construction Co. Inc	1998-present
Position	: President	
	RN Construction Co. Inc	1983-1997
	Various Staff and Managerial Positions	
	Lark Entertainment	1997-2000
	Production Manager	
	Imageworks	1993-1997
	Production Assistant	
Other Position Held	: State Condominium IV	
	Treasurer	2021-present
	President	2015-2020
	Gregorio Heights Subd. Homeowners Association	
	Adviser/Board Member	2022
	Valley Golf Seniors Association	2019-2021
	Vice President and Member, Board of Trustees	
	Valley Golf and Country Club Ladies' Branch	2002
	President	
Committee Membership	: House Committee - Member	2000-2001 2019 - 2020
	Engineering Committee - Member	2020 - 2021
	Sports & Games Committee - Member	2000 - 2007 2013 - 2015
	Bids & Awards Committee - Member	2015 - 2016
	Admin Committee - Member	2021 - 2022
4. Jose Ferdinand R. Guiang (Accnt No. 2695)		

Nominated by	: Pablito Gregore	
Date of Nomination	: July 27, 2022	
Club Member since	: Proprietary Member - May 29, 2008	14 years
Date of Birth	: March 3, 1965	57 years old
Educ'L Attainment/Profession	: AB Economics - Far Eastern University	
Company Affiliation	: JFG Construction & Trading Corp. - President	
	: Pharmazel, Inc. - President	
	: Genesis Homes Realty, Inc. - President	
Other Work Experience	: Sta Lucia Land, Inc. - Independent Director	
Committee Membership	: Grounds & Engineering Committee - Member	2011 - 2012 2013 - 2014
	: Engineering Committe - Member	2021-2022
	: Real Estate Committee - Member	2021-2022
	: Sports and Games Committee - Member	2021-2022
5. Nicanor Jorge (Acct No. 2516)		
Nominated by	: Albert San Gabriel	
Date of Nomination	: July 30, 2022	
Club Member since	: Proprietary Member - April 11, 2005	17 years
Date of Birth	: May 9, 1967	55 years old
Educ'L Attainment/Profession	: Masters in Business Administration	1994
	: Bachelor of Science in Economics	1989
Work Experience	: The Basketball Efficiency Scientific Training Center, Inc.	January 2017 to present
	: Member, Board of Directors	
Other Work Experience	: CPD One Management Company PTY. LTD	Oct. 2015 to Aug. 2016
	: General Manager	
	: Microsoft Philippines	
	: Enterprise Sales Manager	March 2010 to Oct. 2014
	: IBM Philippines, Inc.	

	Country Manager, Software Group	July 2007 to Mar. 2010
	Sales Manager	Jan. 2003 to June 2007
	Large Enterprise Group, General Business	
	Industry Manager	Apr. 2000 to Dec. 2002
	Banking and Financial Services, Territory Division	
	BPI CAPITAL CORPORATION	Oct. 1994 to Jan. 2000
	Investment Banking Deal Officer	
	Corporate Finance Group Manager	
	Rizal Commercial Banking Corporation	May 1990 to June 1992
	Corporate Banking Division	
	Marketing Associate/ Account Analyst	
Committee Membership	Sports & Games - Member	2017 - 2018
	Membership Committee - Member	2018 - 2019 2019 - 2020
	Grievance Committee - Member	2019 - 2020
	Engineering Committee - Member	2021-2022

None of the above nominees for election as director have been involved in any legal proceedings.

Family Relationships

As of the filing of this report, management is not aware of any relationship (up to the fourth civil degree), either by consanguinity or affinity among the directors, executives, officers or members nominated to be directors.

Certain Relationships and Related Transactions

The Company has no known related party transactions other than those described in Note 24 (Related Party Disclosures) of the Notes to the Financial Statements (see Annex "H").

Involvement in Certain Legal Proceedings

The directors and executive officers or control persons of the registrant have not been involved during the past five (5) years in any of the following events which would be material to an evaluation of their ability or integrity to manage, to wit:

- a) Any bankruptcy petition filed by or against business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Legal Proceedings

1. ***Heirs of Victor Reyes vs. Valley Golf and Country Club, Inc.***

(SC GR No. 190641; CA-G.R Civil Case No. 80378; RTC-Makati City, Branch 138: Civil Case No. 01-528; SEC Case No. 01-97-5522

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

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

On 10 November 2015, the Supreme Court rendered its decision denying the Club's petition for review and affirming the Court of Appeals decision. On 16 February 2016, Valley Golf filed its Motion for Reconsideration. However, this was denied by the Supreme Court in its Notice dated 16 March 2016 which we received on 25 May 2016. An Entry of Judgment has been issued and hence, the decision has become final and executory. On 30 April 2018, undersigned counsel received a Motion for Issuance of Writ of Execution filed by the plaintiffs' counsel. We then filed on 11 May 2018 a Comment/Manifestation to the motion stating that while Valley Golf intends to comply with the Decision dated 05 August 2008 of the Court of Appeals which has already become final and executory, its compliance should be in accordance with law and consistent also with Valley Golf's own rules and procedures regarding stock ownership, transfer of shares and approval of membership and playing rights. The court in its Order dated 21 May 2018 has already granted the plaintiffs' Motion for Issuance of Writ of Execution. To forestall any inconvenience to Valley Golf and ensure orderly compliance with the Court of Appeals' decision, we met with plaintiffs' counsel on 30 May 2018 to explain to them the rules and procedures regarding stock ownership, transfer of shares and approval of membership and playing rights and inquired if plaintiffs are willing to accept a playing right instead of a golf share.

In 2022, Plaintiffs' counsel informed us that his clients are following him up for the implementation of the decision since they want to include their father's share in his estate. Considering that the wording of the Decision gave the option of either reinstating the playing right and/or re-issuance of a new share of stock, Valley Golf management opted to comply with the same by giving a playing right of Dr. Reyes' heirs as may be designated by the latter among themselves. Upon receipt of Valley Golf's letter, plaintiffs through counsel filed a Motion for Clarificatory Judgment praying that the judgment be clarified by declaring that Plaintiff-Appellant is hereby declared entitled to the reinstatement of his playing right AND the re-issuance of a new share of stock from Valley Golf Club, Inc. We then filed our Comment/Opposition to the said Motion the following grounds: 1) the motion filed by plaintiffs is clearly filed beyond the period provided to appeal the Court of Appeals' decision rendered on 05 August 2008; 2) the motion, even if filed on time, seeks to violate the doctrine of immutability of judgment as it has long acquired finality; 3) even assuming the decision may be amended, the Regional Trial Court cannot amend or modify or even clarify the judgment of the Court of Appeals.

Plaintiffs' Motion for Clarificatory Judgment and our Comment to the same are now submitted for resolution by the court.

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

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

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

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

another Manifestation with Motion, seeking that they be allowed to present their own evidence which was denied by the court after Valley Golf filed its opposition.

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

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

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

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

On 10 September 2019, we received the Decision of the Court of Appeals which affirmed the Decision dated 16 July 2015 and Order dated 24 October 2016 of Branch 71 of the Regional Trial Court of Antipolo. Defendants filed a Motion for Reconsideration to which we filed a Comment/Opposition on 04 November 2019. On 10 January 2020, we received the Resolution from the Court of Appeals which denied the defendants' Motion for Reconsideration. On 29 January 2020, defendants through their counsel filed a Manifestation stating that they "discovered" that the property subject of the case was registered in the name of another party, Harmony Homes, Inc. and not Valley Golf. They then said that they will forego further appeal to

the Supreme Court but will resist execution of the judgment on the ground that an alleged indispensable party, Harmony Homes, Inc. was not impleaded as a party and the judgment is null and void. We have verified this claim of the defendants with the engineer of Valley Golf and the latter has confirmed that the claims of defendants are false as subject property is indeed under the title of Valley Golf.

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

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

On 09 February 2022, the Regional Trial Court issued its Order granting our Motion for Issuance of Writ of Execution. We will be coordinating with Valley Golf management and the court sheriff for purposes of implementing the Writ of Execution taking into consideration legal requirements imposed by the Presidential Commission on Urban Poor and the local government of Cainta.

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

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

ordering Defendant Board Members to pay him the amount of Five Hundred Thousand Pesos (Php500,000.00) as Attorney's Fees and Costs of Litigation.

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

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

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

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

plaintiff to be able to secure proxies duly signed by its authorized representatives. Thus, defendants argue that they were justified in concluding that without a doubt, plaintiff wilfully and maliciously submitted and used the proxies of Solid State without being authorized to do so.

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

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

As counterclaim, individual defendants claim that by reason of the filing of this baseless, unwarranted complaint against them, considering that they were only performing their duties as directors to defend the interest, honor and integrity of the corporation's election process, they have suffered serious anxiety, sleepless nights, besmirched reputation thereby entitling each of them to claim the amount of Five Hundred Thousand Pesos (Php500,000.00) as and by way of moral damages. And because of the malicious filing of the case which is devoid of any merit, defendant VGCCI was compelled to engage the service of counsel for which plaintiff should be held liable to pay Php175,000.00 acceptance fee, appearance fees of Php10,000.00 (partner) and Php7,500.00 (associate) for every appearance, pleading fees from Php10,000.00 to Php50,000.00, milestone fees and other litigation costs and costs of suit.

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

After presentation of three (3) witnesses, the last hearing was scheduled for 25 March 2020 for the purpose of presenting defendants' last witness. However, this hearing

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

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

The agreed settings for preliminary conference and pre-trial conference were cancelled in view of the declaration of the Enhanced Community Quarantine and Modified Enhanced Community Quarantine from late March 2021 to mid-May 2021.

Pre-trial conference was already held and trial dates were scheduled for the parties' presentation of their evidence. Plaintiff manifested later through his counsel that he will just adopt his previous testimony during the injunction proceedings and will no longer present any other witnesses. Plaintiff filed his Formal Offer of Evidence on 05 May 2022 and rested his case. We then filed our Comment/Objections to the same on 23 May 2022. We have yet to receive the court's order resolving the Formal Offer of Evidence and our Comment to the same. Initial presentation of defendants' evidence is scheduled on 13 July 2022 with other hearing dates thereafter.

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

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

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

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

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

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

Immediately thereafter, RealtyPro submitted a Lot Plan and identified TCT No. 140578 as Lot 12, Block 1. Immediately thereafter, Valley Golf made an initial verification of its records as to whether or not TCT No. 140578 was in its files. The initial search verified that TCT No. 140578 was not in the records and files of Valley Golf.

Upon realizing that the Owner's Duplicate Copy of TCT No. 140578 was nowhere to be found, diligent efforts were immediately exerted to locate the Owner's Duplicate Copy in records of Petitioner VGCCI. The officers concerned of Petitioner spent several days searching the official repositories in their respective offices. However, despite diligent search and effort to locate the same, it was to no avail as they failed to locate the

Owner's Duplicate Copy of TCT No. 140578. Thus, Valley Golf genuinely believed that the said title is now lost and beyond recovery. Accordingly, the Board of Directors authorized the filing of the petition for the issuance of a new owner's duplicate copy of TCT No. 140578 with the Regional Trial Court of Antipolo.

On 06 July 2021, the petition was filed with the Regional Trial Court of Antipolo, Office of the Clerk of Court. Thereafter, the case was raffled to Branch 139 of the Regional Trial Court of Antipolo and summons were served upon the Registry of Deeds of Antipolo City as a necessary party.

A hearing was held for presentation of jurisdictional facts last 05 January 2022. The case is set for the initial presentation of Petitioner's evidence on 08 July 2022.

6. Valley Golf and Country Club, Inc. (formerly, Valley Golf Club, Inc.) versus Hon. Margarette A.B. Daus-Aspacio, in her capacity as Acting Presiding Judge of the Municipal Trial Court in Cities, Branch 4, Sheriff Ma. Wilma A. Coronado, and Ramoncito G. Tagle
(SCA Case No. 22-1806, Regional Trial Court of Antipolo)

This is a Petition filed by Valley Golf and Country Club, Inc. against Ramoncito Tagle and public respondents MTCC Judge Margarette A.B. Daus-Aspacio and Sheriff Ma. Wilma A. Coronado.

Valley Golf and Country Club, Inc. is the absolute and registered owner of parcels of land covered by Transfer Certificate of Title ("TCT") Nos. 143135, 224882, and 224883, as well as Street Lot Nos. 2, 3, 5, and 6, respectively covered by TCT Nos. 224983, 224984, 224986, and 224987. It has been in open, continuous, and peaceful ownership, possession, and occupation of the said parcels of land since the 1960s.

On 14 March 2022, to the utter surprise of Valley Golf, a group of around fifty (50) persons, representing Ramoncito Tagle, appeared near the Sumulong Gate of Valley Golf. The said group was comprised of (a) Ramoncito Tagle; (b) P.Col. Dominic Baccay, PNP Rizal Provincial Director; (c) around twenty (20) PNP officers, which were either uniformed or in plain clothes; (d) around twenty (20) workers; and (e) a dozen private security guards.

The group began forcibly taking down fences previously erected by Valley Golf and replaced them with their own.

When asked about their authority for fence off the premises, Tagle's group said that they are implementing a Writ of Demolition issued by the MTCC Branch 4 of Antipolo City. Apparently, Ramoncito Tagle filed an ejectment case against Domingo Tuazon and Roberto Santiago, and the Writ of Demolition was issued as a consequence of the said ejectment proceedings. Valley Golf was not a party to the said case nor did it have notice of the same.

Despite not being privy to the case, the Sheriff still implemented the Writ of Demolition against Valley Golf, an innocent third party. Other lot owners in the area were also affected.

Upon further verification, it was discovered that Ramoncito Tagle is claiming a large tract of land which overlaps with several titled properties, including that of Valley Golf.

It was also revealed that Tagle's Original Certificate of Title No. P-1085 was previously declared by the Land Registration Authority ("LRA") Task Force Titulong Malinis ("TFTM") as unlawfully and erroneously. The LRA TFTM directed the Register of Deeds of Antipolo City to annul OCT No. P-1085.

Valley Golf considered availing of legal remedies with the Municipal Trial Court that issued the Writ of Demolition but was informed that this court denied all the motions and pleadings filed by other adversely affected parties who were not parties to the case.

Valley Golf could no longer intervene or pray for any other reliefs in SCA Case No. 008-16 on account of the Order dated 04 April 2022, stating that third parties adversely affected by the Decision and the Writ of Demolition can no longer intervene or filed any motion contesting the Decision. In order to protect its property rights and having no other plain, speedy, or adequate remedy under the particular circumstances, Valley Golf filed the Petition under Rule 65 of the Rules of Court with the Regional Trial Court of Antipolo.

In the Petition, Valley Golf prayed that:

- 1) A writ of preliminary injunction and a writ of preliminary injunction be issued (i) restraining Respondents from enforcing the Writ of Execution dated 12 April 2019 and the Writ of Demolition dated 04 October 2019; (ii) directing Respondents to restore the subject properties to its original state (and to the possession of Petitioner prior) to the enforcement of the Writ of Execution and Writ of Demolition; and (iii) directing Respondents to maintain the status quo until the Petition is resolved by the Honorable Court.

- 2) The Writ of Execution dated 12 April 2019 and the Writ of Demolition dated 04 October 2019 issued by public respondent Trial Court in SCA Case No. 008-16, entitled "*Ramoncito G. Tagle, represented by his Attorney-in-fact, Meldred C. Bendanillo, versus Domingo G. Tuazon and Roberto Santiago, doing business under the name and style of Charlestone Trading and General Merchandise and all other persons claiming rights from them*", be quashed, annulled, and set aside insofar as Valley Golf's properties are concerned; and
- 3) A Decision be rendered in Valley Golf's favor, and an Order be issued declaring the execution of the Writ of Execution dated 12 April 2019 and the Writ of Demolition dated 04 October 2019 null and void and cannot be enforced against Petitioner.

The RTC Antipolo Branch 140 has issued an Order to Comment to respondent Tagle. Currently, we are waiting to receive the Comment of Ramoncito G. Tagle to the Petition.

The Club has a monthly retainer agreement with the Firm. Valley Golf and Country Club, Inc. has no unpaid billings as of 30 June 2022.

Item 6. Compensation of Directors and Executive Officers

Executive Compensation

General

The President, Vice-President, Treasurer, Asst. Treasurer and all members of the Board do not receive any salary or any monetary compensation as such.

As Corporate Secretary, Atty. Allan Jocson receives fourteen (14) green fee coupons per month (plus four (4) additional coupons per attendance on special board meetings or other appearances) as compensation for performing his duties as such.

The aggregate compensation paid or incurred during the last three fiscal years and estimated to be paid in the ensuing fiscal year to the President and executive officers of the Club are as follows:

SUMMARY COMPENSATION TABLE

Name	Position	Fiscal	Salary/month	13 th month	Bonus
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		Year			
Dan L. Salvador	General Manager	2021	130,000.00		
		2022	130,000.00	43,452.05	65,000.00
Cliff M. Friedman	General Manager	2020	133,333.33	66,666.66	55,890.41
		2021	133,333.33	66,666.66	55,890.41
Rosanna R. Arguelles	Division Manager Controller	2020	89,517.00	89,517.00	44,758.50
		2021	89,517.00	89,517.00	44,758.50
		2022	91,743.54	89,517.00	44,758.50
Elda C. Jugo	F & A Mngr.	2020	52,585.00	52,585.00	26,292.50
		2021	52,585.00	52,585.00	26,292.50
		2022	54,069.36	52,585.00	26,292.50

Aside from the aforementioned compensation, the Club officers do not receive any other form of remuneration.

Compensation of Directors

The directors of the Club do not get compensation and/or per diem directly or indirectly, pursuant to Art. IV, Sec. 2 of the By-laws.

There are no outstanding warrants or options held by directors and officers. There are no actions to be taken with regard to the election, any bonus or profit-sharing, change in pension/retirement plan, granting of or extension of any options, warrants, or rights to purchase any securities.

Item 7. Independent Public Accountants

The ratification of the independent auditors for the Club for the current year will require the affirmative vote of a majority of the shares of the Club's shares of stock present or represented and entitled to vote at the Annual Meeting. The Board of Directors recommends the accounting firm of Sycip Gorres Velayo & Co. (an SEC-accredited accounting firm) as the retained accounting firm for the Club, that being the same firm that has been retained by the Club for the last/most recently-completed fiscal year.

Representatives of Sycip Gorres Velayo & Co. are expected to be present at the stockholders' meeting and will have the opportunity to make a statement if

they desire to do so, and are likewise expected to be available to respond to appropriate questions. There has been no recent change in and disagreement with accountants on accounting and financial disclosure.

During the registrant's three (3) most recent fiscal years (up to June 2019), there was a change in the handling partners of the Club's principal/independent accounting firm. The previous independent accounting firm (Uy Singson Abella) was replaced on 23 September 2012, by Sycip Gorres Velayo & Co., as principal accountant which audited the financial statements of the Club for the years ended June 30, 2013 up to 2019. The handling partner was Mr. Jose Pepito E. Zabat III from 2013 to 2016. For fiscal year 2017 and 2018 the handling partner was Mr. Alexis Benjamín C. Zaragoza III. For the current Fiscal Year 2019 the handling partner is Mr. Peter John R. Ventura. The change in external auditor was approved by the Board of Directors in their regular meeting held on May 19, 2012 and the appointment was approved during the Regular Stockholders' Meeting on September 22, 2013.

The regular changes of external auditor as well as the handling partners are in compliance with Revised Securities Regulation Code Rule 68, No. 3, B, (1x), (2019) as well as the Code of Ethics for Professional Accountants in the Philippines on Rotation of External Auditors and lead engagement partners at least or no more than every five (5) years, and has been reflected in a current report submitted to the SEC (The most recent Audited Financial Statement submitted with the SEC was signed by Sycip Gorres Velayo & Co.'s Partner, Mr. Peter John R. Ventura). Moreover, there was no related disagreement regarding said transfer of account or other auditing/accounting issues.

Finally, in connection with the compliance with the manual on good governance, the following independent-minded and reputable officers/members of Valley Golf and Country Club, Inc. were appointed as Chairman and members of the Audit Committee to wit:

- | | | |
|-------------------------|---|---------------|
| a. Dir. Jose G. Razon | - | Chairman |
| b. Atty. Pedro Maniego | - | Vice Chairman |
| c. Dir. Renato Balibag | - | Member |
| d. Dir. Pablito Gregore | - | Member |
| e. Mr. Virgilio Bucat | - | Member |
| f. Mr. Dennis Guanlo | - | Member |
| g. Mr. Nestor Borrromeo | - | Member |
| h. Mr. Jason Sy | - | Member |

- i. Mr. Fernando Reyia - Member
- j. Mr. Robert John Baretto - Member

External Audit Fees

The external audit fees for fiscal years 2020, 2021, and 2022 are as follows:

FY2022	
PROFESSIONAL FEES	400,000.00
OUT OF POCKET EXPENSES	<u>61,671.00</u>
	461,671.00
VAT	<u>55,400.52</u>
Total	517,071.52

FY2021	
PROFESSIONAL FEES	400,000.00
OUT OF POCKET EXPENSES	<u>96,520.96</u>
	496,520.96
VAT	<u>59,582.52</u>
Total	556,103.48

FY2020	
PROFESSIONAL FEES	400,000.00
OUT OF POCKET EXPENSES	<u>56,964.96</u>
	456,964.96
VAT	<u>54,835.79</u>
Total	511,800.75

Item 8. Compensation Plans

Not Applicable. There are no plans for directors' compensation.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

Not applicable. No authorization or issuance of securities other than for exchange was made.

