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Company Information

SEC Registration No.: 0000013951
Company Name: VALLEY GOLF AND COUNTRY CLUB, INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST11009202482920832
Document Type: Financial Statement
Document Code: FS
Period Covered: June 30, 2024
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	3	9	5	1						

COMPANY NAME

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

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

Don Celso S. Tuason Ave., Antipolo City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@valleygolf.com.ph	8658-4901	09214188187

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,459	4th Sunday of September	June 30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Pedro H. Maniego Jr.	info@valleygolf.com.ph	8658-4901	09298930398

CONTACT PERSON's ADDRESS

Unit 14-G, The Address at Wack Wack, Greenhills East, Mandaluyong City

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

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

Certification

I, **ATTY. JOSEPH JOEL R. CASTILLO**, the Compliance Officer of **VALLEY GOLF & COUNTRY CLUB, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number **13951** and with principal office at **Don Celso S. Tuason Victoria Valley Antipolo City**, on oath state:

1) That I have caused this **Annual Financial Statements (AFS) for the fiscal year ended June 30, 2024** 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_____.

ATTY. JOSEPH JOEL R. CASTILLO
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF OCT 04 2024 AT ANTIPOLO CITY AFFIANT EXHIBITING TO ME HIS/HER ____________

ATTY. ALBINO E. PARANADA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
IBP NO. 324941/12-05-2023
ROLL NO. 53950
MCLE NO. VII-0015985/4-14-25
PTR NO. 9127927/1-2-24, ANTIPOLO

DOC. NO. 400
PAGE NO. 81
BOOK NO. 4
SERIES OF 2024

Valley Golf

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 year ended June 30, 2024 and 2023, 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 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 to do so.

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

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

SyCip, Gorres, Velayo & Co., the independent auditors appointed by the stockholders or members has audited the financial statements of Valley Golf & Country Club, Inc. in accordance with Philippine Standards on Auditing, and in their report to the stockholders or members, have expressed their opinion on the fairness of presentation upon completion of such audit.

JOSE G. RAZON
Chairman of the Board/President
TIN 176-265-115

ERIC R. ILLESCAS
Chief Financial Officer/Treasurer
TIN 104-016-565

Signed this ________ day of __________

SUBSCRIBED AND SWORN TO before me this OCT 0 4 2024 at ANTIPOLO CITY
Affiant exhibiting to me his/her Tax Identification Number as indicated above.

Doc. No. 377
Page No. 51
Book No. 6
Series of 2024

ATTY. ALBINO B. PARANADA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
IBP NO. 324941/12-05-2023
ROLL NO. 53950
MCLE NO. VII-0015985/4-14-25
PTR NO. 9127927/1-2-24 ANTIPOLO

VALLEY GOLF AND COUNTRY CLUB, INC.
Don Celso S. Tuason Avenue, Antipolo City 1870 Philippines
Telephone: 86584901 to 03

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

eldajugo@valleygolf.com.ph

From:	eafs@bir.gov.ph
Sent:	Saturday, 5 October 2024 8:41 am
To:	INFO@VALLEYGOLF.COM.PH
Cc:	ELDAJUGO@VALLEYGOLF.COM.PH
Subject:	Your BIR AFS eSubmission uploads were received

Hi VALLEY GOLF AND COUNTRY CLUB, INC.,

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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 BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Building a better working world

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Valley Golf & Country Club, Inc. (a nonprofit organization) (the Club), which comprise the statements of financial position as at June 30, 2024 and 2023, 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, 2024, and notes to the financial statements, including a material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at June 30, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended June 30, 2024 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082030, January 6, 2024, Makati City