Item 10. Modification or Exchange of Securities

Not applicable. No modification or exchange of securities was made.

Item 11. Financial and Other Information

There were no significant changes in and disagreements with accountants on accounting and financial disclosure.

For Discussion on Compliance with Leading Practice of Corporate Governance see Annex "D". For Management Report (Annual Report to Stockholders) see Annex "E". For Management Discussion Analysis, see Annex "F". For Management's Responsibility for Financial Statements, see Annex "G". For the company's Audited Financial Statements and Quarterly Report (SEC Form 17-Q) for the First Quarter of the year 2019, see Annexes "H", and "H-1", respectively.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

Not applicable. The Club did not enter into any merger, consolidation or acquisition.

Item 13. Acquisition or Disposition of Property

The Club purchased the following heavy equipment:

Item	Date Purchased	Acquisition Cost	Amount Paid
1 unit Mitsubishi L-300 model 2022	Nov. 11, 2021	P868,000.00	Balance P240,590.24 as of June 30, 2022
1 unit Catterpillar Backhoe Loader Model 428F2 (Monark)	August 31, 2021	P3,750,000.00	P3,750,000.00

The Club made no other acquisition or disposition of property.

Item 14. Restatement of Accounts

Not applicable. No restatement of accounts was made.

C. OTHER MATTERS

Item 15. Action with Respect to Reports

As per agenda, a reading and disposition of the annual meetings shall be held.

Likewise, the ratification of the acts of the Board of Directors and Management pertaining to matters affecting the budget, appointment of personnel and the appropriation of funds will require the affirmative vote of a majority of the shares of the Club's shares of stock present or represented and entitled to vote at the annual meeting.

No other matters that would require approval of the stockholders were raised.

Item 16. Matters Not Required To Be Submitted

No matters not required to be submitted for approval of the stockholders were raised.

Item 17. Amendment of Charter, By-Laws or Other Documents

There are proposed amendments to the Articles of Incorporation and By Laws of Valley Golf and Country Club, Inc. as follows:

Articles of Incorporation:

1. Article II - Secondary Purpose;

The change in the Secondary Purpose is intended to reflect the Corporation's authority to offer and/or sell its proprietary shares to the public as it is a registered issuer of securities.

2. Article III - Principal Office Address;

As for the change in the principal office address, the change is to reflect a more complete office address of the Corporation as required by SEC Memo Circular No. 6, Series of 2016.

3. Article IV – Term of Existence;

The change in the term of existence to “perpetual existence” is to reflect the Corporation’s corporate term, and that it does not elect to retain its specific corporate term in its Articles of Incorporation. This change of the corporate term may give rise to a stockholder’s appraisal right.

4. Article VI – Number of Directors;

As for the increase in the number of directors, the amendment was made to accommodate two (2) independent directors, in compliance with the Revised Corporation Code, Securities Regulation Code, its implementing rules and regulations, and any applicable SEC Issuances.

5. Article VII – (On stock certificates).

The amendment on the time of issuance of the stock certificates is made to comply with Securities Regulation Code Rule No. 12.1.4.1

The amendment also includes the provision that shareholders shall have the right to share in the assets of the corporation upon its dissolution or liquidation to ensure full compliance with the Securities Regulation Code.

By-Laws:

1. Article I – Office;

As for the change in the principal office address, the change is to reflect a more complete office address of the Corporation for the same reasons as the similar amendment to the Articles of Incorporation.

2. Article III – Meeting: Sections 1 to 10;

The amendment on Article III – Meeting was made to institutionalize the conduct of meetings through remote communications or other alternative modes of communication. The rest of the amendments were to make the said by-law provisions fully compliant with the Revised Corporation Code, Securities Regulation Code, the Amended Manual of Corporate Governance and other applicable SEC issuances.

The amendment was made to include additional qualifications for both regular and independent director positions, as well as the membership of the Election Committee.

3. Article IV – Directors: Section 1 and 3;

The amendments are intended to formalize the nomination and election of independent directors in the Board of Directors. Also, they are made to include additional guidelines for the Nomination Committee for the nomination process of candidates for both regular and independent directors.

Additionally, the amendments were made to include the conduct of board meetings through remote communications or other alternative modes of communication.

4. Article V – Officers: Sections 1 to 5;

The changes are to show the addition of another corporate officer, the Compliance Officer, as required by the Amended Manual of Corporate Governance.

5. Article VI – Committees;

The changes are to include the other standing committees in the Corporation for the purposes of Corporate Good Governance, namely, (a) the Nomination Committee; (b) Audit Committee; and (c) Corporate Governance Committee as required by the Amended Manual of Corporate Governance.

6. Article VII – Membership: Section 3.

The amendment is made to include another classification in the Corporation's membership, Lifetime. The amendment also includes the provision regarding any increase in the stipulated monthly dues and other

assessments of the Corporations should be reported to the SEC and the Club's members in order to fully comply with the Securities Regulations Code.

For reference as to the specific amendments, attached are the proposed amendments to the Articles of Incorporation and By-Laws as Annex "J" and "J-1", respectively.

The abovementioned amendments are being made for the corporation to fully comply with the Revised Corporation Code, Securities Regulation Code, and other applicable SEC issuances. The general effect of such amendments on the Corporation is to enhance and further protect shareholders' rights and improve good corporate governance.

Item 18. Other Proposed Action

The registrant presently contemplates no action to be taken with respect to any other matter not specifically referred to in the preceding items.

Item 19. Voting Procedures

Voting Procedure

When proxies are properly dated, executed and returned, the shares they represent will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given or when the proxy is endorsed in blank, said proxy will be deemed given in favor of the chairman or presiding officer. The same shall be used only for purposes of establishing a quorum and will not be voted in favor of any candidate.

Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting and entitled to vote thereat, the vote of any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder/member voting, or in his name by his proxy if there be such proxy, and shall state the number of shares owned by him.

Abstentions with respect to any matter are treated as shares present or represented and entitled to vote for the purpose of determining whether the

matter has been approved by the stockholders. Abstentions shall neither be for nor against any issue. Shares as to which proxy authority has been withheld with respect to any matter are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained.

To be elected as directors (i.e., three (3) directors are voted in/replaced every year during the annual stockholders' meeting), the nominees must garner the plurality of votes. The top three nominees voted shall be elected as directors.

The voting is made by ballot and the votes are counted based on the number of shares held and voted by the voter (who may also be holding proxy statements that entitle him to make proxy votes). Each share (represented by the holder or thru proxy) is entitled to one vote to approve or disapprove resolutions, and up to three (3) votes (cumulative voting) to elect three (3) directors.

For the online-voting procedure, please refer again to pages 10 to 13 of this Report as well as Annex "B", Guidelines for the September 25, 2022 Stockholders' Meeting.

Vote Required for Approval

Voting upon all questions at meetings of stockholders shall be made by shares of stock with each share of stock being counted as one vote.

Method by which Votes will be Counted

All matters subject to voter approval and election, except in cases where the law or by-laws provide otherwise, shall be decided by the plurality votes of stockholders in person or by proxy and entitled to vote thereat, a quorum being present. Cumulative voting shall be allowed for the election of directors of the Board as discussed below.

Cumulative Voting

A shareholder or his proxy may choose to vote the shares registered in his name in the stock books of the corporation for the three (3) directors to be elected. He or his proxy may, however, opt to cumulate said shares and give one candidate as many votes equivalent to the number of his shares multiplied by three (3) or

he may distribute the said number of votes among as many candidates as he may see fit. The discretion authority to vote cumulatively is solicited and authorized in the Club's Standard Proxy Statement.

The right to exercise cumulative voting has been recognized under the existing by-laws of the registrant and may be exercised without any required condition precedent.

PART II. INFORMATION REQUIRED IN A PROXY FORM

(See attached Proxy Form, Annex "I" hereof)

Item 1. Identification

The name of the proxy should be indicated in the blank provided. The stockholder's name or "N.A." shall be indicated in the blank if the proxy is intended only to be counted for quorum purposes.

Item 2. Instruction

The proxy shall be authorized to represent the stockholder at the annual general meeting and any postponements or adjournments thereof and in his stead to vote on all matters arising from the agenda (except the sale or disposition, total or partial, of the corporate assets).

Item 3. Revocability of Proxy

A stockholder giving the proxy has the power to revoke it at any time by giving written notice to the COMELEC before the object of the proxy shall have been consummated or by giving a later dated proxy.

Item 4. Persons Making the Solicitation

Solicitation Procedure

Solicitation of proxies shall commence on 04 September 2021, and shall continue until 19 September 2021 at 5:00 p.m.

In view of the holding of the meeting by remote communication and online voting, the Solicitation Procedure to be followed for this Meeting shall be that as stated in page 8 of this Report. Please also refer to Annex "B", Guidelines for the September 26, 2021 Stockholders' Meeting.

The stockholders are given a choice as to whose favor the proxy will be given. Said choices include, the nominees for the position of Club directors, the incumbent members of the Board or any active stockholder of the Club. Should the stockholder concerned decide to sign the proxy without a proper designation, he is then advised that said proxy will be deemed in favor of the chairman and that the same shall be considered solely for the purpose of establishing a quorum and shall not be voted in favor of any candidate. As of the filing of this proxy statement the registrant has not received any information, in writing or otherwise that any action intended to be taken by the registrant will be opposed by any director or member of the club. Such, however, is not conclusive that there will be no opposition to any of the actions that may be undertaken by the registrant.

Only stockholders of record on the books of the Club at the close of business hours on 01 August 2021 will be entitled to vote at the Annual Meeting. However, delinquent members shall not be qualified to vote. Presence in person or by proxy of a majority of the shares of stocks outstanding on the record date is required for a quorum. As of close of business, on 01 August 2021, there are 1,594 issued and outstanding shares.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

Valley Golf does not have any transactions with or involving a company or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of the total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

Valley Golf does not have transactions with promoters.

Valley Golf does not have a parent company or a subsidiary company.

PART III. SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Antipolo City on 30 August 2022.

Issuer : VALLEY GOLF AND COUNTRY CLUB, IN


UNDERTAKING:

THE CLUB SHALL PROVIDE, FREE OF CHARGE, A COPY OF THIS PROXY STATEMENT/REGISTRANT'S ANNUAL REPORT, TO MEMBERS WHO ARE NOT DELINQUENT, UPON FILING OF A WRITTEN REQUEST WITH THE OFFICE OF THE PRESIDENT, MR. CARLO MARIA J. CARPIO AT VALLEY GOLF & COUNTRY CLUB, INC., DON CELSO S. TUASON AVENUE, VICTORIA VALLEY, ANTIPOLO CITY, TELEPHONE NUMBER 658-49-01. AT THE DISCRETION OF MANAGEMENT, A CHARGE IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE REGISTRANT IN FURNISHING SUCH EXHIBITS.


CARLO MARIA J. CARPIO
President


RIO SESINANDO E. VENTURANZA
Treasurer


ROSANNA R. ARGUELLES
Division Head, Controllers Division


ELDA C. JUGO
Finance & Accounting Manager


DAN L. SALVADOR III
General Manager

CERTIFICATION

I, **DAN L. SALVADOR III**, Division Head of the Controller's Division of **VALLEY GOLF & COUNTRY, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC Registration Number 13951 and with principal office at **Don Celso S. Tuason, Victoria Valley, Antipolo City**, on oath state:

1. That I have caused this **Definitive Information Statement (SEC Form 201S)** to be prepared on behalf of **VALLEY GOLF & COUNTRY CLUB, INC.**;
2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3. That the company **VALLEY GOLF & COUNTRY CLUB, INC.** will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that submitted documents that require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this AUG 26 2022 day of _____, 2022.

D. Salvador III
DAN L. SALVADOR III
General Manager

SUBSCRIBED AND SWORN to before me this AUG 26 2022 day of _____, 2022, in ANTIPOLO CITY, Philippines.

Doc. No. 145
Page No. 39
Book No. 87
Series of 2022.

NOTARY PUBLIC

H. de Leon Jr.
ATTY. HONORATO J. DE LEON JR.
NOTARY PUBLIC
For Antipolo City, Calabarzon, Taytay, Rizal
Until December 31, 2022
Roll of Attorneys No. 77341
MCLE Compliance No. VI-0017458
IBP No. 181530, Jan. 03, 2022
PTR No. B2362894, Jan. 03, 2022 Antipolo City



ANNEX " A "

NOTICE AND AGENDA OF ANNUAL MEETING OF STOCKHOLDERS

**TO: ALL STOCKHOLDERS
VALLEY GOLF & COUNTRY CLUB, INC.**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of VALLEY GOLF & COUNTRY CLUB, INC. will be conducted virtually via Live Streaming on September 25, 2022 at 4:00P.M. as provided for in the **Minutes of the Meeting dated 23 July 2022 wherein the Board of Directors approved the conduct of the annual meeting via remote communications.**

Because of the present pandemic situation, stockholders may only attend the meeting by remote communication through an online live broadcast and exercise their right to vote in absentia through the Club's secure online voting system or by appointing a proxy. Stockholders intending to participate by remote communication and exercise the right to vote in absentia should notify Valley Golf by sending an e-mail to admin@valleygolf.com.ph and submit a fully accomplished and signed Letter of Intent (LOI) and Data Privacy Consent form.

Elections for Members of the Board shall likewise be held on September 21 (8:00 a.m.) up to September 22, 2022 (5:00 p.m.) for members Voting in Person online and September 23, 2022 (from 8:00 a.m. to 5:00 pm) for those Voting by Proxy online.

AGENDA

1. Call to Order
2. Corporate Secretary's Certification of Service of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders held on September 26, 2021
4. Matters arising from the Minutes and action taken.
5. Financial Report of the Treasurer
6. President's Report
7. Ratification of the President and Treasurer's Reports, Acts of the Board and Management (July 1, 2021 to June 30, 2022)
8. Appointment of External Auditor
9. Amendment of the Articles of Incorporation:
 - a. Article II, Secondary Purposes
 - b. Article III
 - c. Article IV
 - d. Article VI
 - e. Article VII
10. Amendment of the By-laws:
 - a. Article I – Office
 - b. Article III – Meeting
 - i. Section 1. Annual Meetings

VALLEY GOLF AND COUNTRY CLUB, INC
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- ii. Section 2. Special Meetings
- iii. Section 3. Notice of Meetings
- iv. Section 4. Quorum
- v. Section 5. Proxies
- vi. Section 6. Election of Directors
- vii. Section 8. Eligibility to vote and be voted
- viii. Section 9. Stockholder's Consent
- ix. Section 10. Committee on Election
- c. Article IV – Directors
 - i. Section 1. Board of Directors
 - ii. Section 3. Board Meeting
- d. Article V – Officers
 - i. Section 1. Designation
 - ii. Section 2. Qualification
 - iii. Section 4. Compensation
 - iv. Section 5. Duties and Responsibilities
- e. Article VI – Committees
 - i. Section 3
- f. Article VII – Membership
 - i. Section 1. Classification
 - ii. Section 3.
- 11. Election of Directors
- 12. Other Matters
- 13. Adjournment

WHO ARE QUALIFIED TO VOTE

The Board of Directors has fixed August 1, 2022 as the record date for the determination of the stockholders who are entitled to vote at said Annual Meeting. "Only stockholders in good standing shall have the right to vote and be voted upon x x x." (Article III, Sec. 8, Amended By-Laws). The stock and transfer book of the corporation will not be closed.

Only stockholders in good standing as of August 1, 2022 and not appearing in the Club's delinquent list as posted on September 18, 2022 shall be qualified to vote.

For voting purposes, each share of stock shall be entitled to one (1) vote. However in electing the candidates for the Board of Directors, each shareholder shall be entitled to three (3) cumulative votes.

A stockholder may appoint a proxy to represent him or her during the Annual Meeting, subject to the Rules and Procedures in the Verification/Authentication of Proxies as shown in Enclosure No. 4. All proxies submitted and registered on or before 5:00 P.M. of the record date, shall be the basis for determining the quorum.

Deadline for filing of proxy forms is at 5:00 PM of September 18, 2022. Proxy forms shall be validated as these are received by the Club, provided that the proxy forms are

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submitted to the Club on or before 5:00 P.M. of September 18, 2022. The last day for validation of proxy forms is on September 19, 2022 at 5:00 P.M.

WHO ARE QUALIFIED FOR ELECTION

Only those nominated in accordance with Article III, Section 8, Article IV, Section 1 - Paragraph 2 and Article IV, Section 5 of the Club's By-Laws, who satisfied the qualifications and passed the screening of the Nominating Committee, shall qualify for election to the Board of Directors.

Stockholders on record shall elect three (3) Directors from the list of qualified candidates.

SCHEDULE OF VOTING, CANVASSING & ANNOUNCEMENT OF RESULT

September 21-22, 2022
(Wednesday – Thursday) Voting in Person online from
September 21 (8:00 a.m.) up to
September 22, 2022 (5:00 p.m.)

September 23, 2022
(Friday) Voting by Proxyholder online from
8:00 a.m. to 5:00 pm.

Voting for stockholders may only be done through the Online Voting System/Portal and not during the live stream broadcast.

An independent third party entity will count and tabulate the votes cast in absentia through the Voting System/Portal. The Committee on Election will validate the voting results. The Committee on Election shall report the results of voting during the Meeting.

RULES OF THE MEETING

a. The virtual Stockholders' Meeting will either be via zoom or live streaming.

LIVESTREAM - ZOOM WEBINAR

- Please go to <https://zoom.us/test> and click "Join".
- You will be given the option to "download and run Zoom" (if not yet installed previously, especially for mobile devices) or to "join from your browser" (recommended for desktop/laptop users).
- To join the webinar, click the link that the host provided or the one you received in the confirmation page after you registered. If the host sent a registration confirmation email, the link can also be found there.

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- b. Stockholders of record who have OTP will be provided a direct link to the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - c. Stockholders are advised to ensure a stable internet connection during online registration, voting, and viewing of the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - d. Items in the Agenda together with the questions, suggestions or comments sent through email by any stockholder including the results of the voting on every item in the Agenda will be presented sequentially during the meeting
 - e. A recording of the full meeting will be available in the main page of the Club website. Simply click on the WATCH icon.
 - f. The invitation link is unique to the stockholder and only one person may watch the live stream broadcast through that link.
 - g. Only the items in the Agenda and the results of the election will be taken up in the virtual meeting.
 - h. Only the Board of Directors and members of the Committee on Election (Comelec) (and administrative support staff) will be present in the virtual meeting.
 - i. Audio and video recordings of the 2022 ASM livestream broadcast will be adequately maintained by the Club and will be made available in the Club's website after the event.
 - j. Stockholders may submit questions and comments including objections, if any, on matters in the Agenda, on or before 5:00 p.m. on September 21, 2022 which will be posted with the corresponding replies thereto during the live stream of the 2022 Annual Stockholders Meeting (ASM).
 - k. Any questions or comments submitted and received after the deadline shall be answered directly by Management thru email to the stockholder concerned. Additional questions or comments may be sent to officeofthepresident@valleygolf.com.ph.
- l. Mechanism for information dissemination – The website will include a portion for "Frequently asked questions". Stockholders are advised to visit the Frequently Asked Questions (FAQ) page prior to sending inquiries.


ATTY. ALLAN JOCSON
Corporate Secretary

Enclosures: 1) Minutes of the Stockholders Meeting on September 26, 2021; 2) Summary of all Board Resolutions; 3) Rules and Procedures in the Verification/Authentication of Proxies and Election of Directors; 4) List of Candidates; and 5) Calendar.

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GUIDELINES FOR THE SEPTEMBER 25, 2022 STOCKHOLDERS MEETING

The 2022 Annual Stockholders' Meeting (ASM) of VALLEY GOLF & COUNTRY CLUB, INC. (or "Club") is scheduled on September 25, 2022 at 4:00 PM (Manila Time).

As part of the Club's initiative to continuously promote shareholder rights while closely monitoring the public health impact of the coronavirus outbreak (COVID-19) in the country and adhering to all pertinent directives and advisories from the government, its various agencies and health authorities, especially in relation to the general community quarantine, we are pleased to inform our stockholders that VALLEY GOLF & COUNTRY CLUB, INC. will be conducting its 2022 Annual Stockholders' Meeting (ASM) via remote communication as authorized and provided for in the Minutes of the Meeting dated 23 July 2022 wherein the Board of Directors approved the conduct of the annual meeting via remote communications. The Board of Directors of the Club has approved a resolution authorizing the stockholders to participate in the 2022 ASM via remote communication and exercise their right to vote in absentia from the safety and comfort of their own homes.

1. GENERAL GUIDELINES:

- 1.1. The Notice of the Stockholders' Meeting and attachments (Minutes of the 2021 Stockholders' Meeting, Summary of Board Resolutions, Rules for the Election of Directors, List of Candidates, Annual Report and Calendar) will be sent to all Stockholders on record as of Sept. 3, 2022 thru email. The Notice and the attached documents shall likewise be posted on the front page of the Club website and can be accessed by any proprietary member by logging in to our website using his/her account number and password.