September 5, 2024

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

	June 30	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱108,994,941**	₱82,410,206
Short-term investments (Note 5)	**21,529,278**	–
Trade and other receivables (Note 6)	**32,914,650**	23,356,548
Financial assets at fair value through profit or loss (FVPL) (Note 10)	**–**	10,387,218
Other current assets (Note 7)	**9,051,340**	9,175,335
Total Current Assets	**172,490,209**	125,329,307
Noncurrent Assets		
Property and equipment (Note 8)	**278,002,730**	255,476,745
Investment properties (Note 9)	**73,562**	85,616
Trust fund (Note 10)	**5,186,530**	4,984,096
Deferred tax assets - net (Note 23)	**8,256,368**	1,126,720
Other noncurrent assets (Note 11)	**3,979,579**	5,084,160
Total Noncurrent Assets	**295,498,769**	266,757,337
TOTAL ASSETS	**₱467,988,978**	₱392,086,644
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Trade and other payables (Note 12)	**₱72,139,604**	₱51,760,709
Members' deposits and others (Note 13)	**23,637,412**	19,477,090
Contract liabilities - current (Note 14)	**10,995,980**	9,709,296
Provision for probable claims (Note 15)	**5,668,575**	7,268,575
Total Current Liabilities	**112,441,571**	88,215,670
Noncurrent Liabilities		
Retirement benefit obligation (Note 25)	**9,571,349**	8,266,671
Contract liabilities - noncurrent (Note 14)	**20,913,359**	4,697,749
Security deposits (Notes 18 and 19)	**1,336,078**	849,803
Total Noncurrent Liabilities	**31,820,786**	13,814,223
Total Liabilities	**144,262,357**	102,029,893
Members' Equity		
Capital stock (Note 16)	**14,346,000**	14,346,000
Contributions in excess of par value	**201,627,772**	201,627,772
Accumulated excess of revenues over expenses	**107,752,849**	74,082,979
Total Members' Equity	**323,726,621**	290,056,751
TOTAL LIABILITIES AND MEMBERS' EQUITY	**₱467,988,978**	₱392,086,644

See accompanying Notes to Financial Statements.

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

STATEMENTS OF INCOME

	Years Ended June 30		
	2024	2023	2022
REVENUES			
Revenue from contracts with customers (Note 17)	**₱228,061,656**	₱206,976,023	₱140,813,780
Rentals (Note 19)	**23,714,557**	22,701,459	20,986,983
Gain on change in fair value of financial assets at FVPL and trust fund	**624,320**	394,304	140,564
Gain on disposal of property and equipment (Note 8)	**108,106**	573,214	371,572
Interest income (Notes 4, 5, 10, and 19)	**1,405,601**	611,952	129,588
	253,914,240	231,256,952	162,442,487
COST AND EXPENSES			
Cost of services (Note 20)	**195,008,061**	177,725,539	132,701,080
General and administrative expenses (Note 21)	**30,225,122**	24,600,299	18,495,865
Interest expense (Notes 19, 25 and 26)	**675,334**	527,353	316,664
	225,908,517	202,853,191	151,513,609
EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	**28,005,723**	28,403,761	10,928,878
PROVISION FOR (BENEFIT FROM) INCOME TAXES (Note 23)	**(6,585,238)**	(883,140)	573,993
EXCESS OF REVENUES OVER EXPENSES	**₱34,590,961**	₱29,286,901	₱10,354,885

See accompanying Notes to Financial Statements.

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

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2024	2023	2022
EXCESS OF REVENUES OVER EXPENSES	**₱34,590,961**	₱29,286,901	₱10,354,885
OTHER COMPREHENSIVE LOSS			
Item not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit obligation (Note 25)	**(1,228,122)**	(796,815)	(2,692,482)
Income tax effect	**307,031**	–	–
	(921,091)	(796,815)	(2,692,482)
TOTAL COMPREHENSIVE INCOME	**₱33,669,870**	₱28,490,086	₱7,662,403

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

	Years Ended June 30		
	2024	2023	2022
CAPITAL STOCK (Note 16)	**₱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			
Balances at beginning of year	**74,082,979**	45,592,893	37,930,490
Excess of revenues over expenses	**34,590,961**	29,286,901	10,354,885
Other comprehensive loss	**(921,091)**	(796,815)	(2,692,482)
Total comprehensive income	**33,669,870**	28,490,086	7,662,403
Balance at end of year	**107,752,849**	74,082,979	45,592,893
TOTAL MEMBERS' EQUITY	**₱323,726,621**	₱290,056,751	₱261,566,665

See accompanying Notes to Financial Statements.

VALLEY GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)
STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over expenses before income taxes	**₱28,005,723**	₱28,403,761	₱10,928,878
Adjustments for:			
Depreciation and amortization (Notes 8, 9 and 11)	**21,208,125**	20,967,046	23,417,865
Movements in:			
Provision for probable claims (Note 15)	**(1,600,000)**	1,600,000	–
Retirement benefit obligation	**(586,370)**	(656,062)	(806,027)
Interest income (Notes 4, 5, 10 and 19)	**(1,405,601)**	(611,952)	(129,588)
Interest expense (Note 19, 25 and 26)	**675,334**	527,353	316,664
Gain on change in fair value of financial assets at FVPL and trust fund (Note 10)	**(624,320)**	(394,304)	(140,564)
Gain on disposal of property and equipment (Notes 8 and 17)	**(108,106)**	(573,214)	(371,572)
Loss on derecognition of property and equipment (Note 8 and 21)	**–**	131,371	–
Operating income before working capital changes	**45,564,785**	49,393,999	33,215,656
Decrease (increase) in:			
Trade and other receivables	**(9,540,841)**	(9,411,993)	(128,414)
Other current assets	**(113,384)**	(471,304)	(1,300,269)
Increase (decrease) in:			
Trade and other payables	**20,370,756**	27,968,154	7,785,696
Members' deposits and others	**4,156,053**	1,239,387	2,088,752
Contract liabilities	**17,502,294**	3,000,460	3,596,814
Security deposits	**500,000**	–	–
Net cash generated from operations	**78,439,663**	71,718,703	45,258,235
Interest received	**1,374,615**	514,947	114,910
Interest paid	**–**	(15,853)	(35,549)
Net cash flows from operating activities	**79,814,278**	72,217,797	45,337,596
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of:			
Property and equipment (Note 8)	**(43,470,880)**	(38,119,519)	(45,872,069)
Short-term investments (Note 5)	**(21,529,278)**	–	–
Trust fund invested in time deposits (Note 10)	**(5,186,530)**	–	–
Software cost (Note 11)	**(2,009,217)**	–	–
Proceeds from disposals of			
Financial assets at FVPL (Note 10)	**10,809,104**	–	–
Trust fund invested in UITF (Note 10)	**5,186,530**	–	–
Decrease (increase) in other noncurrent assets (Note 11)	**2,821,621**	(3,171,621)	(641,857)
Proceeds from disposal of property and equipment (Note 8)	**149,107**	573,214	371,572
Net cash flows used in investing activities	**(53,229,543)**	(40,717,926)	(46,142,354)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of short-term borrowing (Note 26)	**–**	(236,946)	(457,454)
Proceeds from availment of short-term borrowing (Note 26)	**–**	–	694,400
Net cash flows from (used in) financing activities	**–**	(236,946)	236,946
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**26,584,735**	31,262,925	(567,812)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**82,410,206**	51,147,281	51,715,093
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱108,994,941**	₱82,410,206	₱51,147,281

See accompanying 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. 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, 2024 and 2023 and for each of the three years in the period ended June 30, 2024 on September 5, 2024.

2. Material Accounting Policy Information

Basis of Preparation

The financial statements of the Club have been prepared on a historical cost basis, except for the financial assets at FVPL 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.

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 amendments to existing standards starting July 1, 2023. The Club has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these pronouncements did not have any impact on the financial statements of the Club.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments have had an impact on the Club's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Club's financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

Standards Issued but Not yet Effective
Pronouncements issued but not yet effective are listed below. The Club does not expect that the future adoption of the said pronouncements will 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, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after July 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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*

Financial Assets

Initial Recognition and Measurement of Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost and FVPL.

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 FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost, 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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Club's financial assets are in the nature of financial assets at amortized cost and financial assets at FVPL.

Subsequent Measurement of Financial Assets

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost

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, short-term investments, trade and other receivables, trust fund invested in time deposits, and refundable deposit presented in "Other noncurrent assets" in the statements of financial position (see Notes 4, 5, 6, 10 and 11).

Financial assets at FVPL

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income.

The Club's financial assets at FVPL includes its investments in unit investment trust fund (UITF) (see Note 10).

Impairment of Financial Assets
The Club recognizes an allowance for expected credit losses (ECLs) for all financial asset not held at FVPL. 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, financial assets at FVPL, 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.

Financial Liabilities
Initial Recognition and Measurement of Financial Liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, 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's financial liabilities are in the nature of amortized cost. The Club has no financial liabilities at FVPL and derivative instruments as at June 30, 2024 and 2023.