NOTICE AND AGENDA OF ANNUAL MEETING OF STOCKHOLDERS

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and signed Letter of Intent (LOI) and Data Privacy Consent form.

Elections for Members of the Board shall likewise be held on Sept 21 (8:00 a.m.) up to Sept. 22, 2022 (5:00 p.m.) for members Voting in Person online and September 23, 2022 (from 8:00 a.m. to 5:00 pm) for those Voting by Proxy online.

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2. Corporate Secretary's Certification of Service of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders held on September 26, 2021
4. Matters arising from the Minutes and action taken.
5. Financial Report of the Treasurer
6. President's Report
7. Ratification of the President and Treasurer's Reports, Acts of the Board and Management (July 1, 2021 to June 30, 2022)
8. Appointment of External Auditor
9. Amendment of the Articles of Incorporation:
 - a. Article II, Secondary Purposes
 - b. Article III
 - c. Article IV
 - d. Article VI
 - e. Article VII
10. Amendment of the By-laws:
 - a. Article I – Office
 - b. Article III – Meeting
 - i. Section 1. Annual Meetings
 - ii. Section 2. Special Meetings
 - iii. Section 3. Notice of Meetings
 - iv. Section 4. Quorum
 - v. Section 5. Proxies
 - vi. Section 6. Election of Directors
 - vii. Section 8. Eligibility to vote and be voted
 - viii. Section 9. Stockholder's Consent
 - ix. Section 10. Committee on Election
 - c. Article IV – Directors
 - i. Section 1. Board of Directors
 - ii. Section 3. Board Meeting
 - d. Article V – Officers
 - i. Section 1. Designation
 - ii. Section 2. Qualification
 - iii. Section 4. Compensation
 - iv. Section 5. Duties and Responsibilities
 - e. Article VI – Committees
 - i. Section 3
 - f. Article VII – Membership
 - i. Section 1. Classification

ii. Section 3.

11. Election of Directors

12. Other Matters

13. Adjournment

- 1.2. There will be audio and video recordings of the meeting.
- 1.3. Stockholders intending to participate by remote communication and exercise the right to vote in absentia should notify Valley Golf by sending an e-mail to admin@valleygolf.com.ph and submit a fully accomplished and signed Letter of Intent (LOI) and Data Privacy Consent form.
- 1.4. Each Stockholder will be given a One Time Password (OTP) sent thru email. In case he intends to participate by remote communication and exercise his right to vote in absentia
- 1.5. All information and documents submitted online shall be subject to verification and validation by the Office of Membership and Internal Audit.
- 1.6. After verification and validation, an e-mail confirmation will be sent by Club.
- 1.7. A notification for the opening of online voting system shall be sent to the stockholders.
- 1.8. The procedures for online voting in absentia, and participation in the meeting through remote communication can be accessed through the Club's website, www.valleygolf.com.ph.
- 1.9. Stockholders who have the issued OTP can vote in absentia and access the online livestreaming of the annual stockholders' meeting. You will not be able to vote through the Online Voting System/ Portal if you do not have the OTP
- 1.10. Stockholders intending to participate by appointing a proxy should submit their proxy forms online not later than 5:00 p.m. on September 18, 2022
- 1.11. Stockholders who have no email address may submit their proxy (hard copies) at the Registration area.
- 1.12. Only Stockholders who have submitted the information and registration requirements, completed the online registration process, received confirmation of their registration and received the OTP can vote and participate in the meeting through remote communication or vote in absentia.
- 1.13. To protect your privacy, personal data and information, identity, and rights as a stockholder, the Club **highly discourages** the use of an email address that does not belong to you. Please remember that your log-in credentials to the Online Voting System/Portal and live stream invitation, as well as official communications from the Club will be sent to this email address hence, we advise that you use your own active personal email address.

The Club likewise discourages the use of the following:

- Inactive email addresses
- Email addresses of family members
- Work emails
- Compromised emails or emails with two or more people having access

2. CONDUCT OF THE STOCKHOLDERS' MEETING

- 2.1. The virtual Stockholders' Meeting will either be via zoom or live streaming.

Livestream - Zoom Webinar

- 2.1.1. Please go to <https://zoom.us/test> and click "Join".
 - 2.1.2. You will be given the option to "download and run Zoom" (if not yet installed previously, especially for mobile devices) or to "join from your browser" (recommended for desktop/laptop users).
 - 2.1.3. To join the webinar, click the link that the host provided or the one you received in the confirmation page after you registered. If the host sent a registration confirmation email, the link can also be found there.
- 2.2. Stockholders of record who have OTP will be provided a direct link to the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - 2.3. Stockholders are advised to ensure a stable internet connection during online registration, voting, and viewing of the live stream broadcast of the 2022 Annual Stockholders Meeting (ASM).
 - 2.4. Items in the Agenda together with the questions, suggestions or comments sent through email by any stockholder including the results of the voting on every item in the Agenda will be presented sequentially during the meeting.
 - 2.5. A recording of the full meeting will be available in the main page of the Club website. Simply click on the WATCH icon.
 - 2.6. The invitation link is unique to the Stockholder and only one person may watch the live stream broadcast through that link.
 - 2.7. Only the items in the Agenda and the results of the election will be taken up in the virtual meeting.
 - 2.8. Only the Board of Directors and members of the Committee on Election (Comelec) (and administrative support staff) will be present in the virtual meeting.
 - 2.9. Audio and video recordings of the 2022 ASM livestream broadcast will be adequately maintained by the Club and will be made available in the Club's website after the event.
 - 2.10. Stockholders may submit questions and comments including objections, if any, on any matter in the Agenda, on or before 5:00 p.m. on September 21, 2022 which will be posted with the corresponding replies thereto during the live stream of the 2022 Annual Stockholders Meeting (ASM).
 - 2.11. Any questions or comments submitted and received after the deadline shall be answered directly by Management thru email to the stockholder concerned. Additional questions or comments may be sent to officeofthepresident@valleygolf.com.ph
 - 2.12. Mechanism for information dissemination – The website will include a portion for "Frequently asked questions". Stockholders are advised to visit the Frequently Asked Questions (FAQ) page prior to sending inquiries.

3. PROXIES AND SPECIAL POWER OF ATTORNEY (SPA)

- 3.1. **Both Online and Hard Copies of SPA and Proxies will be allowed.**

- 3.1.1. Stockholders may request for the SPA form or Pre-numbered Proxy form online in the Valley Golf Website.
- 3.1.2. After receipt of the request, the SPA or Proxy forms will be sent thru registered email to the requesting Stockholder.
- 3.1.3. The Stockholder may likewise download the above forms and then print, sign, scan and submit the signed and notarized SPA or the signed Proxy thru email. To ensure the integrity of the document, each stockholder must use his/her registered email address to send in the SPA and Proxy online otherwise, the SPA or Proxy will not be accepted and considered not submitted.
- 3.1.4. Stockholders who will send their SPAs and proxies online are required to keep the original copies in their files for at least three (3) months and submit the same to the Club upon the latter's request.
- 3.1.5. The member may choose to execute a proxy form or an spa in favor of another member to exercise his right to vote. The Proxy Form or the SPA, whichever is chosen by the member, must designate one person only.
- 3.1.6. Unless the reason for replacement is due to death or severe physical, mental or medical incapacity to discharge the representative's functions under the proxy or SPA, once the proxy form or SPA have been validated and posted, the same shall be deemed final, without prejudice to the right of the Stockholder to personally appear to cancel the proxy form or SPA (equipped with notarized document) and cast his vote before his proxy or assignee shall have cast a vote in his favor.
- 3.1.7. An Attorney-in-Fact cannot execute a Proxy Form for his principal.
- 3.2. Stockholders with limited technical support may send the hard copy of the signed and notarized SPA or the signed Proxy thru courier. Hard copies of the SPA or Pre-numbered Proxy forms may be requested at the Registration. After the forms are properly accomplished (and the SPA notarized), the same may be submitted at the registration.
- 3.3. Candidates and other Stockholders may submit signed and notarized SPA's and get the corresponding Proxies at the Registration.
- 3.4. If the SPA is submitted with 2 names as Atty-in-fact (and/or), it will be invalid for voting and considered for quorum purposes only. If the SPA corrected before submission then it is valid. If a Stockholder sign 2 SPA's in favor of 2 AIF and the 2 AIF submit both SPA's signed by the same stockholder, the SPA's are invalid for voting and considered for quorum purposes only. Without prejudice to the right of the stockholder to exercise his/her right to vote online either remote or in-person.
- 3.5. In case of loss or destruction of the numbered proxy form, the stockholder concerned may request for a Duplicate/New Proxy form. The stockholder must submit a written Request for Replacement Form citing the reason for the request.
- 3.6. In case of a corporate stockholder, the person appearing before the Committee should be equipped with a duly notarized Secretary's

- Certificate showing that he is authorized to cause the cancellation of the subject proxy form.
- 3.7. Once a Duplicate/New Proxy Form has been issued, the Original Proxy form shall be automatically canceled and can no longer be used even if subsequently found.
 - 3.8. All SPA and Proxies sent thru email or submitted at the registration or via courier will be consolidated by Admin and subject to Internal Audit Procedure.

4. ONLINE VOTING PROCEDURE

- 4.1 The Annual Stockholders Meeting (ASM) webcast uses an entirely different secure system. For cyber security purposes, the Online Voting System/Portal also uses a separate, secure system or platform.
- 4.2. An electronic absentee ballot will be available upon login of all registered Stockholders in the front page portion of the website dedicated for the Stockholders Meeting. OTP is required for login in the voting system. The Stockholder will receive his/her OTP thru the registered email while Proxyholders will be sent a separate OTP for voting thru Proxy. All agenda items in the Notice of the Stockholders' Meeting may be voted upon as follows:
 - 4.3 For all items in the Agenda except the Election of Directors, the Stockholder/Proxyholder will click any of the following:

STEP 1: Click the link in the email sent to you containing your log-in credentials to access the ONLINE VOTING PORTAL. Alternatively, you may also click on the VOTE icon in the microsite.

STEP 2: Enter the log-in credentials provided and click LOGIN.

STEP 3: Vote on each agenda item. A brief description of each item for stockholder's approval is appended to the NOTICE OF MEETING.

Vote "Yes", "No", or "Abstain" on each agenda item for approval.

4.3.1 Voting for the Election of Directors

- 4.3.1.1 Electronic Ballot for the Stockholder – the registered Stockholder shall indicate the number of votes for each candidate by following the step by step procedure on the ballot. The number of votes shall not

exceed the number of shares owned by the stockholder multiplied by three (3).

4.3.1.2 Electronic Ballot for the Proxyholder – the registered Proxyholder shall indicate the number of votes for each candidate by following the step by step procedure on the ballot. The number of votes shall not exceed the number of valid proxies multiplied by three (3).

4.3.1.3 For election of directors, vote for three nominees, withhold vote for any of the nominees, or vote for certain nominees only

Note: The stockholder may vote such number of shares for as many persons as there are directors to be elected or cumulate such said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares owned, or distribute them on the same principle among as many candidates as may be seen fit, provided that the total number of votes cast shall not exceed the number of shares owned by the stockholder multiplied by three (3). The three candidates with the most number of votes shall be declared elected.

STEP 4: Once you have reached the last of the agenda items and have made your votes, click on the **CONFIRM AND SUBMIT** button.

STEP 5: You will then be presented with a summary where you can review the votes you have casted. If you are satisfied, once again click the **CONFIRM AND SUBMIT** button. Once confirmed, the Stockholder/Proxyholder will no longer be allowed to make any changes in his ballot. You will also receive an email confirming that your votes have been submitted to the Club.

Note: a stockholder attending and participating in the ASM in multiple capacities must go through the voting process for each capacity. Stockholders must exert all effort in ensuring that their votes are proper prior to submitting the same.

STEP 6: The Stockholder/Proxyholder will logout from the system.

Note: A stockholder who personally casts his vote or votes through an attorney-in-fact or proxy online shall be considered present for purposes of determining quorum even if he or his attorney-in-fact or proxy does not join the webinar during the virtual stockholders' meeting itself.

- 4.4** Stockholders who have not executed a valid SPA or issued a proxy (or have decided to disregard the same) and wish to vote online will be counted for quorum purposes thru the authorization that will be confirmed before access is allowed in the voting system.
- 4.5** An independent third party entity will count and tabulate the votes cast in absentia through the Voting System/Portal.
- 4.6** The Comelec shall validate the voting results and report the same to the Board during the Meeting.

4.7 Schedule of Voting

September 21-22, 2022 a.m.) (Wednesday – Thursday)	Voting in Person online from Sept 21 (8:00 up to Sept. 22, 2022 (5:00 p.m.)
September 23, 2022 (Friday)	Voting by Proxyholder and Attorney-in-fact online from 8:00 a.m. to 5:00 pm

Voting by the stockholders can only be done exclusively through the Online Voting System/Portal stated above and not during the live stream broadcast on September 25, 2022

5 OTHER MATTERS TO ADDRESS ADMINISTRATIVE, TECHNICAL AND LOGISTICAL ISSUES.

- 5.1** The Club is not responsible for the reliability, stability, or the speed of the hardware and software of the computer or device being used by the stockholder, nor shall the Club be responsible for the connection, speed, and stability of the internet connection of the computer or device of the stockholder when using the Online Voting System, and Livestream Broadcast of the 2022 Annual Stockholders Meeting (ASM).
- 5.2** The Club has taken all necessary steps and precautions within its power to ensure the security of the Online Voting System and Livestream Broadcast. This notwithstanding, should the Club detect any unauthorized third-party access, intrusion, interference, and/or interruption with said systems, which in the sole determination of the



Club poses a risk of disclosure of personal and private data or may result in a breach of data privacy laws and regulations, the Club reserves the right to immediately disable any of the systems without prior notice.

ALLAN JOCSON
Corporate Secretary

From: ICTD Submission - Validation request - scanned_response@sec.gov.ph
 Sent: Wednesday, 20 October 2021 1:43 PM
 To: info@valleygolf.com.ph
 Subject: RE: Valley Golf & Country Club Inc. SEC FORM 17-C, AUDIT COMMITTEE AND INDEPENDENT DIRECTORS, 20 OCTOBER 2021

Dear Customer,

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
 (Subject to Verification and Review of the Quality of the Attached Document)
 Official copy of the submitted document/report with Bar Code Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC e-Access System at the SEC website of www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notation shall be filed in PORTABLE DOCUMENT FORMAT (PDF) Secondary Reports such as: 17-A, 17-C, 17-A, 17-Q, ICASK, 13-A, 13-B, I-ACGR, PHS, IHFS, EDPS, SWORN STATEMENTS (Foundations) Monthly Reports, Quarterly Reports, Letters, etc., through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail or over-the-counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the ONLINE SUBMISSION TOOL (OST) such as: AFS, GIS, GFFS, SFFS, LCPS, LCIF, FCPS, POF AND, ANHAM, FS-PARENT, FS-CONSOLIDATEE, OPC, AQ

FOR MC28, please email to:

MC28_SDO20@sec.gov.ph

For your information and guidance.

Thank you and keep safe.

COVER SHEET

1 3 8 5 1
SEC Application Number

VALLEY GOLF & COUNTRY
CLUB, INC.
(Company's Full Name)

DON CELSO S. TRIASON AVE.
VICTORIA VALLEY, ANTIPOLG,
RIZAL
(Business Address No. Street/City/Province)

ROSANNA R. ARGUELLES
Contact Person

658-4901
Company Telephone Number

0 6 3 0
Month Day
Fiscal Year

SEC Form 17-C
Form Type

09 4th Sunday
Month Day
Annual Meeting

Secondary License Type, if applicable

C G F D
Dept. Requiring this Doc.

Approved Ample's Number/Section

Total amount of Borrowings
Owing at Last One Spent Lot

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LOU

Document ID

Cashier

STAMPS

Remarks - pls. Use black ink for stamping purposes

Certification

I, **DAN L. SALVADOR**, the General Manager/Comptroller Officer of **VALLEY GOLF & COUNTRY CLUB, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 13991 and with principal office at Don Gallo 8, Tusson Victoria Valley Antipolo City, as both state:

- 1) That I have caused this Current Report (SEC Form 17-C) for the period ended Oct. 15, 2021 to be prepared on behalf of **VALLEY GOLF & COUNTRY CLUB, INC.**
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the company **VALLEY GOLF & COUNTRY CLUB, INC.** will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____

20 OCT 2021, 20



DAN L. SALVADOR

Attorn

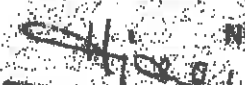
SSS ID: 97-25976014

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20 _____ in _____

20 OCT 2021

ANTIPOLO CITY, Philippines.

NOTARY PUBLIC




ATTY. ROBERTO J. DE LA ROSA JR.
NOTARY PUBLIC
OFFICE ADDRESS: 04, 1000
BLVD. OF ATTORNEYS NO. 1000
BOLF COMPLEX, 1000-1001
BPO 23, 1400, SEC. 15, ANTIPOL
PTR. NO. 1770001, JAN. 04, 1992-ANTIPOL CITY

Doc. No. _____
Page No. _____
Book No. _____
Date of _____

SECURITIES AND EXCHANGE COMMISSION

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(e) THEREUNDER**

1. Date of Report (Date of earliest event reported): 15 October 2021
2. SEC 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: Antipolo, Rizal, Philippines
6. Industry Classification Code:  (SEC Use Only)
7. Address of principal office/ Postal Code: Don Cato S. Talson Ave. Victoria Valley, Antipolo, Rizal 1870
8. Issuer's telephone number, including area code: (632) 655-4901 to 03 / (632) 655-4926 / (632) 655-0079 to 89
9. Former name or former address, if changed since last report: Not Applicable
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common Stock</u>	<u>1,374 shares outstanding</u>

11. Indicate the item numbers reported herein: Item 4

ITEM 4. RESIGNATION, REMOVAL, ELECTION OR APPOINTMENT OF REGISTRANT'S DIRECTORS OR OFFICERS.

In compliance with the Manual of Corporate Governance, the Board of Directors in their Regular meeting last October 15, 2021, approved the following appointments:

1. Dr. Jose G. Razon as Chairman of the Audit Committee
2. Dr. Renato C. Balbag as Chairman of the Compensation Committee
3. Dr. Rafael S. Reynaldo was appointed as Assistant Treasurer
4. The following Directors were appointed Independent Directors of Valley Golf & Country Club, Inc.
 - a. Dr. Jose G. Razon
 - b. Dr. Constantine L. Kohobal-Chua

Attached are the Certifications of the Independent Directors.

5. Atty. Allan Jocson was appointed as Corporate Secretary.

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 hereunto duly authorized.

VALLEY GOLF & COUNTRY CLUB, INC.

Issuer

19 October 2021

Date

By:



DAN L. SALVADOR

Compliance Officer/General Manager

CERTIFICATION OF INDEPENDENT DIRECTOR

1. **JOSE G. RAZON**, Filipino, of legal age and with address at Chateau Verde after having been sworn in accordance with law, hereby depose and state that:

1. I am the Independent Director of **VALLEY GOLF AND COUNTRY CLUB, INC. ("VGGCI")**.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Valley Golf & Country Club, Inc.	Director	2021-2024
Razon's Food Corporation	Executive Vice President/Corporate Secretary	

3. I possess all the qualifications and none of the disqualifications to serve as an independent Director of VGGCI, as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of VGGCI of any changes in the abovementioned information within five days from its occurrence.

Done this 20 OCT 2021 2021 at ANTIPOLIS CITY

JOSE G. RAZON
Affiant

SUBSCRIBED AND SWORN to before me at ANTIPOLIS CITY this 20 day of OCT 2021 by JOSE G. RAZON personally appeared to me with TIN 116-261-85-0-00 known to me who is the same person who signed before me the foregoing Certification of Independent Director and acknowledged that he executed the same.

Doc. No. 113
Page No. 31
Book No. 13
Series of 2021

[Signature]
ATTY. SUBERAIN S. VELASCO JR.
SOLICITOR
SUCR. NO. 116-261-85-0-00
BAR NO. 116-261-85-0-00
P.O. BOX 116-261-85-0-00
ANTIPOLIS CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CONSTANTINE L. KONGHET-CHUA**, Filipino, of legal age and with address at K.C. Bros. Industrial Corp., 60 Agos Extension, Tatalon, Quzon City Metro Manila after having been sworn in accordance with law, hereby depose and state that:

1. I am the Independent Director of **VALLEY GOLF AND COUNTRY CLUB, INC. (VGCCI)**
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Valley Golf & Country Club, Inc.	Director	2021 - 2024
K.C. Bros. Industrial Corp.	General Manager	April 1998 - Present
Evolution Electric Cars Ph	Director	Dec 2020 - Present
Geely Fairview	Director	June 2024 - Present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of VGCCI, as provided for in Section 76 of the Securities Regulation Code and its implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of VGCCI of any changes in the abovementioned information within five days from its occurrence.

Done this 10 OCT 2021 day of 2021 at ANTIPOLO CITY


CONSTANTINE L. KONGHET-CHUA
 Affiant

SUBSCRIBED AND SWORN to before ANTIPOLO CITY day of 10 OCT 2021 2021 by **CONSTANTINE L. KONGHET-CHUA** personally appeared to me with TIN 109-854-140 known to me who is the same person who signed before me the foregoing Certification of Independent Director and acknowledged that he executed the same.

Doc. No. 1
 Page No. 3
 Book No. 53
 Series of 2021.


ATTY. BONIFACIO J. DE LEON JR.
 SOLELY PUBLIC
 OFFICE: SACRAMENTO ST. 2ND
 B. L. CITY, ANTIP. 1701
 REG. COMPL. NO. 11-017488
 Date: 10/10/2021

PART IV – CORPORATE GOVERNANCE

ITEM 13 – CORPORATE GOVERNANCE

(a.) The evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance.

1. Initially, the Club adopted the Corporate Governance Self-Rating System Form.
2. Valley Golf has a Business Plan and Annual Budget. Management conducts a monthly review of compliance with the action plan. Every month a Management Report is submitted during the Board Meeting which contains the status report of the business plan and the comparative financial statement against the budget to reflect the variances. Included also is a monthly highlight of the financial report with detailed explanations on the variances of the actual figures as compared to the budget.

(b.) Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance.

1. The Audit Committee and the Finance Committee meet with the External Auditors regarding the annual examination of the financial statements of the Club and the operations of the Club.
2. The Club has a Membership Handbook and a Personnel Manual that contain policies, procedures and implementing guidelines on dealing with members and employees.
3. The President submits a monthly Management Report to the Board of Directors.
4. The Board of Directors had appointed the members of the Nomination Committee, Compensation and Remuneration Committee and Audit Committee to comply with their respective duties and responsibilities as provided for in the Manual of Good Corporate Governance.
5. The Board of Directors had appointed an External Auditor and hired an Internal Auditor in compliance with the Manual of Good Corporate Governance.
6. The Club's annual report is disseminated to all members to inform them of the results of the operations of the Club and the activities of the Board for the fiscal year.
7. The Board of Directors has created several committees to ensure compliance with the Club's Code of Corporate Governance. Among the committees created are the Management Committee, House Committee, Membership Committee, Finance Committee, Sports and Games Committee, Nomination Committee, Grounds & Engineering Committee, Administration Committee, Legal Committee, Real Estate Committee, Security Committee and Election Committee.
8. During the Fiscal year 2021, the following Members of the Board of Directors and Compliance Officer attended the Seminar on Corporate Governance:

The following Members of the Board of Directors attended the Webinar on New Code of Corporate Governance for Public Companies and Registered Issuers on January 12, 2021, via Zoom at the Center for Global Best Practices Foundation.

1. Dir. Jose Arsenio Isidro D. Borromeo III

2. Dir. Renato C. Ballbag

The following Members of the Board of Directors and General Manager/Compliance Officer attended the Seminar on Corporate Governance Orientation Program on November 19, 2019, at the Institute of Corporate Directors, Makati Diamond Residences, Makati City, Metro Manila

1. Dir. Carlo J. Carpio
2. Dir. Reginald Benjamin V. San Pedro
3. GM Cliff M. Friedman

The following Members of the Board of Directors attended the Seminar on Corporate Governance Orientation Program on August 28, 2019, at the Institute of Corporate Directors, Tower Club, Philam Tower, Makati City, Metro Manila.

1. Dir. Leopoldo M. Garcia
2. Dir. Albert G. Que

(c.) Any deviation from the company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual

There is no deviation from the Manual of Corporate Governance of Valley Golf & Country Club, Inc.

(d) Any plan to improve corporate governance of the company

In compliance with SEC Memorandum Circular No. 24 Series of 2019, requiring the submission of the Revised Manual on Corporate Governance, the Board of Directors approved on July 22, 2020, the new Manual of Corporate Governance of Valley Golf and was submitted electronically on July 25, 2020.

In compliance with SEC Memorandum Circular No. 19 Series of 2020, the Amended Manual of Corporate Governance signed by the Chairman of the Board and Compliance Officer was submitted electronically on September 25, 2020

MANAGEMENT REPORT

To have accomplished what Valley Golf has this year in spite of the on-going COVID-19 pandemic and subsequent government mandatory lockdowns, where operations are reduced to none/zero (ECQ) to maximum fifty percent capacity (50%) with still no income from tournaments and events, is truly a big understatement. Valley Golf has achieved many milestones this year with all these considered, including the highest value of club share in recent memory, which is at Php1,700,000.00, excluding transfer and other fees (an 89% increase from Php900K during the height of the pandemic). Valley Golf also had its highest ever cash position at Php61 million (a 244% increase from Php25 million in May 2020) and, finally, a net income increase of 155% at Php9.4 million from a deficit of Php17.2 million from the previous year, or a Php26.6 million turnaround even if Valley Golf continues to have the lowest monthly dues in its class.

Here are the projects and accomplishments of the club for the Fiscal Year 2020-2021:

1. Two (2)-Story Golf Cart Parking Building (On-going);
2. Swimming Pool Landscaping and Cabana (On-going);
3. Desilting Pond Access Road Construction (On-going);
4. Renovation and Expansion of Fairways Tee Houses (On-going);
5. Rehabilitation of South Course Blue and White Tee-Boxes;
6. Rip Rapping Waterways Renovation in partnership with DPWH (Total of Php38 million);
7. South Course Hole #4 Tee Box Renovation and Expansion;
8. Member's Golf Cart Parking Extension (70+ units capacity);
9. Registration Glass Enclosure;
10. Introduction of Entry/Exit To/From South Course Fairways (Using Zoysia Sod);
11. North Tee-Box #1 Gold Tee Construction;
12. Locker Hallway Renovation;
13. Renovation and Relocation of Pro Shop to be Integrated with VGCC Point-Of-Sale System;
14. Men's Locker Room Renovation and Expansion;
15. Men's Lockers Expansion (50 units);
16. Replacement of North Course Turbine Irrigation Pumps (after more than 30 years);
17. Women's Lockers Renovation;
18. Women's Lockers Conversion to Digital Locks;
19. Member's Car Parking Pavement Repair;
20. Don Celso Tuason Avenue Road Repairs and Maintenance;
21. Improvement of DCTA posts lighting to 60 watts (from 30 watts);
22. Lay-By Construction at South Course Hole #9;
23. Lay-By Construction at South Course Hole #18;
24. Construction of Rotunda at North Course Hole #5;

25. Installation of Concrete Pathway to Ladies Tee Box;
26. Repair of Cart Path at South Course Hole #10;
27. Repair of North Course Hole #3 Bridge;
28. Repair of Cart Path at South Course Hole #6;
29. Repair of Cart Path at North Course Hole #8;
30. Gabion Filter Construction (continuation from previous year);
31. North Starter House Construction (continuation from previous year);
32. Swimming Pool Construction and Renovation (continuation from previous year);
33. Replacement of South Course Turbine Irrigation Pumps and Motors (continuation from previous year);
34. South Course & North Course Hole #1 Message, Information, and Advisory Board; and
35. Roofing/Canopy Construction (from on the entrance to the locker rooms from member's parking).

There were doubts whether success can be achieved this year, including from the Board of Directors (Board, BOD) and management, especially since there were more, and stricter quarantine days this year and, therefore, no possible income from outside tournaments, such as the Don Celso Tuason and Founder's Cup (DCTFC), and the Bingo Social and Grand Raffles, yet the club can be proud of very notable milestones and achievements, such as the following:

1. Compliance Management (IATF, NGAP, Safety Seal) - Valley Golf was able to develop, establish and continuously improve its own set of protocols and guidelines that created a system of golf and club operations that enable it to thrive despite the obvious handicaps the different quarantine mandates have brought, compliant and adherent to all local and national pandemic laws. With the safety and health as utmost priority, the club remains to be safe for its members, guests, and especially employees with no confirmed transmission to date and is recognized to be one of the first to receive a SAFETY SEAL recognition from the city of Antipolo, given only to the most compliant establishments.

2. Fiscal Responsibility - Even though challenged by the dramatic reduction of revenue streams, historic fiscal feats abound with regard to responsible fiscal management including but not limited to:

- 2.1. Share Value - Historical high at Php1,700,000.00 exclusive of other fees or 89% increase from Php900,000.00;
- 2.2. Cash Position - Highest ever cash position at Php61 million or 244% increase from Php25 million;
- 2.3. Net Income - Highest ever income from deficit turnaround or improvement of Php26.6 million, an

- increase of 155% at Php9.4 million income from a Php17.2 million deficit the previous year;
- 2.4. Operating Expenses – Lowest ever annual operating expenses at only Php105 million;
 - 2.5. CBA – The most successful Collective Bargaining Agreement between employees and management in relation to cost impact and total expenses for the club;

All these while operating only at maximum 50% capacity and resolving to make Valley Golf exclusive to members only.

3. Inoculation Herd Immunity – Valley Golf leads all clubs in its vaccination drive and program being the first to achieve herd immunity (at 70%) as early as July 2021. Currently 84% of all the club's manning organization of employees, caddies, security guards, concessionaire, driving range, engineering, utility, and other third party employees and casuals have been administered with at least one (1) shot of COVID-19 vaccine as of September 2021. Valley Golf is on track to be the first fully vaccinated club in the country all while saving millions in club funds as it has partnered with the local governments of Antipolo and Cainta for this inoculation endeavor, free of charge.

4. Golf Course and Fairways Management – Valley Golf continues to manage and improve its courses diligently. The South Course, in particular, is in its best condition in years, and is now eligible for play even after periods of heavy rains. The club has managed to schedule at least 2 course aerations this year, the first in February, and the second, in October. The continuous aerations, missing in the past years, will make certain of the sustainable maintenance conditions.

The club has also renovated and repaired the tee boxes with Zoysia Matrella grasses, and positive reviews on this is expected to continue as the club moves further with this in the North Course. The fairways filtration and irrigation projects from the previous years to present have ensured the quality of the club's waters introduced to its courses. Management is confident that this will finally address the silting problems particularly in the South Course fairways. The infusion of Zoysia grasses in the fairways landing area has also been restarted, which will further promote a better golfing experience and excitement for all.

5. Value Proposition – Projects with high value proposition is the precedence of this term with little to NO cost for the club but with maximum high value impact. Examples of these projects are:

- 5.1. DPWH Partnership – The Php38 million rip rapping project starting from the bridge gate all the way to the

South Course Hole #10 is part of the long-term irrigation and management improvement. This project is of no cost to Valley Golf and yet establishes a long term weather resilient golf courses for the club.

- 5.2. Tee Houses Renovation and Improvement - The renovation and improvement to add more capacity to dine, add more golfer's toilet space, and additional caddies' toilets will be a Php10 million investment, but FREE of charge to Valley Golf, as this is inclusive to the tee houses concessionaire contract.
- 5.3. Globe Tower - Years after installation, little to no value was introduced to the club from the Globe tower construction and instead has only taken up at least two (2) parking slots from members parking area. From this term, finally, there has been a mutual agreement from Valley Golf and Globe to maintain and improve the tower but will now include an, at least, equivalent of Php800,000.00 annual compensation to Valley Golf (from Globe) for its part. Dito Telecommunications has expressed the same interest and initial management discussions has been conducted.
- 5.4. Main Clubhouse and Facilities Master Plan - Valley Golf and its members deserve club facilities that is truly world class and state of the art, and therefore, this term's Board of Directors has resolved and approved the master plan to renovate the main clubhouse and dining area. The timeless yet modern design approach and aesthetics ensures to cater and accommodate more members not only in golfing events like the DCTFC, outside tournaments, but also parties, weddings and gatherings, and also modern fine dining experience to our members and guest that would complement possible social memberships planned. Inclusive of this is the mandate to conduct retrofitting works, after thorough evaluation and study, prior to any construction as part of the Board's commitment to safety.
- 5.5. Introduction of New Valley Golf Logo - A new, more modern and fresher version of the club's logo has been adopted.

Lots more can be noted that promotes and contributes to the club and its members the best way possible. Some of the club's future projects in the pipeline with budget allocations are the following:

1. Sewerage Treatment Plant Construction – Main Clubhouse;
2. Main Clubhouse and North Clubhouse Retrofitting Works; and
3. Main Clubhouse Renovation with Coffee Shop and Lounge and Fine Dining Upper Veranda Restaurant with Pool and Cabana Kitchen.

Cash flow wise, Valley Golf is very liquid with unprecedented Php61.70 Million in cash and cash equivalents and short-term investment as of June 30, 2021.

In the Audited Financial Reports, the club's Current Ratio (this ratio represents the liquidity of the Club or the available current assets to settle the current liabilities) is at an impressive rate of 1.8%. The receivables from Members' Accounts decreased by Php2 Million, which is the result of intensified collection campaign as well as providing on-line payment options for the convenience of our members.

The club's total assets as of June 30, 2021 is Php305.86 Million, wherein the Gross Revenue is Php140.98 Million or an increase of Php1.27 Million or 1% from last year.

Considering the substantial decline in one of the club's major revenue sources, which is the Green Fees, with a decrease of Php8.77 Million, the club still managed to tap other revenue sources to augment its operations. Revenues from Transfer Fees (Php11.35 Million), Service Charges (Php8.43 Million), Road Users' Fees (Php14.89 Million) and Assessments for Road Maintenance (Php8.40 Million) have contributed significantly on the increase in the club's revenue.

For the Fiscal Year 2021 it is worth noting the improvement in the results of the club's operations with an Excess of Revenues over Expenses of Php9.42 Million. The key to the favorable results of operations is the prudent but reasonable controls in the operating expenses, which paid off with the cost and expenses being at its minimal level of Php131.22 Million or a decrease of Php23.77 Million or 15% from last fiscal year's Php154.99 Million, which is quite an achievement.

For the club's going concern, the pandemic will surely still affect its financials for the Fiscal Year 2022. However, the Board and Management plans to strictly adhere to the club's Financial & Budget Plan as well as conscientiously review its contractual obligations so as to help the club through another challenging year.

On the overall, it can still be concluded that financially, Fiscal year 2021 is a good year for Valley Golf and the Board is hopeful that it will continue in the coming years.

PROJECT ACCOMPLISHMENTS:

1. Renovation of Swimming Pool Complex
2. Construction of 2-storey Golf Cart Parking
3. Infusion of Zoysia Matrella grass in the South Course
4. Vaccination program of all employees and service providers

5. Career development of employees.
6. Continuation of the DPWH Waterway program

OPERATIONAL AND FINANCIAL INFORMATION

(1) Market Information

The principal competitors near our area of operations are two privately owned golf courses, Forest Hills Golf and Country Club located in Cogeo, Antipolo City and Eastridge Golf & Country Club in Binangonan and one public course, Sun Valley Golf Course. These courses are relatively new and are still building up their membership base, whereas, Valley Golf having been in the business for 60 years old is already proud Golf Club with its roster of respectable membership. Valley Golf's luscious greens and fairways are still the best in the area and very well maintained. The rainforest trees in our courses that have matured through the years have provided a canopy on the fairways and its majestic beauty is something that other golf courses cannot duplicate. The friendly atmosphere and the camaraderie of the entire membership and employees are what make our golf course unique. Eastridge has an 18-hole golf course and Forest Hills has a 36-hole golf course but Valley Golf's greens, fairways, trees, sand traps and meandering rivers will always make the difference. Each golf course may have its own unique characteristics but Valley Golf's design and intriguing South Course is something that has always attracted the enthusiasm of golfers. The challenging contour of the courses will always make one's round of golf an enjoyable and unforgettable experience Valley Golf's all weather South Course has already made its impact on the members and their guests.

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

Market Price & Dividends

The prevailing market price of the Valley Golf & Country Club, Inc., share as of June 30, 2022 is P2,200,000.00 per share plus transfer fee amounting to 200,000.00 (based on GG&A Club Shares published Advertisements) compared to its value of PhP1,600,000.00 per share sometime June of 2021. The increase in the market price has been influenced by the prevailing national economic situation. Contributory to such increase in value was the infrastructure improvements around the Club, i.e., wider road and increased vehicular traffic. Shares have been transacted in a very sporadic manner. Share transactions remain unpredictable.

Being a non-profit corporation, the country club does not declare dividends in the event that operations should become profitable. Instead, all earnings of the country club are reinvested to ensure better service and facilities to its golfing members.

(2) Holders

The top 20 shareholders of Valley Golf and Country Club, Inc. as of June 30, 2022 are as follows:

Stockholder	No. of Shares Owned	Amount subscribed	% Ownership	Citizenship
1 Fenestram Corporation	15	135,000.00	0.94%	FILIPINO
2 G7 Philippine Printing Corp.	11	99,000.00	0.69%	FILIPINO
3 Pae Ventures, Inc	6	54,000.00	0.38%	FILIPINO
4 Manilla Electric Co.	5	45,000.00	0.31%	FILIPINO
5 Solid State Multi-Prod. Corp.	5	45,000.00	0.31%	FILIPINO
6 Squires Bingham Co., Inc.	5	45,000.00	0.31%	FILIPINO
7 TDR, Incorporated	5	45,000.00	0.31%	FILIPINO
8 First Phil. Holding Corp.	4	36,000.00	0.25%	FILIPINO
9 Madrigal, Vicente/Gerardo A.S.	4	36,000.00	0.25%	FILIPINO
10 Metropolitan Bank & Trust Co.	4	36,000.00	0.25%	FILIPINO
11 Philippine National Bank	4	36,000.00	0.25%	FILIPINO
12 Reliable Electric Co., Inc.	4	36,000.00	0.25%	FILIPINO
13 Cheok, Edward N.	3	27,000.00	0.19%	FILIPINO
14 Co, Val Constantine L.	3	27,000.00	0.19%	FILIPINO
15 Dee C. Chuan & Sons, Inc.	3	27,000.00	0.19%	FILIPINO
16 Severo A. Tuason & Co.Inc.	3	27,000.00	0.19%	FILIPINO
17 Tuason, Severo J.	3	27,000.00	0.19%	FILIPINO
18 Carmona, Manuel Y.	2	18,000.00	0.13%	FILIPINO
19 Metropolitan Insurance Co.	2	18,000.00	0.13%	FILIPINO
20 Phil. Long Distance Tel Co.	2	18,000.00	0.13%	FILIPINO

(3) Dividends

Valley Golf does not declare cash or any other form of dividends in favor of its stockholders. Consequently, there are no restrictions imposed that would limit the payment of dividends on common shares as no dividends are declared in the first place.

(4) Recent Sale of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

There are no sale of unregistered securities or recent issuances of Securities by Valley Golf constituting an exempt transaction.

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

1. PLAN OF OPERATION

OBJECTIVES:

- a. To have a well-planned improvement of Club facilities and services.
- b. Profitability and financial liquidity for operations and availability of funds for 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. Implementation of the priority capital expenditures for the year for the golf courses:
 - a. To start Phase 2 of the Zoysia infusion project by Dec. 2022 with a budget of P 9 Million.
 - b. To start the construction of the Sewerage and Wastewater Treatment Facility with a budget of P13 Million.
2. Implementation of other priority projects
 - a. To start the Road Re-blocking of Don Ceaso Tucson Avenue from Ortigas to Sumulong Gates with a budget of P17.5 Million by August 2022.
 - b. Partial implementation of the new Club Management and Accounting System with a budget of P4 Million by Dec. 2022.

2. MANAGEMENT DISCUSSION AND ANALYSIS

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

In a more detailed analysis of our Revenue sources, the significant decreases are from our Green Fees by Php9.77 Million, Concessionaires' Fees by Php1.94 Million, Locators Fees by Php0.36 Million, Self Insurance Fee & Service Fee from Guests by Php0.73 Million, Tournament Fee by php1.32 Million and Miscellaneous Income by Php2.78 Million. On the other hand, the following revenue sources increased during the year: Golf Cart Rental by Php4.87 Million, Transfer Fee by Php5.70 Million, Service Charge by Php3.05 Million, Road Users' Fee by Php8.41 Million and Assessment for Road Maintenance by Php1.85 Million.

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

During the year the Treasury was able to finance various projects such as the Renovation of the swimming pool, Construction of 2-level golf cart garage, Construction of Cabanas/Gazebos, Landscaping at the swimming pool area, Renovation of the Ladies Locker and hall way, Zoyzia Infusion in the South Course, Rehabilitation of the both the South and North Course pumps and purchase of Backhoe, service vehicle and new furniture for the swimming pool complex.

In the Audited Financial Reports, our Current Ratio (this ratio represents the liquidity of the Club or the available current assets to settle the current liabilities) is at an impressive rate of 1.8%. Cash flow wise, our Club is very liquid with unprecedented Php61.70 Million in cash & cash equivalents and short-term investment as of June 30, 2021. Our receivables from Members' Accounts decreased by Php2 Million which is the result of intensified collection campaign as well as providing on-line payment options for the convenience of our members. Our total assets as of June 30, 2021 is Php305.66 Million.