Subsequent Measurement - 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.

The Club's financial liabilities at amortized cost includes trade and other payables excluding statutory payables, members' deposit and others, provisions for probable claims and security deposits (see Notes 12, 13, 15, 18 and 19).

Fair Value Measurement
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.

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:

Category	Number of Years
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, net of accumulated impairment losses, if any. Depreciation is computed when the construction is completed.

The useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

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 the 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 to five (5) 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 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.

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.

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 at a point in time 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.

Surcharge on Past Due Accounts
Surcharge on past due accounts are penalties charged to members with delinquent accounts for over 45 days from the cut-off date of the 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.

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.

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.

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 on its investment properties. 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 amounted to ₱23,714,557, ₱22,701,459, and ₱20,986,983 in 2024, 2023 and 2022, respectively (see Note 19).

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 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 ₱32,914,650 and ₱23,356,548 net allowance for ECL of ₱1,613,395 and ₱1,725,845 as at June 30, 2024 and 2023, respectively (see Note 6).

Estimation of Useful Lives of Property and Equipment and Investment Properties
The Club estimates the useful lives of property and equipment and investment properties excluding land, 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 at June 30, 2024 and 2023, 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 amounted to ₱268,673,267 and ₱246,147,282 as at June 30, 2024 and 2023, respectively (see Note 8). The carrying amount of investment properties amounted to nil and ₱12,054 as at June 30, 2024 and 2023, respectively (see Note 9).

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 ₱9,571,349 and ₱8,266,671 as at June 30, 2024 and 2023, respectively (see Note 25).

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.

The Club's deferred tax assets amounted to ₱8,651,750 and ₱1,498,560 as at June 30, 2024 and 2023, respectively (see Note 23).

Temporary deductible differences for which no deferred tax asset was recognized amounted to ₱14,453,402 and ₱10,459,972 as at June 30, 2024 and 2023, respectively (see Note 23).

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 ₱5,668,575 and ₱7,268,575 as at June 30, 2024 and 2023, respectively (see Note 15).

4. Cash and Cash Equivalents

	2024	2023
Cash on hand	**₱145,703**	₱185,000
Cash in banks	**76,098,721**	70,081,957
Cash equivalents	**32,750,517**	12,143,249
	₱108,994,941	₱82,410,206

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 ₱1,024,951, ₱598,227 and ₱115,863 in 2024, 2023 and 2022, respectively.

5. Short-term investments

Short-term investments amounted to ₱21,529,278 and nil as at June 30, 2024 and 2023. Short-term investments pertain to time deposits with maturities of more than three (3) months but less than one year and earn interest at the respective short-term placement rates.

The peso-denominated short-term investments earn an interest at a rate of 5.50% per annum in 2024 and have maturity of 119-120 days.

Interest income from short-term investments earned amounted to ₱366,925 in 2024 and nil in 2023 and 2022.

6. Trade and Other Receivables

	2024	2023
Members	₱25,649,740	₱17,134,348
Others	8,878,305	7,948,045
	34,528,045	25,082,393
Less allowance for ECLs	1,613,395	1,725,845
	₱32,914,650	₱23,356,548

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.

The movement in allowance for ECLs are as follows:

	2024	2023
Balances at beginning of year	₱1,725,845	₱1,725,845
Reversal (Note 21)	(112,450)	–
Balances at end of year	₱1,613,395	₱1,725,845

7. Other Current Assets

	2024	2023
Supplies inventories at NRV	₱3,647,381	₱2,728,410
Less allowance for inventory obsolescence	312,009	52,571
	3,335,372	2,675,839
Prepayments	2,781,437	4,149,671
Creditable withholding tax (CWT)	1,075,967	710,716
Advances to supplier	1,858,564	1,639,109
	₱9,051,340	₱9,175,335

Supplies inventories include gasoline and oil stocks, grounds materials, office, shop and maintenance supplies and construction materials. Cost of inventories valued at NRV amounted to ₱312,009 and ₱52,571 as at June 30, 2024 and 2023, respectively.

The movements in the allowance for inventory obsolescence are as follows:

	2024	2023
Balances at beginning of year	₱52,571	₱–
Provision during the year (Note 21)	259,438	52,571
Balances at end of year	₱312,009	₱52,571

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.