The market value of our shares of stock has reached Php2.2 Million plus transfer fee of P200,000. Our keen business decisions, the continuing development of our golf courses and the upward trend of the golf Clubs' market are contributing factors for our achievement. The Board is committed in its effort to maintain the steady increase in the market value of our shares of stock. The scheme is to gradually return the exclusivity of the Club but at the same time introduce alternative revenue sources to cushion the financial impact of the increasing inflation rate. During the year, the Club stopped accepting walk-in guests as part of the plan to maintain the exclusivity of the Club and for safety protocol.

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

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

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

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

There are no material commitments for capital expenditures.

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

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

The **FINANCIAL SOUNDNESS INDICATORS** are as follows:

1. **CURRENT RATIO** - represents the ratio of current assets against current liabilities. This ratio represents the liquidity of the Club or the available current assets to settle the current liabilities.

Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	
	As of June 30, 2021	As of June 30, 2020
Current Assets	83,466,683.00	59,893,051.00
Current Liabilities	46,374,156.00	44,735,954.00
Current Ratio	1.80	1.33

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

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

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

Acid Test Ratio	$\frac{\text{Current Assets Less Inventory}}{\text{Current Liabilities}}$	
	As of June 30, 2021	As of June 30, 2020
Current Assets less Inventory	79,869,420.00	55,848,377.00
Current Liabilities	46,374,156.00	44,735,954.00

Acid Test Ratio	1.72	1.25
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The amount of Current Assets less Inventory for Fiscal year 2021 went up to P79.67 Million from P55.85 Million in 2020 or an increase of P24.02 Million, whereas Current Liabilities increased by P1.6 Million. The increase in the ratio indicates that the Club is more liquid in FY 2021 than in FY 2020.

3. **SOLVENCY RATIOS** – are ratios that are calculated to judge the financial position of the Club from a long-term solvency point of view. These ratios measure the club's ability to satisfy its long-term obligations and are closely tracked by stockholders and investors to understand and appreciate the ability of the business to meet its long-term liabilities and help them to assess the long-term investment of their funds in the business.

a. **LONG-TERM DEBT TO EQUITY RATIO** – aims to determine the amount of long-term debt the Club has undertaken vis-à-vis the Equity and helps in finding leverage of the business. The ratio also helps in identifying how much long-term debt the Club has to raise compared to its equity contribution.

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

	As of June 30, 2021	As of June 30, 2020
Long-Term Liabilities	5,584,101.00	6,127,786.00
Total Members' Equity	253,904,262.00	242,712,820.00
Long Term Debt to Equity Ratio	.02	.03

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

b. **DEBT TO TOTAL ASSETS RATIO**- this represents the ratio of total liabilities to total assets or the assets available to settle outstanding liabilities of the Club. This is used to assess the total leverage of the business. The higher the ratio, the higher the leverage and higher the financial risk on account of a heavy debt obligation on the part of the business.

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

	As of June 30, 2021	As of June 30, 2020
Total Liabilities	51,956,257.00	52,863,740.00

Total Assets	305,862,519.00	295,576,560.00
Debt to Total Assets Ratio	0.17	0.18

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

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

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

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

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

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

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

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

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

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

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

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

The Total Assets increased by P10.28 Million in Fiscal Year 2021 while the Stockholders' Equity increased by P11.19 Million which explains the decrease in ratio, indicating that less of the assets were funded by shareholders than by debt.

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

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

	As of June 30, 2021	As of June 30, 2020
EBIT	9,760,845.00	(15,289,709.00)
Interest Expense	0	0
Interest Rate Coverage Ratio	0	0

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

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

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

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

The operations for Fiscal Year 2021 resulted to a net income of P9,422,193.00 thus the Return on Equity Ratio is 0.04 which is higher by 0.11 from the (0.07) in

previous fiscal year. Each peso of Members' Equity generated an income of 0.04 in FY 2021.

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

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

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

Operations for Fiscal Year 2021 resulted to a net income of P9,422,193.00 as compared to net loss of (P17,198,344.00) in Fiscal year 2020. This is an improvement of P26,620,537 resulting in a positive 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.

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

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

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

10. OTHER RATIOS

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

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

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

For the Fiscal Year ended June 30, 2021 the Net Income per share is P5,911.04 as compared to Fiscal Year ended June 30, 2020 which showed a net loss per share of (P10,789.42) or an improvement of P16,700.48. Net Income for the year is P9,422,193.00 or an increase of P26,620,537 from the net loss of (P17,198,344.00) for the year ended June 30, 2020.

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

A. OPERATING RESULTS

1. Revenues – revenues increased from P139,704,496 in 2020 to P140,976,486 in 2021 or an increase of P1,271,990 or 1%. Significant sources of the increase in revenue are Golf Cart rental by P4,876,691, Monthly Dues by P876,976, Transfer Fee by P5,699,600, Service Charge by P3,051,932, Road Users Fee by P6,407,957 and Assessment for Road Maintenance by P1,853,747. Revenue sources that decreased during the year are Green Fee by P8,773,553, Concessionaire Fees by P1,939,902, Locators Fees by P363,393, Self Insurance Fee by P446,220, Service Fee from Guests by P281,341, Tournament Fee by P1,318,697 and Miscellaneous Income by P2,797,716

Golf cart rental increased due increase in number of rentals from 12,906 in FY 2020 to 19,942 in FY 2021 or an increase of 6,936 rentals due to implementation of mandatory golf cart for guests and one cart one user rule. Monthly Dues increased due to increase in Playing Rights members and Associate Dependents. Transfer Fee increased mainly due to increase in rate from P112,000 to P200,000 for third party market and from P11,200 to P20,000 for first degree transfers effective Jan. 1, 2021. Service Charge increased due to increase in rate of Initial Service Charge from P75,000 to P150,000 and Renewal Fee from P30,000 to P80,000 (new members) or P50,000 (existing members) effective Jan. 1, 2021. Road Users Fee went up due to increase in the passing thru rate from P50.00 to P100.00 effective Feb. 1, 2021 and increase in number of deliveries. Assessment for Road Maintenance increased due to increase in number of sales of car stickers and stricter implementation of no sticker no entry policy.

Decrease in Green Fee is due to the decrease in total number of non-member golfers who played in our courses from 17,780 guests in 2020 to 6,807 in 2021. This was brought about by the Covid-19 Pandemic quarantine restrictions wherein only accompanied guests are allowed to play and closure of the operations of the Club for one month last April 2021 in accordance with IATF Guidelines. Green Fee rates however increased effective Jan 2021 at the South Course Weekday by P150 and Weekend P200 and at the North

Course Weekday by P150 and Weekends by P300. Concessionaires Fees from the F & B Concessionaires went down because of the decrease in sales of the restaurants that resulted from fewer guests and restrictions in the dining activities as well as the closure of the Club last April 2021. Locators Fees decreased due to the Board Resolution to cancel the implementation of the monthly Locators Fee and to require all deliveries to pay Road Users Fee. Both the Self Insurance Fee and Service Fee from Guests decreased due the restrictions on the acceptance of guests to accompanied guests only and non-acceptance of Walk-in players. In compliance with IATF Guidelines all private and Club tournaments were not allowed therefore resulting to the decrease in Tournament Fees. Miscellaneous Income decreased due to decrease in sale of gasoline and utility charges to the concessionaires.

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

Personnel Expenses decreased from P29,334,667 in 2020 to P27,677,244 in 2021 or a decrease of P1,657,453 or 6%. Salaries and Wages decreased by P600,527,65 because of the resignation of the Golf Director, retirement of other positions without replacements and the salary of the General Manager recorded as Outside Services. Overtime decreased by P769,983; Meal Allowance decreased by P127,853; 13th month Pay decreased by P97,564; Vacation and Sick leave decreased by P116,245; Bonus & Gratuity decreased by P41,066 and Training and Seminar decreased by P47,280.42. Hazard Pay for the Club Nurse increased by P50,300; Allowance of the Committee Secretaries increased by P10,000; Covid 19 Supplementary Allowance increased by P21,000; Pag-Ibig Contribution increased by P550; SSS, PHIC & EOC increased by P5,394 and Retirement Benefit Expense increased by P255,843.

Supplies increased from P18,354,808 in 2020 to P18,810,748 in 2021 or an increase of P455,940 or 2%. Stationeries and office supplies increased by P112,798; Repairs & Maintenance increased by P1,475,251; Janitorial supplies increased by P359,860; Medical and Dental supplies increased by P233,047; Motorpool and Ground supplies increased by P28,996 and Miscellaneous supplies increased by P1,200,333. Gasoline and Oil Supplies decreased by P403,610; Toilet and cleaning supplies decreased by P989,462; Service supplies decreased by P540,553; Swimming pool supplies decreased by P104,898; Linen supplies decreased by P845,110 and Uniforms decreased by P70,732.

Utilities decreased from P14,673,327 in 2020 to P8,682,534 in 2021 or a decrease of P5,990,793 or 41%. Electricity decreased by P4,360,838; Communication by P91,227 and Water by P1,536,728.

Outside Services decreased from P42,377,584 in 2020 to P40,065,870 in 2021 or a decrease of P2,312,014 or 5%. Retainers Fee decreased by P118,835; Legal Fees by P980,682; Laundry Services by P907,957 and Maintenance Crew by P4,104,385. Audit Fees increased by P55,622.

Security Services by P1,895,534 and Golf Course Maintenance by P1,848,790

Sundries decreased from P18,270,256 in 2020 to P10,720,107 in 2021 or a decrease of P7,550,149 or 41%. Taxes and Licenses decreased by P548,986, Transportation & travel by P19,347, Insurance by P22,302, Board, Committee and Stockholders Meeting by P173,223, Ads & Publication by P126,584, Marketing Expenses by P200,000, Promotional and Industrial by P162,410, Bank Charges by P161,009, Tournament expenses by P4,190,571 and Miscellaneous by P1,958,258. Self-insurance expense increased by P12,967.

B. BALANCE SHEET ACCOUNTS

1. Cash and cash equivalents – increased from P34,087,111 in 2020 to P51,715,093 in 2021 or an improvement of P17,627,982 or 52%. Increase resulted from Net cash generated from operating activities amounting to P38.04 Million which is higher by P32.61 Million from last year's P5.23 Million. Net cash flow used in investing activities amounted to (P20.41) Million due to increase in short term investment of P10 Million. Additions to property and equipment of P9.96 Million and other noncurrent assets of P0.46 Million. Cash and Cash Equivalents at the beginning of the year is P34.09 Million plus the Net increase in cash is P17.63 Million. Cash at the end of the year is P51.72 Million.

2. Trade and other receivables – went down from P16,987,794 in 2020 to P13,731,908 in 2021 or a decrease of P3,255,886 or 19.17%. Decrease was due to decrease in Members account by P1.89 Million and Other Receivables by P1.37 Million.

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

4. Other current assets – went down from P8,616,146 in 2020 to P7,994,765 in 2021 or a decrease of P623,381 or 7.22%. Decrease resulted from decrease in supplies inventory by P247,411, prepayments by P78,214 and others by P354,066.

5. Property and equipment – decreased from P228,695,886 in 2020 to P215,365,047 in 2021 or a decrease of P13,310,839 or 5.82%. Additions for the Year 2021 includes the Construction in Progress – Swimming pool in the amount of P3.96 Million, Construction in Progress – Golf Cart Garage amounting to P3.97 Million, Construction in Progress – Swimming pool Cabana in the amount of P0.50 Million and Ground tools and service machinery and equipment of P1 Million. However, Accumulated Depreciation increased by P23.29 Million accounting for the decrease in the Property and Equipment.

6. Investment properties – went down from P349,053 in 2020 to P214,565 in 2021 or a decrease of P134,488 or 38.53%. Depreciation for the fiscal year 2021 for the North clubhouse is P134,488.
7. Deferred tax asset – amount for year ended June 30, 2021 is P226,570. This figure is arrived at by deducting the Provision for deferred tax during year in the amount of P149,521 and the Other Comprehensive Income of P317,906 from the balance at the beginning of the year of P684,991.
8. Other non-current assets – went up from P1,334,984 in 2020 to P1,759,125 in 2021 or an increase of P423,161 or 31.69%. Increase is due to Computerization Project in the amount of P658,561 and Advances to Suppliers of P52,000 less Advances to Suppliers Non-Current of P295,400.00.
9. Trade and other payables – went down from P16,276,250 in 2020 to P16,006,856 in 2021 or a decrease of P269,391 or 1.65%. Decrease was due to decrease in Accounts Payable by P1.83 Million, Accrued Expenses by P0.28 Million and Val Payable by P26,323 whereas Accounts Payable Others increased by P0.37 Million, Concessionaires by P0.38 Million and Payable to Organizations, Lessors and Cooperative by P1.11 Million.
10. Members' Deposits and Others went up from P15,484,520 in 2020 to P16,886,951 in 2021 or an increase of P1,404,431 or 9.07%. Increase resulted from refundable cash deposits from members, Credit balances of former members and advance payments made by the members to avail of the 1 month discount promo of the Club upon payment of 1 year monthly dues.
11. Retirement benefit obligation – decreased from P7,976,808 in 2020 to P5,446,848 in 2021 or a decrease of P2,529,960 or 31.72% due to decrease in the present value of benefit obligation as per actuarial valuation.
12. Members' Equity – increased from P242,712,620 in 2020 to P253,904,262 in 2021 or an improvement of P11,191,442 or 4.61% due to the increase in the accumulated excess of revenues over expenses by P11.19 Million.

Fiscal Year 2020

A. OPERATING RESULTS

1. Revenues – revenues decreased from P151,856,633 in 2019 to P139,704,496 in 2020 or a decrease of P12,152,137 or 8.00%. Significant sources of the decline are the Green Fees that decreased by P4,200,532 and the Assessment for Road Maintenance that decreased by P1,817,327. Other Revenue sources that showed decreases include Golf cart rental by P314,646, Green Fee coupons by P966,347, Transfer Fee by P1,040,000, Concessionaires' Fee Main Clubhouse by P965,037, Concessionaires' Fee North Clubhouse by P396,062, Pro-shop rental by P243,657, Locators' Fee

by P361,225, Self Insurance Fee by P184,200, Service Fee on Non Members by P136,257, Tournament Fee by P751,656 and Rental of Driving Range by P84,612.

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

Decrease in Green Fee is due to the decline in the total number of non-member golfers who played in our courses from 23,027 in 2019 to 17,780 guests in 2020 brought about by the Covid 19 Pandemic quarantine restrictions that closed the operations of the Club for almost three (3) months plus the fact that since Mar. 17, 2020 the Club has not allowed guests to play in accordance with IATF Guidelines. Assessment for road maintenance decreased due to decrease in quantity sold because of the closure of the Club. Golf cart rental decreased due to decrease in number of rentals by 1,164 units, from 14,070 in 2019 to 12,906 in 2020 because of the closure of the Club's operations during the pandemic and non-acceptance of guests. Income from Green Fee coupons decreased due to non-availment of the coupons purchased by Prime Sports because of the restrictions on the acceptance of guests during the quarantine period. Decrease in Transfer Fee is mainly due to the decrease in number of members willing to sell or transfer their shares to 3rd party, 1st degree and foreigner. Decrease in Concessionaires' Fee was due to decrease in total sales of Main Clubhouse Arix's by P7.93 Million, sales of North Clubhouse Jay's by P5.66 Million and Pro-shop Rental by P243,557 for this fiscal year. Locators' Fee decreased because of the Board Resolution that cancelled the imposition of the Locators' Fee and required establishments along Don Ceiso Tiasoy to instead pay the Road Users' Fee. The Self Insurance Fee, Service Fee and Tournament Fee decreased because of the decrease in the number of guests. Rental of Driving Range decreased because of the waiver of the rental fee for 3.5 months during the quarantine period.

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

2. **Cost and Expenses** - For the fiscal year 2020 the total cost of services and general and administrative expenses amount to P164,994,205 or an increase of P11.37 Million or 7.91% from previous year's figure of P143,626,959

Personnel Expenses decreased from P30,380,468 in 2019 to P29,334,697 or a decrease of P1,045,791 or 3%. Salaries and Wages decreased by P673,437 because of the resignation of the Golf Director and the salary of the General Manager recorded as Outside Services. Meal Allowance increased by P4,760, 13th month Pay decreased by P48,528, Vacation, Sick leave increased by P74,228, Overtime decreased by P206,260, SSS, Philhealth and ECC increased by P126,638, Bonus and Gratuity Pay decreased by P186,722, Retirement Benefit Expense decreased by P105,931, Employee of the year decreased by P49,000 and Training and Seminar increased by P20,461.

Supplies decreased from P19,373,244 in 2019 to P18,354,808 in 2020 or a decrease of P1,018,437 or 5%. Stationeries and office supplies decreased by P157,853, Gasoline and Oil Supplies increased by P2,843,272, Repairs & Maintenance decreased by P3,314,704, Toilet and cleaning supplies increased by P225,645, Janitorial supplies decreased by P201,495, Medical and Dental supplies increased by P84,742 and Service supplies decreased by P120,036. Swimming pool supplies decreased by P96,795, Linen supplies increased by P126,264, Motorpool and Ground supplies decreased by P19,091 and Miscellaneous supplies decreased by P398,867.

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

Outside Services increased from P35,848,969 in 2019 to P42,377,884 in 2020 or an increase of P6,528,916 or 18%. Legal Fees increased by P868,597, Retainers Fee by P1,675,742, Security Services by P1,362,817, Golf Course Maintenance by P2,018,639 and Maintenance Crew by P1,153,975. Audit Fees decreased by P54,351, Laundry Services by P194,504 and Internal Audit Services by P300,000.

Sundries increased from P17,853,997 in 2019 to P18,270,256 in 2020 or an increase of P416,258 or 2%. Taxes and Licenses increased by P1,027,601, Insurance by P122,027, Ads & Publication by P30,756, Marketing Expenses by P55,155, Provision for inventory obsolescence by P55,483 and Miscellaneous by P580,830. Transportation & travel decreased by P45,758, Board, Committee and Stockholders Meeting by P151,132, Dues & Registration fees by P32,318, Promotional and Industrial by P186,603, Bank Charges by P32,262, Self-insurance expense by P120,506 and Tournament expenses by P825,813.

B. BALANCE SHEET ACCOUNTS

■ Cash and cash equivalents – went down from P46,752,642 in 2019 to P34,087,111 or a decrease of P12,665,531 or 27.1%. Decrease resulted from the net cash generated from operating activities amounting to P5.53 which is lower by P15.8 Million from last year's P21.33 Million due to the net loss in the results of the operations of the Club. Net cash flow used in

investing activities amounting to (P18.19) Million due to additions of property and equipment amounting to P17.93 Million offset by disposals of Land Improvements of P153,745, Ground Tools, Service Machinery & Equipment of P789,589, Furniture and fixtures of P35,179 and Transportation Equipment of P1,026,789.

2. Trade and other receivables – went up from P14,049,760 in 2019 to P16,967,794 in 2020 or an increase of P2,938,034 or 20.9%. Increase was due to increase in Members account by P805,550 and Other Receivables by P2,375,695 while Allowance for doubtful accounts increased by P243,212.
3. Other current assets – decreased from P9,666,312 in 2019 to P8,618,146 in 2020 or a decrease of P1,070,166 or 11%. Decrease resulted from decrease in supplies inventory and recoverable input vat amounting to P317,631 and P290,113 respectively. Another source of the decrease is the short term investment of P666,224.
4. Property and equipment – declined from P233,177,467 in 2019 to P228,695,666 in 2020 or a decrease of P4,481,801 or 1.9%. The decrease was due to Improvements in the South Course such as the Rehabilitation of the Greens – P1,964,266, Rehabilitation of Bunkers – P1,848,704 and Purchase of two urinals pumps and accessories – P1,210,491. Other increases include Reblocking along Don Celsa Tusson Ave. – P7,945,491, Dredging of Ponds both in the South and North Courses – P4,221,428, Purchase of 10 units Electric Golf Carts – P2,757,667, Purchase of Operations and Maintenance Equipment – P2,501,304 and Improvement in the Motorpool Area roofing – P550,933. However, the Accumulated Depreciation increased by P20,556,954 thus the Property and Equipment decreased.
5. Investment properties – went down from P2,911,947 in 2019 to P349,053 in 2020 or a decrease of P2,562,894 or 88%. Depreciation for the fiscal year 2020 for the North clubhouse is P2.56 Million.
6. Deferred tax asset – amount for year ended June 30, 2020 is P684,991. This figure is arrived at deducting the Provision for deferred tax the year recognized in the Net Loss in the amount of P1,853,545 and adding the Other Comprehensive Income of P1,558,931.
7. Other non-current assets – went up from P663,123 in 2019 to P1,334,064 in 2020 or an increase of P471,841 or 54.7%. Increase is due to Computerization Project in the amount of P245,000 and Advances to Suppliers of P295,400.00.
8. Trade and other payables – declined from P24,514,532 in 2019 to P16,276,260 in 2020 or a decrease of P8,238,562 or 33.6%. The improvement was due to decrease in Accounts Payable by P5.39 Million, Accounts Payable Others by P 2.28 Million and Payable to Organizations, Lessors and Cooperative by P928,606.


9. Members' Deposits and Others went up from P13,547,957 in 2019 to P15,484,520 in 2020 or an increase of P1,936,563 or 14.3%. Increase resulted from refundable cash deposits from members, Credit balances of former members and advance payments made by the members to avail of the 1 month discount promo of the Club upon payment of 1 year monthly dues.
10. Retirement benefit obligation -went up from P3,645,579 in 2019 to P7,976,888 in 2020 or an increase of P4,331,229 or 118.8% due to increase in the present value of benefit obligation as per actuarial valuation.
11. Members' Equity - went down from P263,548,671 in 2019 to P242,712,620 in 2020 or a decrease of P20,835,851 or 7.9%.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Antipolo on _____

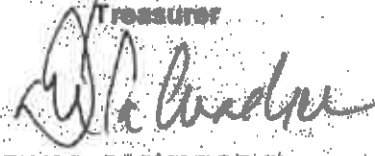
VALLEY GOLF & COUNTRY CLUB, INC.

By:


CARLO MADA CARPIO
 Principal Executive Officer/
 President


RIO SESINANDO E. VENTTURANZA
 Principal Financial Officer/
 Treasurer

ALLAN JOGSON
 Corporate Secretary


DAN L. SALVADOR III
 General Manager/Compliance
 Officer


ROSANNA R. ARGUELLES
 Comptroller/Head Controllers'
 Division


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

AUG 13 2022

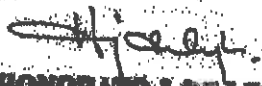
SUBSCRIBED AND SWORN to before me this _____ day of _____, 2022
affiants exhibiting to me their valid ID's, as follows:

Name

Carlo Maria J. Carpio	TIN No. 152-516-875
Rio Seahando E. Venturanza	TIN No. 100-699-738
Allan Jocson	TIN No. 205-667-849
Dan L. Salvador III	TIN No. 106-096-608
Rosenna R. Arguelles	PRC ID No. 069065
Elda C. Jugo	TIN No. 102-778-591

NOTARY PUBLIC

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Book No. 59
Series of 2022


ATTY. HONORATO J. DE LEON JR.
NOTARY PUBLIC
For Antipolo City, Caluya, Taytay, Rizal
Until December 31, 2022
Roll of Attorneys No. 27541
MCLE Compliance No. VI-00174-3
IBP No. 181520, Jan. 03, 2022
PTR No. 82362894, Jan. 03, 2022 Antipolo City

ANTIPOLO CITY, PHILIPPINES
P.O. BOX 202 Q. PLAZA, GAINTA
TELS. 638-4901 TO 03, 638-4919 TO 20
FAX NO. 638-4918

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

Signature 
REGINALD BENJAM V. SAN PEDRO
Chairman of the Board/ President
TIN: 235-186-133-000


Signature 
PABLITO M. GREGORE
Chief Financial Officer/ Treasurer
TIN: 138-209-888-008

Signed this SEP 30 2021 day of _____

SEP 30 2021

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

Doc. No. 444
Page No. 10
Book No. 20
Series of 2021


ANDREW V. FERRER
NOTARY PUBLIC UNTIL DECEMBER 31, 2021
PTR NO. 15581721 A, 01/04/2021
IBP OR NO. 137329, 01/04/2021
Rizal Chapter / MCLE Compliance
No. 140028916, October 4, 2019
Roll No. 39811/Appointment No. 20-21
No. 9, A. Bonifacio Ave., Gainta, Rizal

VALLEY GOLF & COUNTRY CLUB, INC.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

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

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

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

Signature: 
REGINALD BENJAMIN V. SAN PEDRO
Chairman of the Board / President
TIN: 235-186-433-000

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


Signed this SEP 30 2021 day of _____

SEP 30 2021

CAINTA, RIZAL

SUBSCRIBED AND SWORN TO before me this _____ at _____
Affiant exhibiting to me his/her Tax Identification Number as indicated above.

Doc. No. VLEP
Page No. 10
Book No. 251
Series of 2021


ANDREW V. FERRER
NOTARY PUBLIC UNTIL DECEMBER 31, 2021
PTR NO. 15561721-A, 01/04/2021
ISP OR NO. 137329, 01/04/2021
Rizal Chapter / MOLE Complaints
No. V-0028918, October 4, 2019
Roll No. 59814/Appointment No. 20-25
No. S.A. Benefactors Assoc., Cainta, Rizal

Elda Jugo

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

HI VALLEY GOLF AND COUNTRY CLUB, INC.,

Valid files

- EAFS0006491917AFSTV062021.pdf
- EAFS0006491917TRTY062021.pdf

Invalid file

- <None>

Transaction Code: AFS-D-GGDDICE70ZZPV3Z2PTTNNZY404NZZS MS
Submission Date/Time: Sep 30, 2021 02:06 PM
Company TIN: 006-649-1937

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

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

This is a system-generated e-mail. Please do not reply.

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E-mail transmission cannot be guaranteed to be secure or error-free. The recipient should check this email and any attachments for the presence of viruses. The Bureau of Internal Revenue does not accept liability for any errors or omissions in the contents of this message which arise as a result of e-mail transmission.

Elda Jugo

From: eafs@br.gov.ph
Sent: September 30, 2021 02:08 PM
To: INFO@VALLEYGOLF.COM.PH
Cc: ELDAJUGO@VALLEYGOLF.COM.PH
Subject: Your BR AF3 submission uploads were received

HI VALLEY GOLF AND COUNTRY CLUB, INC.,

Valid file

• EAFS0064191970THHY062021.pdf

Invalid file:

• <None>

Transaction Code: AFS-0-6AHEBAQNSNV33NPS1S1VMZ06GEEDESI
Submission Date/Time: Sep 30, 2021 02:07 PM
Company TIN: 000-649-197

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

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

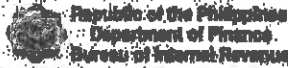
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For BIR, BCS, and Other Users

BIR Form No. 1702-RT January 2018 (ENC8) Page 1

Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate



1 For Calendar Fiscal 2 Year Ended (MM/YYYY) 3 Adjusted Return? 4 Short-Peiod Return 5 Applicable Tax Code (ATC)

Part I - Background Information

6 Tax Identification Number (TIN) 7 RDO Code 8 Registered Name 9 Registered Address 10 Date of Incorporation/Organization 11 Contact Number 12 Email Address 13 Method of Deductions

Part II - Total Tax Payable

Table with columns for tax due, less credits, net tax payable, and penalties. Total amount payable is (838,475).

If Overpayment, mark one (1) box only: To be refunded, To be issued a Tax Credit Certificate (TCC), To be carried over as a tax credit for next year/quarter


We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the Regulations issued under authority thereof, if signed by an Authorized Representative, indicate TIR and attach authorization (if any)

Signatures of Reginald Benjamin V. San Pedro (President) and Fablio T. Gregore (Treasurer) with titles and TINs.


Part III - Details of Payment

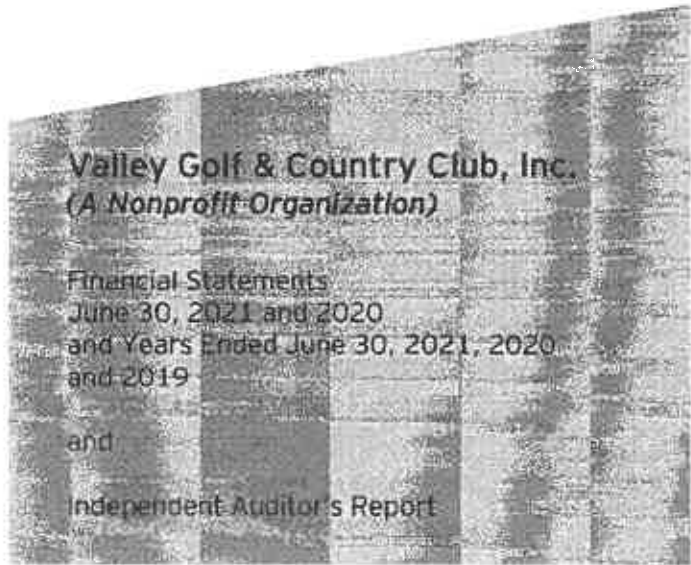
Table with columns: Particulars, Date (MM/DD/YYYY), Amount. Rows include Cash/Bank Debit Memo, Check, Tax Debit Memo, and Others.

Machine Validation/Revenue Official Receipt Details (if not filed with an Authorized Agent Bank (AAB)) Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. 1702-RT January 2018 (ENC5) Page 2		Annual Income Tax Return Corporation, Partnership, and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate			
Taxpayer Identification Number (TIN)		Registered Name			
000	849	197	00000	VALLEY GOLF & COUNTRY CLUB, INC.	
Part IV - Computation of Tax (Do NOT check Columns 49 Carries or Less drop down; 50 or more round up)					
27	Sales/Revenues/Receipts/Fees				79,602,567
28	Less: Sales Returns, Allowances and Discounts				0
29	Net Sales/Revenues/Receipts/Fees (Item 27 Less Item 28)				79,602,567
30	Less: Cost of Sales/Services				66,492,486
31	Gross Income from Operation (Item 29 less Item 30)				13,110,081
32	Add: Other Taxable Income Not Subjected to Final Tax				5,702,979
33	Total Taxable Income (Sum of Items 31 and 32)				18,813,060
Less: Deductions Allowable under Existing Law					
34	Ordinary Allowable Itemized Deductions				11,958,537
35	Special Allowable Itemized Deductions				0
36	NCLCO (Only applies taxable under Sec. 27(A) or 28(A) if the Code of Tax Code, as amended)				6,854,523
37	Total Deductions (Sum of Items 34 to 36)				18,813,060
OR (in case taxable under Sec 27(A) & 28(A)(1))					
38	Optional Standard Deduction (OSD) (10% of Item 33)				0
39	Net Taxable Income (Loss) (Finalized; Item 33 Less Item 37, if OSD; Item 33 Less Item 38)				0
40	Applicable Income Tax Rate				25%
41	Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)				0
42	MCIT Due (Item 39)				188,131
43	Tax Due (Final Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher)				188,131
Less: Tax Credits/Payments (attach proof)					
44	Prior Year's Excess Credits Other Than MCIT				784,166
45	Income Tax Payment under MCIT from Previous Quarter/s				0
46	Income Tax Payment under Regular/Normal Rate from Previous Quarter/s				0
47	Excess MCIT Applied this Current Taxable Year				0
48	Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307				126,262
49	Creditable Tax Withheld per BIR Form No. 2307 for this 4th Quarter				116,179
50	Foreign Tax Credits, if applicable				0
51	Tax Paid in Return Previously Filed, if this is an Amended Return				0
52	Special Tax Credits				0
Other Credits/Payments (Specify)					
53					0
54					0
55	Total Tax Credits/Payments (Sum of Items 44 to 54)				1,028,606
56	Net Tax Payable (Overpayment) (Item 43 Less Item 55)				(838,475)
Part V - Tax Relief Availment					
57	Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)				0
58	Add: Special Tax Credits				0
59	Total Tax Relief/Availment (Sum of Items 57 & 58)				0

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18/ENCS P3	
Taxpayer Identification Number(TIN)		Registered Name	
000 649 197 00000		VALLEY GOLF & COUNTRY CLUB, INC.	
Part VI - Schedules (DO NOT enter CARDS VOL. 40 Centavo or Less, drop down; 50 or more round up)			
Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheets if necessary)			
1	Amortization	0	
2	Bad Debt	0	
3	Charitable and Other Contributions	0	
4	Depletion	0	
5	Depreciation	143,330	
6	Entertainment, Amusement and Recreation	0	
7	Fringe Benefits	0	
8	Interest	0	
9	Leases	0	
10	Pension Trusts	0	
11	Rental	0	
12	Research and Development	0	
13	Salaries, Wages and Allowances	2,990,578	
14	SSS, GSIS, Philhealth, HDMF and Other Contributions	181,860	
15	Taxes and Licenses	5,312,984	
16	Transportation and Travel	0	
17	Others (Deductions Subject to Withholding Tax and Other Expenses) (Specify below. Add additional sheets, if necessary)		
a	Funeral and Messengerial Services	0	
b	Professional Fees	1,346,655	
c	Security Services	0	
d	BANK CHARGES	487,676	
e	COMMUNICATION, LIGHT AND WATER	161,875	
f	FUEL AND OIL	8,467	
g	OFFICE SUPPLIES	615,436	
h	TRAINING AND SEMINARS	24,317	
i	OTHERS	805,379	
18	Total Ordinary Allowable Itemized Deductions (sum of items 1 to 17)		
		11,956,537	
Schedule II - Special Allowable Itemized Deductions (Attach additional sheets if necessary)			
	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5	Total Special Allowable Itemized Deductions (sum of items 1 to 4)		0

EIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4	
Taxpayer Identification Number(TIN)		Registered Name	
000 649 197 00000		MAILEY GOLF & COUNTRY CLUB, INC.	
Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)			
1 Gross Income		0	
2 Less: Ordinary Allowable Itemized Deductions		0	
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)		0	
Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO)			
(DO NOT enter Centavos, 49 Centavos or Less drop down: 50 or more round up)			
Year Incurred	Net Operating Loss A) Amount	B) NOLCO Applied Previous Year/s	
4	0	0	
5	10,390,337	0	
6	0	0	
7	0	0	
Continuation of Schedule IIIA (Item numbers continue from table above)			
C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]	
4	0	0	
5	6,854,523	3,535,814	
6	0	0	
7	0	0	
8 Total NOLCO (Sum of items 4D to 7D)		6,854,523	
Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2020	0	55,090	55,090
2 2018	0	468,435	468,435
3	0	0	0
Continuation of Schedule IV (Item numbers continue from table above)			
D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Successing Years (G = C Less (D + E + F))
1	0	0	55,090
2	468,435	0	0
3	0	0	0
4 Total Excess MCIT Applied (Sum of items 1F to 3F)			0
Schedule V - Reconciliation of Net Income per Books Against Taxable Income (Attach additional sheets, if necessary)			
1 Net Income(Loss) per Books		8,750,845	
Add: Non-deductible Expenses/Taxable Other Income			
2 NON-DEDUCTIBLE EXPENSES PURSUANT TO G.R. 228539		68,698,098	
3 OTHERS		838,757	
4 Total (Sum of Items 1 to 3)		79,287,700	
Less: A) Non-Taxable Income and Income Subjected to Final Tax			
5 NON-TAXABLE REVENUES PURSUANT TO G.R. 228539		71,815,265	
6 OTHERS		7,372,435	
B) Special Deductions			
7		0	
8		0	
9 Total (Sum of Items 3 to 8)		79,287,700	



ANNEX " H "



SGV
**Building a better
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BOA/PRC Reg. No. 0001,
August 26, 2021, valid until April 15, 2024
SEC Accreditation No. 0012-FR-5 (Group A),
November 8, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Valley Golf & Country Club, Inc.

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



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

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

SYCIP GORRES VELAYO & CO.



Peter John R. Ventura

Partner

CPA Certificate No. 0113172

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

January 15, 2019, valid until January 14, 2022

Tax Identification No. 301-106-741

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

December 17, 2018, valid until December 16, 2021

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

September 1, 2021



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

STATEMENTS OF FINANCIAL POSITION

	June 30	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P51,715,093	P34,087,111
Trade and other receivables (Note 5)	13,731,908	16,987,794
Debt instruments at fair value through profit or loss (Note 9)	10,024,917	-
Other current assets (Note 6)	7,994,765	8,618,146
Total Current Assets	83,466,683	59,693,051
Noncurrent Assets		
Property and equipment (Note 7)	215,385,047	228,695,886
Investment properties (Note 8)	214,565	349,053
Trust fund (Note 9)	4,811,529	4,818,615
Deferred tax assets - net (Note 22)	226,570	684,991
Other noncurrent assets (Note 10)	1,758,125	1,334,964
Total Noncurrent Assets	222,395,836	235,883,509
TOTAL ASSETS	P305,862,519	P295,576,560
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Trade and other payables (Note 11)	P16,006,859	P16,276,250
Members' deposits and others (Note 12)	16,888,951	15,484,520
Contract liabilities (Note 13)	7,809,771	7,164,515
Provision for probable claims (Note 14)	5,668,575	5,810,669
Total Current Liabilities	46,374,156	44,735,954
Noncurrent Liabilities		
Retirement benefit obligation (Note 24)	5,446,848	7,976,808
Other noncurrent liability (Note 18)	137,253	150,978
Total Noncurrent Liabilities	5,584,101	8,127,786
Total Liabilities	51,958,257	52,863,740
Members' Equity		
Capital stock (Note 15)	14,346,000	14,346,000
Contributions in excess of par value	201,627,772	201,627,772
Accumulated excess of revenues over expenses (Note 15)	37,930,490	26,739,048
Total Members' Equity	253,904,262	242,712,820
TOTAL LIABILITIES AND MEMBERS' EQUITY	P305,862,519	P295,576,560

See accompanying Notes to Financial Statements.



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

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

See accompanying Notes to Financial Statements.

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

	Years Ended June 30		
	2021	2020	2019
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	₱9,422,193	(₱17,198,344)	₱6,965,564
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains (losses) on defined benefit obligation (Note 24)	2,087,149	(5,196,438)	951,175
Income tax effect	(317,900)	1,558,931	(285,353)
	1,769,249	(3,637,507)	665,822
TOTAL COMPREHENSIVE INCOME (LOSS)	₱11,191,442	(₱20,835,851)	₱7,631,386

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses before income taxes	P9,750,845	(P15,289,709)	P8,229,674
Adjustments for:			
Depreciation and amortization (Notes 7, 8 and 10)	23,455,146	25,040,564	21,978,752
Movements in:			
Retirement benefit obligation	(442,811)	(865,209)	(592,722)
Provision for probable claims	(142,094)	4,790,929	-
Interest income (Notes 4 and 9)	(131,457)	(694,990)	(806,196)
Unrealized gain on financial assets at fair value through profit or loss (Note 9)	(36,877)	-	-
Interest expense (Note 20)	11,094	10,575	10,081
Gain on sale of property and equipment and investment properties (Notes 7, 8 and 16)	(2,250)	(320,536)	(7,442,159)
Provision for expected credit losses on receivables (Note 5)	-	243,212	(7,067)
Reversal of inventory obsolescence	-	-	(55,483)
Operating income before working capital changes	32,461,596	12,914,836	21,314,880
Decrease (increase) in:			
Trade and other receivables	3,295,247	(3,139,966)	(2,093,772)
Other current assets	435,250	1,015,076	(3,716,636)
Increase (decrease) in:			
Trade and other payables	(269,391)	(8,238,582)	6,779,746
Members' deposits and others	1,404,431	1,936,563	1,663,582
Contract liabilities	645,256	409,326	1,204,989
Payable to contractor	-	-	(4,523,504)
Net cash generated from operations	37,972,389	4,897,253	20,629,285
Interest received	78,371	639,987	709,274
Interest paid	(11,094)	(10,575)	(10,081)
Net cash flows generated from operating activities	38,039,666	5,526,665	21,328,478
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (Note 7)	(9,983,686)	(17,926,910)	(25,794,656)
Decrease (increase) in:			
Debt instruments at fair value through profit or loss (Note 9)	(10,000,000)	-	-
Other noncurrent assets	(449,294)	(541,000)	(120,373)
Trust fund	19,046	(44,822)	(162,639)
Proceeds from sale of:			
Property and equipment (Note 7)	2,250	320,536	3,100,000
Investment properties (Note 8)	-	-	4,357,682
Net cash flows used in investing activities	(20,411,684)	(18,192,196)	(18,619,986)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,627,982	(12,665,531)	2,708,492
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	34,087,111	46,752,642	44,044,150
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P51,715,093	P34,087,111	P46,752,642

See accompanying Notes to Financial Statements.



VALLEY GOLF & COUNTRY CLUB, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Preparation

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



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

Statement of Compliance

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

Changes in Accounting Policies and Disclosures

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

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

Standards Issued but not yet Effective

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

Effective beginning on or after July 1, 2021

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

Effective beginning on or after July 1, 2022

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

Effective beginning on or after July 1, 2023

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



Deferred effectivity

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

Current versus non-current classification

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

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Club classifies all other liabilities as noncurrent.