Advances on purchases pertain to the Club's advances on materials to be used for golf tournaments.

8. Property and Equipment

	2024							
	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	**₱9,329,463**	**₱325,588,901**	**₱115,993,183**	**₱47,471,883**	**₱5,062,628**	**₱35,625,870**	**₱4,577,251**	**₱543,649,179**
Additions	**–**	**–**	**–**	**3,099,754**	**–**	**9,035,936**	**31,335,190**	**43,470,880**
Disposals	**–**	**–**	**–**	**(1,424,569)**	**(125,137)**	**(410,712)**	**–**	**(1,960,418)**
Transfers	**–**	**17,331,994**	**6,672,666**	**–**	**–**	**–**	**(24,004,660)**	**–**
Balances at end of year	**9,329,463**	**342,920,895**	**122,665,849**	**49,147,068**	**4,937,491**	**44,251,094**	**11,907,781**	**585,159,641**
Accumulated depreciation:								
Balances at beginning of year	**–**	**178,444,366**	**42,350,215**	**34,729,356**	**5,062,415**	**27,586,082**	**–**	**288,172,434**
Depreciation (Notes 20 and 21)	**–**	**7,767,227**	**4,611,053**	**4,163,283**	**213**	**4,362,118**	**–**	**20,903,894**
Disposals	**–**	**–**	**–**	**(1,383,568)**	**(125,137)**	**(410,712)**	**–**	**(1,919,417)**
Balances at end of year	**–**	**186,211,593**	**46,961,268**	**37,509,071**	**4,937,491**	**31,537,488**	**–**	**307,156,911**
Net book values	**₱9,329,463**	**₱156,709,302**	**₱75,704,581**	**₱11,637,997**	**₱–**	**₱12,713,606**	**₱11,907,781**	**₱278,002,730**

	2023							
	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	₱319,593,027	₱68,129,272	₱43,059,450	₱5,239,708	₱31,083,817	₱32,884,836	₱509,390,417
Additions	–	–	679,427	6,501,181	–	6,000,000	24,938,911	38,119,519
Disposals	(70,844)	(66,138)	–	(2,088,748)	(177,080)	(1,457,947)	–	(3,860,757)
Transfers	–	6,062,012	47,184,484	–	–	–	(53,246,496)	–
Balances at end of year	9,329,463	325,588,901	115,993,183	47,471,883	5,062,628	35,625,870	4,577,251	543,649,179
Accumulated depreciation:								
Balances at beginning of year	–	168,894,624	39,806,380	32,270,754	5,239,495	25,053,962	–	271,265,215
Depreciation (Notes 20 and 21)	–	9,615,880	2,543,835	4,486,823	–	3,990,067	–	20,636,605
Disposals	–	(66,138)	–	(2,028,221)	(177,080)	(1,457,947)	–	(3,729,386)
Balances at end of year	–	178,444,366	42,350,215	34,729,356	5,062,415	27,586,082	–	288,172,434
Net book values	₱9,329,463	₱147,144,535	₱73,642,968	₱12,742,527	₱213	₱8,039,788	₱4,577,251	₱255,476,745

The Club opened an auction sale of various fixed assets. The Club disposed various property and equipment for ₱149,107, ₱573,214, and ₱371,572 which resulted to a gain on disposal of ₱108,106, ₱573,214, and ₱371,572 presented in statements of income in 2024, 2023, and 2022, respectively. In 2023, the Club also derecognized various property and equipment which resulted to a loss on derecognition amounted to ₱131,371 (see Note 21).

The cost of fully depreciated property and equipment still used in operations amounted to ₱166,345,354 and ₱152,539,011 as at June 30, 2024 and 2023, respectively.

9. Investment Properties

	2024		
	Building	**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	**53,706,312**	–	**53,706,312**
Depreciation (Notes 20 and 21)	**12,054**	–	**12,054**
Balances at end of year	**53,718,366**	–	**53,718,366**
Net book values	**₱–**	**₱73,562**	**₱73,562**

	2023		
	Building	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	53,668,048	–	53,668,048
Depreciation (Notes 20 and 21)	38,264	–	38,264
Balances at end of year	53,706,312	–	53,706,312
Net book values	₱12,054	₱73,562	₱85,616

Based on the appraisal report submitted by Top Consult, Inc., independent appraiser, dated July 1, 2024, the fair value of the land with aggregate land area of 9,407 sqm. and building with total floor area of 2,271 sqm., amounted to ₱100,268,100 and ₱26,642,000, respectively.