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

Cash and Cash Equivalents

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

Financial Instruments

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

Financial Assets

Initial Recognition and Measurement of Financial Assets

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

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

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



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

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

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

Subsequent Measurement of Financial Assets

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

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

Financial assets at FVTPL

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

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

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



Impairment of Financial Assets

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

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

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

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

Definition of default

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

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

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

Significant increase in credit risk

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



Credit-impaired financial assets

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

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

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

Write-off policy

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

Derecognition of Financial Assets

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

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

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

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



Financial Liabilities

Initial Recognition and Measurement of Financial Liabilities

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

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

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

Subsequent Measurement of Financial Liabilities

Loans and borrowings and Payables

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

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

Derecognition of Financial Liabilities

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

Offsetting of Financial Instruments

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

Fair Value Measurement

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

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

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



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

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

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

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

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

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

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

Inventories

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

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

Property and Equipment

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

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



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

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

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

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

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

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

Investment Properties

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

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

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

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

Computer Software

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

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



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

Impairment of Property and Equipment, Investment Properties and Computer Software

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

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

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

Capital Stock

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

Contribution in Excess of Par Value

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

Accumulated Excess of Revenue Over Expenses

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

Revenue from Contracts with Customers

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



The following are the Club's performance obligations:

Membership Dues

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

(i) *Variable Consideration*

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

Sports and Recreation

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

(i) *Variable Consideration*

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

Assessment for Road Maintenance

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

Corporate Services

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

Concession Fees

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

Revenue from Special Events

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



Patronage Fees

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

Sale of Properties

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

Surcharge on Past Due Accounts

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

Contract Balances

Receivables

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

Contract assets

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

Contract liabilities

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

Interest Income

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

Cost and Expenses

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

Leases

Determination of Whether an Arrangement Contains a Lease

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



Club as a Lessor

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

Retirement Benefit Obligation

Defined Benefit Plan

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

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

Defined benefit costs comprise the following:

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

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

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

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

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



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

Taxes

Current Income Tax

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

Deferred Tax

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

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

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

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

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

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

Value-added Tax (VAT)

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



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

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

Provisions

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

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

Contingencies

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

Events After the Reporting Date

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

3. Significant Accounting Judgments, Estimates, and Assumptions

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

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



Judgments

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

Revenue from contracts with customers

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

- *Principal versus agent considerations*

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

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

Operating Lease - Club as Lessor

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

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

Estimates and Assumptions

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

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

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

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



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

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

Estimation of Useful Lives of Property and Equipment and Investment Properties

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

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

Determining Retirement Benefit Costs

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

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

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

Assessing Recoverability of Deferred Tax Assets

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



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

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

Provisions and Contingencies

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

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

4: Cash and Cash Equivalents

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

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

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

5. Trade and Other Receivables

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

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

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



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

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

The movements in allowance for ECLs are as follows:

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

6. Other Current Assets

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

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

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

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

Others pertain to advances on purchases and deferred input VAT.



7. Property and Equipment

2021								
	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Cost:								
Balances at beginning of year	₱9,400,307	₱318,965,480	₱57,224,630	₱96,620,640	₱5,333,006	₱31,700,005	₱1,488,254	₱461,732,331
Additions	-	-	-	1,061,082	-	-	8,913,004	9,974,086
Disposals	-	-	-	(423,320)	-	(205,307)	-	(628,627)
Transfers	-	311,351	243,507	-	-	-	(573,858)	-
Balances at end of year	9,400,307	319,277,831	57,468,137	97,258,320	5,333,006	32,494,698	9,827,400	471,087,332
Accumulated depreciation:								
Balances at beginning of year	-	143,787,095	29,738,360	25,095,083	5,332,793	18,211,804	-	233,036,445
Depreciation (Notes 19 and 20)	-	12,752,704	2,882,710	9,741,881	-	4,767,150	-	29,394,825
Disposals	-	-	-	(423,128)	-	(105,357)	-	(628,485)
Balances at end of year	-	156,539,799	32,621,070	24,613,836	5,332,793	22,873,597	-	239,799,395
Net book values	₱9,400,307	₱162,738,032	₱24,847,067	₱72,644,484	₱213	₱10,621,101	₱9,827,400	₱231,288,937

2020								
	Land	Land Improvements	Building and Structures	Ground Tools and Service Machinery and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Cost:								
Balances at beginning of year	₱9,400,307	₱301,783,634	₱56,671,803	₱33,392,903	₱5,368,185	₱30,784,930	₱8,408,934	₱445,810,716
Additions	-	1,353,601	-	3,066,786	-	2,941,838	9,662,603	17,926,910
Disposals	-	(153,745)	-	(789,388)	(35,179)	(1,026,783)	-	(2,005,295)
Transfers	-	15,979,910	552,527	30,548	-	-	(16,583,285)	-
Balances at end of year	9,400,307	318,965,480	57,224,630	36,620,640	5,333,006	32,700,005	1,488,254	461,732,331
Accumulated depreciation:								
Balances at beginning of year	-	131,068,035	37,766,871	22,990,139	5,366,171	14,542,013	-	212,633,229
Depreciation (Notes 19 and 20)	-	11,943,315	1,971,489	3,795,332	1,801	4,696,574	-	22,408,511
Disposals	-	(153,745)	-	(789,388)	(35,179)	(1,026,783)	-	(2,005,295)
Balances at end of year	-	142,757,605	39,738,360	25,995,883	5,332,793	18,211,804	-	233,036,445
Net book values	₱9,400,307	₱176,207,875	₱17,486,270	₱10,624,756	₱213	₱14,488,201	₱1,488,254	₱228,695,886

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

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

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

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

8. Investment Properties

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



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

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

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

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

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

9. Trust Fund and Debt Instrument at FVTPL

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

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

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

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



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

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

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

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

Movement in debt instruments at FVTPL are as follows:

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

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

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

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

10. Other Noncurrent Assets

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

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

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

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



The movement of computer software is as follows:

	2021	2020
Cost:		
Balance at beginning and end of year	₱2,860,952	₱2,615,952
Additions	684,694	245,000
Balance at end of year	3,545,646	2,860,952
Accumulated amortization:		
Balance at beginning of year	2,563,685	2,494,526
Amortization (Notes 19 and 20)	26,133	69,159
Balance at end of year	2,589,818	2,563,685
Net book value	₱955,828	₱297,267

11. Trade and Other Payables

	2021	2020
Organizations and cooperative	₱6,033,630	₱4,919,926
Accrued expenses	5,110,740	5,387,722
Trade	3,184,256	5,018,457
Concessionaires	518,610	138,893
VAT payable	391,212	417,535
Others	768,411	393,717
	₱16,006,859	₱16,276,250

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

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

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

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

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

12. Members' Deposits and Others

	2021	2020
Cash deposits	₱9,145,000	₱7,100,000
Due to former members	7,477,891	8,132,582
Security deposit	266,060	251,938
	₱16,888,951	₱15,484,520

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



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

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

13. Contract Liabilities

	2021	2020
Membership dues paid in advance (Note 16)	₱6,331,200	₱5,660,800
Green fee coupons	1,254,788	1,254,788
Tournament deposit	139,009	199,008
Others	84,774	49,919
	₱7,809,771	₱7,164,515

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

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

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

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

14. Provision for Probable Claims

Movements in this account are as follows:

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

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



15. Members' Equity

Capital Stock

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

Accumulated Excess of Revenues Over Expenses

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

16. Revenue from Contracts with Customers

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

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



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

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

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

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

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

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

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

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

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

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

17. Concessionaires' Fees

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



Concession agreements entered into by the Club are shown below:

Food and Beverage Services

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

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

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

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

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

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

Retail Shop

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



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

18. Rentals

	2021	2020	2019
Golf cart rental	₱13,720,361	₱8,843,670	₱9,158,518
Golf cart storage	3,220,457	3,139,648	3,012,128
Locker rental	891,391	946,098	944,084
Driving range	505,961	432,119	517,032
Communication cell site (Note 8)	305,404	305,404	305,404
Pullcart rental	1,540	591,150	736,645
Venue and room fee	—	942,009	1,078,320
Others	—	143,394	193,013
	₱18,645,114	₱15,343,492	₱15,945,144

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

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

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

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

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

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



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

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

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

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

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

19. Cost of Services

	2021	2020	2019
Outside services	₱37,054,304	₱37,925,988	₱33,891,093
Depreciation and amortization (Notes 7, 8, and 10)	23,177,151	24,748,395	21,751,957
Personnel cost (Note 21)	20,859,157	22,479,363	22,206,954
Repairs and maintenance	9,028,382	7,551,955	10,855,913
Supplies	8,645,016	9,868,403	7,644,658
Utilities	8,332,710	14,068,617	12,066,285
Club events	1,802,900	6,090,755	5,495,985
Others	2,694,641	8,278,463	9,836,755
	₱111,594,261	₱131,011,939	₱123,749,600

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

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



20. General and Administrative

	2021	2020	2019
Personnel costs (Note 21)	₱6,818,086	₱6,855,334	₱8,173,535
Taxes and licenses	5,312,964	5,861,950	4,834,349
Outside services	3,011,566	4,451,897	1,957,876
Supplies	1,129,130	925,054	852,531
Bank charges	999,930	1,160,939	1,193,201
Board members' meetings	684,297	857,520	1,008,652
Utilities	349,824	604,711	615,092
Depreciation and amortization (Notes 7, 8, and 10)	277,995	292,169	226,795
Interest	11,094	10,575	10,081
Provision for ECL (Note 5)	-	243,212	4,066
Others	1,036,497	2,718,905	1,001,181
	₱19,631,383	₱23,982,266	₱19,877,359

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

21. Personnel Costs

	2021	2020	2019
Cost of services (Note 19):			
Salaries and wages	₱15,628,063	₱17,220,703	₱16,961,111
Employee benefits	3,989,911	4,230,384	4,117,500
Retirement benefit expense (Note 24)	1,241,183	1,028,276	1,128,343
	20,859,157	22,479,363	22,206,954
General and administrative (Note 20):			
Salaries and wages	5,171,193	5,196,329	6,386,145
Employee benefits	1,332,233	1,387,281	1,509,801
Retirement benefit expense (Note 24)	314,660	271,724	277,589
	6,818,086	6,855,334	8,173,535
	₱27,677,243	₱29,334,697	₱30,380,489



22. Income Taxes

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

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

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

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

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

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



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

	2021	2020
Balances at beginning of year	P684,991	P979,605
Benefit from (provision for) deferred tax during the year recognized in:		
Profit or loss	(140,521)	(1,853,545)
OCI	(317,900)	1,558,931
Balances at end of year	P226,570	P684,991

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

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

d. Bayanihan to Recover as One Act

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

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

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

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

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

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



23. Related Party Transactions

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

A summary of major account balances with related parties follows:

Key Management Personnel Compensation

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

Complimentary Club Coupons and House Guests Privileges

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

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

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

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

24. Retirement Benefit Obligation

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

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



Retirement benefits expense recognized in the statements of income:

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

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

	2021	2020	2019
Actuarial losses (gains):			
Changes in financial assumptions	(₱1,517,134)	₱3,290,567	₱1,749,818
Experience adjustments	(513,168)	356,365	(1,992,350)
Changes in demographic assumptions	—	1,058,641	(222,669)
	(2,030,302)	4,705,573	(465,201)
Return on plan assets excluding the amount included in net interest cost	(56,847)	490,865	(485,974)
Re-measurement losses (gains) on defined benefit obligation	(₱2,087,149)	₱5,196,438	(₱951,175)

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

	2021	2020
Balances at beginning of year	₱1,059,667	(₱4,136,771)
Actuarial loss (gain)	(2,030,302)	4,705,573
Return on assets excluding amount included in net interest cost	(56,847)	490,865
	(1,027,482)	1,059,667
Income tax effect	—	(317,900)
Total amount recognized in OCI	(₱1,027,482)	₱741,767

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

	2021	2020
Balances at beginning of year	₱7,976,808	₱3,645,579
Retirement benefit expense	1,555,843	1,300,000
Contributions paid	(1,998,654)	(2,165,209)
Remeasurement losses (gains) recognized in OCI	(2,087,149)	5,196,438
Balance at end of year	₱5,446,848	₱7,976,808



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

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

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

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

Retirement obligation as reported in the statement of financial position:

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

The major categories of plan assets are as follows:

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

Deposit in banks includes regular savings.

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



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

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

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

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

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

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

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

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

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

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



25. Financial Instruments

Financial Risk Management Objectives and Policies

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

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

Credit risk

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

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

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

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

Impairment of financial assets

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

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

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



Trade and other receivables

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

2021	Days past due						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
Expected credit loss rate	0.3832%	0.6439%	1.4045%	2.9061%	6.3485%	100%	
Estimated total gross carrying amount at default	₱3,198,879	₱3,770,276	₱1,879,172	₱1,852,557	₱3,369,394	₱1,699,741	₱15,762,019
Expected credit loss	₱12,227	₱24,277	₱26,393	₱53,837	₱213,636	₱1,699,741	₱2,030,111

2020	Days past due						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
Expected credit loss rate	0.3178%	0.5372%	1.1974%	2.4473%	5.4592%	100%	
Estimated total gross carrying amount at default	₱6,310,672	₱2,496,302	₱1,717,156	₱2,095,714	₱4,731,570	₱1,666,491	₱19,017,905
Expected credit loss	₱20,055	₱13,410	₱20,561	₱51,288	₱258,306	₱1,666,491	₱2,030,111

Liquidity risk

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

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

As of June 30, 2021

	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 91 Days	Total
<i>Financial liabilities</i>						
At amortized cost:						
Trade and other payables:						
Trade payables	₱2,368,388	₱815,868	₱-	₱-	₱-	₱3,184,256
Accrued expenses	4,432,988	136,878	133,174	135,900	271,880	5,110,740
Others*	1,146,497	244,254	96,603	328,252	5,119,737	6,926,343
Members deposits and others	16,888,951	-	-	-	-	16,888,951
	₱24,836,824	₱1,197,000	₱229,777	₱464,152	₱5,382,537	₱32,110,290
<i>Financial assets</i>						
At amortized cost:						
Cash and cash equivalents	₱51,715,093	₱-	₱-	₱-	₱-	₱51,715,093
Trade and other receivables:						
Trade receivables	1,345,694	3,632,676	867,698	715,344	2,948,635	9,510,047
Others	4,093,274	128,587	-	-	-	4,221,861
Debt instrument at FVTPL	10,024,917	-	-	-	-	10,024,917
Trust fund	4,811,529	-	-	-	-	4,811,529
	₱71,990,507	₱3,761,263	₱867,698	₱715,344	₱2,948,635	₱80,283,447

*Excludes statutory liabilities amounting to ₱785,520



As of June 30, 2020

	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 91 Days	Total
Financial liabilities						
At amortized cost:						
Trade and other payables:						
Trade payables	P3,658,662	P136,191	P-	P1,075,313	P148,291	P5,018,457
Accrued expenses	2,636,740	387,027	933,105	326,527	1,102,323	5,387,722
Others*	865,776	184,448	72,950	247,879	3,859,369	5,230,422
Members deposits and others	15,484,530	-	-	-	-	15,484,530
	P22,645,698	P707,666	P1,008,055	P1,649,719	P5,109,993	P31,121,131
Financial assets						
At amortized cost:						
Cash and cash equivalents	P34,087,111	P-	P-	P-	P-	P34,087,111
Trade and other receivables:						
Trade receivables	866,017	2,332,230	1,705,555	2,057,287	4,439,309	11,400,398
Others	5,427,146	160,250	-	-	-	5,587,396
Trust fund	4,818,615	-	-	-	-	4,818,615
	P45,198,889	P2,492,480	P1,705,555	P2,057,287	P4,439,309	P53,893,520

*Excludes intangible liabilities amounting to P639,649

Fair Value Measurements

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

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

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

Description of significant unobservable inputs to valuation:

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

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



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

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

Debt instruments at FVTPL

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

Capital Management

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

	2021	2020
Capital stock	₱14,346,000	₱14,346,000
Contributions in excess of par value	201,627,772	201,627,772
Accumulated excess of revenues over costs and expenses	37,930,490	26,739,048
	₱253,904,262	₱242,712,820

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

26. Other Matters

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

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

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

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

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



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

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

RR 34-2020

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

RR 15-2010

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

a. VAT

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

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

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

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

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

ii. Input VAT

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



b. Withholding Taxes

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

c. Other Taxes and Licenses

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

d. Tax Assessments

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



COVER SHEET

ANNEX - H-1.

1 3 9 5 1
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 8 3 8
Month Day
Fiscal Year

17-Q
FORM TYPE

6 9 4th SUN
Month Day
Annual Meeting

Second Licensee Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

1,504

Total Amount of Borrowing
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 Ceiso S. Tusson 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

12 MAY 2022

SUBSCRIBED AND SWORN to before me this _____ 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. 8236289; Jan. 03, 2022 Antipolo City

Doc. No. 249
Page No. 00
Book No. 00
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. Tusson Avenue Victoria
Valley, Rizal
8. Issuer's telephone numbers, including area code : (02) 658-4901 to 03; (02) 658-0069
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 per value
- Number of Shares Outstanding : 1,694
- 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 28
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	Audited by SGV & Co.
	MAR 2022	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)	146,652	214,688
Trust Fund (Note 9)	4,811,529	4,811,529
Deferred Tax Asset (Note 22)	228,570	228,570
Other non-current assets (Note 10)	2,067,658	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	18,006,859
Members' deposits and others (Note 12)	17,506,131	18,888,951
Contract Liabilities (Note 13)	12,065,646	7,809,771
Accrued provision for probable claims (Note 14)	5,668,575	5,668,575
Total Current Liabilities	60,653,847	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	65,908,957	51,958,257
Members' Equity (Note 16)		
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	47,131,399	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)	15,288,029	14,512,412	5,085,391	5,802,543
Interest Income (Notes 4 & 9)	93,049	102,383	14,823	35,573
Unrealized gain on financial assets at fair value through profit or loss (Note 8)	108,979.99	-	34,194	-
Total Revenues	115,478,441	108,574,702	43,625,250	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)	18,421,237	14,828,485	5,657,867	5,035,081
	108,275,529	92,893,783	36,600,817	33,137,284
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	9,200,912	15,679,919	7,005,433	8,545,787
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	8,545,787
Income/Loss for the quarter	9,200,912	15,679,919		
No. of shares	1,584	1,584		
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				

/s/ncj/umr.da

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
	<u>22,206,176</u>	<u>20,648,464</u>	<u>7,700,875</u>	<u>6,965,196</u>
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	564,408	455,650	16,779	380,091
Dental and medical	977,169	481,626	554,395	191,813
	<u>16,432,419</u>	<u>11,867,925</u>	<u>5,877,698</u>	<u>5,449,637</u>
UTILITIES:				
Electricity	6,565,458	4,082,706	2,530,614	1,653,815
Communication	728,832	632,712	231,851	202,267
Water	1,725,264	1,305,681	612,355	413,990
	<u>9,019,554</u>	<u>6,021,099</u>	<u>3,374,820</u>	<u>2,270,072</u>
OUTSIDE SERVICES:				
Retainer fee	611,337	1,495,333	65,111	454,000
Legal fees	692,071	483,560	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	2,886,784
Laundry services	37,516	20,990	9,240	4,650
Maintenance crew	1,468,017	779,940	485,926	349,463
Golf course maintenance	20,367,200	18,000,000	7,091,200	6,000,000
	<u>31,728,293</u>	<u>28,390,150</u>	<u>10,590,494</u>	<u>9,763,697</u>
SUNDRIES:				
Taxes and Licenses	3,676,370	4,125,264	1,303,011	1,187,836
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	1,033,756	674,950
	<u>9,280,475</u>	<u>8,292,796</u>	<u>3,208,628</u>	<u>2,858,019</u>
DEPRECIATION & AMORTIZATION	<u>17,591,103</u>	<u>17,674,349</u>	<u>5,838,292</u>	<u>5,832,453</u>
FINANCE COST	<u>17,508</u>	<u>0</u>	<u>9,210</u>	<u>0</u>
GRAND TOTAL COST & EXPENSES	<u>106,276,529</u>	<u>92,894,783</u>	<u>36,599,817</u>	<u>33,137,294</u>

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)	17,691,103	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	(1,658,317)	(2,448,930.00)
Increase (decrease) in:		
Trade and other payables	9,408,836	642,426.00
Members' deposits and credit balances	817,160	(89,280.00)
Accrued provision for probable claims	0	(142,094)
Contract Liabilities	4,195,875	2,571,114
Income Tax paid		0
Net cash flows from operating activities	33,898,368	33,194,083
INVESTING ACTIVITIES		
Additions to:		
Property and equipment (Note 7)	(37,359,245)	(5,749,427)
Investment Property (Note 8)	88,014	101,328
(Increase) decrease in trust funds	0	19,048
(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	61,715,093	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	2021
	MAR	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	36,803,005	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

VALLEY GOLF & COUNTRY CLUB, INC.

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

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 of 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.

Cash and Cash Equivalents

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.

Financial Instruments

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.

Financial Assets

Initial Recognition and Measurement of Financial Assets

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

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

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

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

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

Subsequent Measurement of Financial Assets

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

The Club's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and Trust Fund.

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).

Impairment of Financial Assets

The Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are 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 an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value

measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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 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.

Inventories

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

NRV 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.

Property and Equipment

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.

Investment Property

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.

Contract Balances

Receivables

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

Contract assets

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

Contract Liabilities

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

Interest Income

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

Cost and Expenses

Cost and Expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases 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 matrix 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 P5.87 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	<u>12,476,872</u>
	<u>47,712,791</u>

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	<u>6,253,866</u>
	20,969,404
Allowance for doubtful accounts	<u>(1,919,354)</u>
	<u>19,050,049</u>

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	<u>4,817,925</u>
Total	<u>19,050,049</u>

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	<u>1,919,354</u>

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	<u>5,708,207</u>
	<u>9,651,082</u>

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 Progress	In 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 Progress	In 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	5,628,902

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

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	<u>(2,684,418)</u>
Net carrying amount	381,533
Others	<u>1,686,025</u>
	<u>2,067,558</u>

Computer software licenses are amortized on a straight-line basis over three years. Amortization expense amounted to P94,800 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	<u>1,560,001</u>
	<u>25,413,495</u>

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	<u>1,266,060</u>
	<u>17,506,131</u>

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	<u>81,070</u>
	<u>12,005,646</u>

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	<u>1,594</u>	<u>14,346,000</u>

<u>Accumulated Excess of Revenues Over Expenses</u>	
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	<u>1,769,249</u>
	<u>P 47,131,398</u>

16. Revenue from Contracts with Customers

<u>Nature of services</u>	
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	<u>5,090,314</u>
	<u>P 99,988,383</u>

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	<u>0</u>
	<u>15,285,029</u>

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	<u>2,894,059</u>
	<u>89,854,292</u>

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	<u>9,751,343</u>
	<u>16,421,237</u>

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)	<u>932,184</u>
	<u>15,759,385</u>
General and administrative	
Salaries and wages	4,326,796
Employees benefits	1,882,179
Retirement benefit expense (Note 27)	<u>237,816</u>
	<u>6,446,791</u>
	<u>22,206,176</u>

22. Income Taxes

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

Current	188,131
Deferred	<u>140,521</u>
	<u>328,652</u>

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	-
	<u>528,722</u>
Deferred tax liabilities:	
Re-measurement gain on deferred benefit obligation	-
Rent Receivable	(298,766)
Interest Income from accretion	<u>(3,386)</u>
	<u>(302,152)</u>
	<u>226,570</u>

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 P1,421 to P2,221. 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	P5,448,848
Retirement benefit expense	1,170,000
Contributions paid	(1,498,990)
Balance at end of quarter	<u>P5,117,858</u>

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

	<u>2021</u>
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, contact 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:

Value added-tax (VAT)

The Club's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The Vat rate is 12%.

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	<u>16,493,001</u>	-
	<u>P 79,892,635</u>	<u>P 7,607,956</u>
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		<u>2,240,647</u>
		3,140,949
Applied against output tax		<u>(3,140,949)</u>
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		<u>972,867</u>

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
	<u>P 3,678,370</u>

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 Lanal 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	13,498
z. Submersible Pump-1 unit	13,393
aa. Portable Steel Cutter-1 unit	11,160
bb. Printer- 1 unit	10,950
Total	<u>P10,004,574</u>

Disposal as of March 31, 2022:

a. Laptop-Lenovo-1 unit	<u>(P 29,804)</u>
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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)	429,800
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	<u>P37,024,458</u>

The **FINANCIAL SOUNDNESS INDICATORS** are as follows:

- 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.

	=	<u>Current Assets</u> <u>Current Liabilities</u>
	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.

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

	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 of their funds in the business.

- a. **LONG-TERM DEBT TO EQUITY RATIO** – aims to determine the amount of long-term debt the Club has undertaken vis-à-vis the Equity and helps in finding leverage of the business. The ratio also helps in identifying how much long-term debt the Club has to raise compared to its equity contribution.

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

	As of 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
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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.

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

	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.

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

	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.

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

	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

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

	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.

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

	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.

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

	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.

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

	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.

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

	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.

Earnings Per Share	= $\frac{\text{Net Income/(Loss)}}{\text{Common Shares Outstanding}}$	
	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 3rd 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 avallment 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, Halfway, 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 P1,664,106, 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.

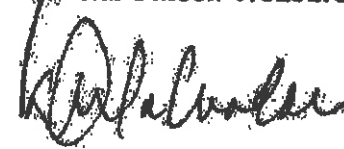
SIGNATURES

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

VALLEY GOLF & COUNTRY CLUB, INC.
ANNUAL GENERAL MEETING
September 25, 2022 at 4:00 P.M.
Via Live Streaming, VGCCI

ANNEX " I "

PROXY
 No. _____ - ACCT. No. _____

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

or, in the absence and/or non-attendance of my PROXY the Chairman of the Meeting, (EXCEPT THAT THE CHAIRMAN MAY NOT VOTE FOR CANDIDATES to the Board of Directors), as my attorney-in-fact and proxy, to represent me at the ANNUAL GENERAL MEETING of Valley Golf & Country Club, Inc., to be held on 25 September 2022 at 4:00pm¹, and/or any postponements or adjournment(s) thereof, as fully and to all intents and purposes as I lawfully might or could do if present and voting in person, hereby ratifying and confirming any and all actions taken on matters which may properly come before him during such meeting or adjournment(s) thereof. In particular, I hereby direct my said proxy to vote on the agenda items as I have expressly indicated by marking with a check "✓" the appropriate box below. I also authorize my proxy to vote for any of the candidates for the Board of Directors except the candidates marked with an "X" under the "AGAINST" column:

ITEMS	ACTION		
	FOR	AGAINST	ABSTAIN
1. To vote for Quorum purposes only.			
2. To approve the minutes of the 2021 Annual stockholders' meeting.			
3. To approve the Company's 2022 Annual Report and Audited Financial Statements.			
4. To confirm and ratify all acts and resolutions of the Board of Directors & Management (July 1, 2021 to June 30, 2022 inclusive).			
5. To appoint External Auditors.			
6. To approve the Amendment of Articles II (Secondary Purpose), III (Principal Office Address), IV (Term of Existence), VI (Number of Directors) and VII (On stock certificates) of the Amended Articles of Incorporation			
7. To approve the Amendment of Article I (Office), Article III (Meeting: Sections 1 to 10), Article IV (Directors: Section 1 and 3), Article V (Officers: Sections 1 to 5), Article VI (Committees: Section 3) and Article VII (Membership: Section 3) of the Amended By-Laws			

¹Stockholders may vote in person online from September 21 (starting at 8:00 a.m.) up to September 22, 2022 (5:00 p.m.). Voting by Proxyholders and attorneys-in-fact online shall be on September 23, 2022 from 8:00 a.m. to 5:00 p.m.

8. All matters arising from the agenda (except the sale or disposition, total or partial, of the corporate assets).			
9. Election of the Board of Directors			
a. Marvin A. Caparros			
b. Maria Cecilia Ng-Esguerra			
c. Raymundo G. Estrada			
d. Jose Ferdinand R. Guiang			
e. Nicanor S. Jorge			

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

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

Voting Rules

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

Validation of Proxies

Proxy form shall be validated as these are received by the Club, provided that the proxy forms are submitted to the Club on or before 5:00 p.m. of September 18, 2022 which is consistent with the deadline provided under the Club's By-Laws.

Revocation of Proxies

A member giving a proxy has the power to revoke it any time before the right granted is exercised. A proxy is also considered revoked if the member decides to vote and actually votes online from Sept. 21 to 22, 2022.

Signed this _____ at _____

Printed Name of Member

Signature of Member or Authorized Signatory

PLEASE DATE AND SIGN YOUR PROXY

PLEASE MARK, SIGN AND EMAIL BACK YOUR PROXY AT VALLEY WEBSITE USING YOUR REGISTERED EMAIL ADDRESS OR SEND IT THRU PRIVATE COURIER ON OR BEFORE 5:00 P.M. OF SEPTEMBER 18, 2022.

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

AMENDMENTS
ARTICLES OF INCORPORATION

ANNEX " J "

ARTICLE II, SECONDARY PURPOSES

To buy, lease or otherwise acquire, own, hold and dispose of, such real and personal property as may be necessary, advantageous or convenient in the conduct of its business; to develop, improve, subdivide any properties owned by the corporation; to offer and/or sell its proprietary shares to the public as may be allowed by the Securities and Exchange Commission under existing laws and its implementing rules and regulations; and generally, to do and perform all such acts and things, and to exercise such powers as are ordinarily done, performed and exercised by social and athletic clubs and associations.

ARTICLE III

That the place where the principal office of the corporation is to be established or located is Main Clubhouse, Valley Golf & Country Club, Inc., Don Celso S. Tuason Avenue, Victoria Valley, Barangay Munting Dilaw, Antipolo, Rizal, Philippines.

ARTICLE IV

That said corporation shall have perpetual existence.

ARTICLE VI

That the number of directors of said corporation shall be Eleven (11) and that the names and residences of the Directors of the corporation who are to serve until their successors are elected and qualified as provided by the by-laws are, as follows:

ARTICLE VII

That the capital stock of said corporation is Sixteen Million Two Hundred Thousand Pesos (PhP16,200,000.00) divided into One Thousand Eight Hundred (1,800) common shares of the par value of Nine Thousand Pesos (PhP9,000) each (as amended on September 13, 1981).

Said shares of stock shall be owned by and the interest thereof accrue only to the registered owner thereof, who, aside from his rights as shareholder, may in addition, and subject to such rules and regulations as may be promulgated by, screening and approval of the Board of Directors, be issued a regular membership card that would entitle him to all the rights and privileges that are extended to all holders of regular membership cards for the use and enjoyment of the facilities and premises of the Club.

The stock certificates shall be issued within sixty (60) business days from the date of their full payment. Any person who owns or buys a share shall be qualified before the actual sale or transfer of the share or certificate.

Shareholders shall have the right to share in the assets of the corporation upon its dissolution or liquidation.

AMENDMENTS

ANNEX

J-1

BY-LAWS

ARTICLE I - OFFICE

The principal office of the Club shall be located at the Main Clubhouse, Valley Golf & Country Club, Inc., Don Celso S. Tuason Avenue, Victoria Valley, Barangay Munting Dilaw, Antipolo City, Rizal, Philippines.

ARTICLE III - MEETING

Section 1. Annual Meetings - The annual meetings of stockholders shall be held at the Clubhouse on the Fourth Sunday of September of each year at 4:00 o'clock in the afternoon or such time as the Board of Directors may deem appropriate. Annual meetings are authorized to be held by remote communications and stockholders may participate in such meetings through remote communications or other alternative modes of communication (as approved during the stockholders meeting on 27 September 2020).

Section 2. Special meetings of stockholders may be called at any time by resolution of the Board of Directors or by order of the President, or upon written request of ten percent (10%) of stockholders, or as provided in the Revised Corporation Code and the rules and regulations of the Securities and Exchange Commission. No action will be taken at such special meeting except for the purpose(s) specified in the call.

Section 3. Notice of Meetings - Written notice of meetings for every regular or special meeting of stockholders shall be given to stockholders at least twenty-one (21) calendar days prior to the date of the meeting. Written notices of regular or special meetings may be sent personally, by registered mail or special courier or through electronic mail. Any failure or irregularity of notice of any meeting shall be deemed cured where the complaining stockholders appear at the meeting except when they attend the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum - A quorum at any meeting shall consist of a majority of stockholders who are present in person or by proxy, or by remote communication (in absentia) subject to rules and regulations as may be adopted by the Board of Directors, and a majority of such quorum shall decide any question that may come before the meeting, except in cases where a different number of votes is required by law. A stockholder who participates through remote communication (in absentia) shall be deemed present for purposes of quorum.

Section 5. Proxies/Voting by Remote Communication - Every stockholder is entitled to vote at any meeting of stockholders and may so vote by proxy or through remote communication (in absentia) subject to rules and regulations as may be adopted by the Board of Directors, provided that the proxy shall have been appointed by the stockholder himself or by his duly authorized attorney-in-fact in an official numbered proxy form issued by the Club. No other proxy form shall be recognized by the Club.

Section 6. Election of Directors - The election of Directors, for both regular and independent directors, shall be held at the annual meeting of stockholders and shall be conducted in the manner provided for in the Revised Corporation Code, the Securities Regulations Code and their Implementing Rules and Regulations and with such formalities as the officer presiding at the meeting shall then and there determine and provided. An independent director is defined as a person who apart from his shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director for the Club.

The external auditor and auditors shall likewise be elected by the stockholders either in the annual stockholders' meeting or in a special stockholders' meeting called for the purpose.

Section 8. Eligibility to vote and be voted -

- a) Only stockholders in good standing shall have the right to vote and be voted upon at any meeting of the stockholders.

Qualifications of Nominees for the Election of Directors:

- i. Has one (1) share recorded in his/her name for at least three (3) years at the time of nomination and shall continue to own a share during his/her term of office.
 - ii. Has been an Executive Officer of the Club or a member of a standing committee for at least 1 year in the last three (3) years prior to his nomination provided he/she has attended at least fifty percent (50%) of the meetings of said committee as duly verified by Club records;
 - iii. Is an active proprietary member who has not assigned the playing right of his/her share of stock upon his/her nomination, has committed in writing not to assign said playing right during his/her incumbency if elected, and is in good standing, with no delinquent account/s;
 - iv. Shall have sufficient time and willing to share his/her professional and executive expertise; and,
 - v. Has no official record of grave and serious misconduct that merited any club membership suspension and has not been convicted in any criminal case.
- c) In addition to the qualifications provided under Section 8, paragraph (b), the following are the qualifications of Nominees for the Election of Independent Directors:
- i. At least a college graduate or have sufficient experience in managing the business to substitute for such formal education
 - ii. Shall possess integrity, probity and shall be assiduous
 - iii. Is not a previous director or executive officer of the Club for the past 2 years except when the same shall be an independent director;
 - iv. Does not own more than two percent (2%) of the shares of the Club;
 - v. Is not related to any director, officer or substantial shareholder of the Club; for this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother and sister;

- vi. Is not acting as a nominee or representative of any director or substantial shareholder of the Club, pursuant to a Deed of Trust or under any contract or arrangement;
- vii. Has not been employed in any executive capacity by the Club and/or any of its substantial shareholders within the last two (2) years;
- viii. Is not retained, either personally or through his firm or any similar entity, as professional adviser by the Club and/or any of its substantial shareholders within the last two (2) years; or
- ix. Has not engaged and does not engage in any transaction with the Club and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial;

All other disqualifications for independent directors as provided for by the Securities Regulation Code, its Implementing Rules and Regulations, the Club's Amended Manual of Corporate Governance, other applicable memorandum circulars and related laws and issuances shall also be applicable to all nominees for independent directors.

Section 9. Stockholder's Consent – The consent of 2/3 of the outstanding capital stock shall be required in the following instances:

- a) A substantial change in the present layout in the 36 holes golf course.
- b) Any expenditure of the funds of the Club for alteration covered by the preceding paragraph
- c) Any capital expenditure for new projects other than any those approved at previous stockholders' meeting which requires special assessment against the stockholders, or an increase in the number of authorized shares of Club.
- d) Other corporate matters for which such number of votes of stockholders is required for approval under the Revised Corporation Code.

For the purpose of this section, the consent of stockholders may be obtained by referendum.

Section 10. Committee on Election – Members of the Committee on Election shall be appointed by the Board of Directors, composed of an independent director and two (2) proprietary members in good standing who are members of the Integrated Bar of the Philippines. Such proprietary members shall be of unquestionable integrity and occupy the highest esteem of his peers. For purposes of the Comelec, a playing representative of a corporate proprietary member may be appointed as member of the Comelec provided that said designated playing representative shall be the incumbent President or Chairman of the Corporation and should own equity in the said Corporation and subject to such other requirements and/or limitations that the Board may impose.

The Club General Manager, Comptroller and Internal Auditor shall form part of the Comelec Secretariat.

ARTICLE IV – DIRECTORS

Section 1. Board of Directors – The business and property of the Club shall be managed by a Board of Directors whose number shall be as provided for in the Articles of Incorporation, of which at least twenty percent (20%) shall be Independent Directors. Directors shall serve for a term of one (1) year. No Director can serve consecutively for more than five (5) years.

No more than sixty (60) days prior to the annual meeting of stockholders, the President with the approval of the Board of Directors, shall appoint a Nomination Committee of five (5) stockholders, one of whom shall be an Independent Director. Three (3) of the members shall not be Directors. The said Nomination Committee shall prepare, sign and post at least twenty-one (21) days before the annual meeting, a list of not less than ten (10) candidates for the Regular Directors and three (3) candidates for the Independent Directors for the Board of Directors for the ensuing year; Provided that no stockholder may run for both independent and regular director positions at the same time.

The Nomination Committee shall promulgate the guidelines and criteria to govern the conduct of the nomination of candidates for both regular and independent directors and shall evaluate all candidates to ensure compliance with the required qualifications. After the nomination, the Nomination Committee shall prepare a Final List of Candidates for both regular and independent directors, which list shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement. The name of the person or group of persons who recommended the nomination of both the regular and independent director shall be identified in such Information Statement including any relationship with the nominee. The Final List of the qualified candidates nominated for regular and independent directors shall also be included in the notice of the annual meeting that is sent out to each stockholder. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as regular and independent directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

Section 3. Board Meeting – The regular meeting of the Board or Directors shall be held once a month at such time and place as shall be determined by the Board. Special meetings of the Board may be called by the President, or upon written petition of three (3) members. Notice of Board Meetings shall be served on each director at least three (3) days before the meeting, unless notice is waived by all the Directors present.

Directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate. Directors cannot attend or vote by proxy at board meetings.

ARTICLE V - OFFICERS

Section 1. Designation – Majority of all the Board of Directors at its first meeting shall elect as Executive Officers of the Club a President, a Vice-President, a Treasurer, a Secretary, a Compliance Officer and such other administrative officers as it may deem proper.

Section 2. Qualification – All Executive Officers of the Club must be incumbent directors, with the exception on the Secretary and the Compliance Officer who must, however, be residents and citizens of the Philippines.

Section 4. Compensation – The compensation and working conditions of officers of the Club who are not directors, including the Corporate Secretary and the Compliance Officer, shall be fixed by the Board. Directors acting as such, or as officers of the Club including members of standing or special committees, shall receive no salaries or fees, whatsoever for their services.

Section 5. Duties and Responsibilities – The duties and responsibilities of the different officers of the Club are as follows:

- a) **The President** – The President shall preside at all meetings and shall sign the membership certificate of the Club. He shall be the chief executive officer of the Club and have general supervision of the business affairs and property of the Club and over its several agents and employees, with authority to hire said employee, and dispenses with their services subject to confirmation by the Board of Directors. He shall sign contracts on behalf of the Club and shall see that all orders and resolutions of the Board are carried into effect. In addition to the above duties expressly vested in him by these By-Laws, he shall do and perform such acts and duties as from time to time may be assigned to him by the Board of Directors.
- b) **The Vice-President** – In the absence or disability of the President, the Vice-President shall exercise all the powers and discharge all the duties of the President. The Vice-President shall, in addition, have such powers and duties as may, from time to time be conferred on him by the Board.
- c) **The Treasurer** – The Treasurer, except as otherwise provided by the Board of Directors, shall have the custody of all moneys, securities and values of the Club that come into his possession, and shall keep regular books of accounts. He shall deposit said moneys, securities and values in such banking institutions as may be designated, from time to time by the Board of Directors, subject to withdrawal therefrom on the signature of such officers of the Club as the board may, by resolution, designate. He shall perform all other duties incident to his office and all that are properly required on him by the Board of Directors. He shall furnish a bond conditioned upon the faithful performance of his duties, if and when required so to do by the Board of Directors; the amount of said bond to be determined and fixed by the said Board.
- d) **The Secretary** – The Secretary shall issue notices of all meetings, shall keep their minutes, shall have charge of the seal and corporate books; shall countersign the certificate of stock and sign such other instruments as required such signature, and shall make such reports and perform such other duties as are incident to his office or are properly required of him by the Board of Directors.
- e) **The Compliance Officer** -- **The Compliance Officer, who shall not be a member of the Board of Directors, shall monitor compliance with the provisions and requirements of the Club's Amended Manual of Corporate Governance and shall perform all the duties and responsibilities as provided therein.**

ARTICLE VI – COMMITTEES

Section 3. Other Standing Committees required for purposes of Corporate Good Governance - In addition to the committees mentioned under Sections 1 and 2 of this Article, the Club shall also have such committees as required by its Amended Manual on Corporate Good Governance including:

- a) **Nomination Committee**
- b) **Audit Committee**
- c) **Corporate Governance Committee**

The Nomination Committee's composition and functions shall be as provided for in Section 1 of Article IV (Directors) of these Amended By-Laws as well as in the Club's Amended Manual of Corporate Governance. The composition and functions of the Audit and Corporate Governance Committees shall follow the Club's Amended Manual of Corporate Governance and applicable laws.

ARTICLE VII - MEMBERSHIP

Section 1. Classification - Membership in the Club shall be classified into (a) Proprietary (b) Playing Guest (c) Honorary (d) Social and (e) Lifetime.

- a) **A Proprietary Member is any person who is the registered stockholder of at least one (1) share of stock of the Club whose membership had been previously approved as hereinafter provided. In case the proprietary member is a juridical person it shall be entitled to designate its representative who shall exercise all the rights and privileges of membership including the right to vote.**
- b) **An Honorary Member is any person who has been conferred playing rights by the Board of Directors under terms and conditions specified for such membership.**
- c) **A Playing Guest is any person who is the assignee of the playing rights of a share of stock registered in the name of another person.**
- d) **A Social Member is a natural or juridical person who has been granted the privilege of using the facilities of the club except the golf course under the terms and conditions specified for such membership.**
- e) **A Lifetime Member is any person who has been conferred playing rights by the Board of Directors under terms and conditions specified for such membership.**

Section 3. Should the Board of Directors increase the stipulated monthly dues and other assessments of the Club, it shall submit to the Securities and Exchange Commission a report under oath of the increase in fees and the rationale for such increase within thirty (30) business days from the date of approval by the Board of Directors. The Club shall notify the members of any increase in fees upon the Board's approval of the increase and cause the posting of proper notices and other communications on the charging of fees on bulletin or electronic boards situated at conspicuous place/s at the Club.