Based on the appraisal report submitted by Top Consult, Inc., independent appraiser, dated July 1, 2023, the fair value of the land with aggregate land area of 9,407 sqm. and building with total floor area of 2,271 sqm., amounted to ₱95,685,900 and ₱27,972,000, respectively.

The market value of the investment properties as of 2024 and 2023 were valued using the market approach for land and cost approach for building. Market approach consider the prices for transactions of identical or similar assets that have occurred recently in the market. Cost approach an estimate is made on the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence

Rental income earned from investment property amounted to ₱334,109, ₱305,404 and ₱305,404 in 2024, 2023 and 2022 (see Note 19). Direct expenses related to investment properties consist mainly of depreciation amounting to ₱12,054, ₱38,264 and ₱90,685 in 2024, 2023 and 2022, respectively. No indirect expenses incurred related to investment properties in 2024, 2023 and 2022.

10. Trust Fund and Financial Assets at FVPL

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 ₱3,500,000, 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 ₱14,799,569 in UITF. The investment consists of the Club's trust fund, originally invested in time deposits, amounting to ₱4,799,569 and additional investment amounting to ₱10,000,000.

The Club's financial assets at FVPL as at June 30, 2024 and 2023 are as follows:

	2024	2023
Current asset		
Financial assets at FVPL	**₱–**	₱10,387,218
Noncurrent asset		
Trust fund	**5,186,530**	4,984,096
	₱5,186,530	₱15,371,314

Movement in financial assets at FVPL are as follows:

	2024	2023
Beginning balance	**₱10,387,218**	₱10,120,765
Changes in fair value	**421,886**	266,453
Disposals	**(10,809,104)**	–
Ending balance	**₱–**	₱10,387,218

Movements in trust fund invested in UITF are as follows:

	2024	2023
Beginning balance	**₱4,984,096**	₱4,856,245
Changes in fair value	**202,434**	127,851
Disposal	**(5,186,530)**	–
Ending balance	**₱–**	₱4,984,096

On May 12, 2024, the Club disposed the investments in UITF classified as financial assets at FVPL and trust fund amounting to ₱10,809,104 and ₱5,186,530, respectively.

Movement in trust fund invested in time deposits is as follows:

	2024
Beginning balance	₱–
Placement	5,186,530
Ending balance	₱5,186,530

On May 21, 2024, the Club placed an investment in a peso-denominated short-term investments which earn an interest at a rate of 5.50% per annum and have maturity of 120 days. This was classified as trust fund.

The valuation gains due to changes in fair value as of June 30, 2024 and 2023 are allocated as follows:

	2024	2023
Beginning balance	**₱571,745**	₱177,441
Changes in fair value during the year:		
Financial assets at FVPL	**421,886**	266,453
Trust fund	**202,434**	127,851
	624,320	394,304
Ending balance	**₱1,196,065**	₱571,745

Interest income earned for the trust fund amounted to nil in 2024 and 2023 and ₱6,345 in 2022.

11. Other Noncurrent Assets

	2024	2023
Computer software	**₱3,178,282**	₱1,461,242
Refundable deposit	**749,297**	1,425,516
Advances to suppliers and contractors	**52,000**	2,197,402
	₱3,979,579	₱5,084,160

Refundable deposit pertains to deposits to utility companies.

Advances to suppliers and contractors relate to purchase of various equipment and advance payments on upcoming construction projects.

The movement of computer software is as follows:

	2024	2023
Cost:		
Balance at beginning and end of year	**₱4,538,503**	₱4,188,503
Additions	**2,009,217**	350,000
Balance at end of year	**6,547,720**	4,538,503
Accumulated amortization:		
Balance at beginning of year	**3,077,261**	2,785,084
Amortization (Notes 20 and 21)	**292,177**	292,177
Balance at end of year	**3,369,438**	3,077,261
Net book value	**₱3,178,282**	₱1,461,242

12. Trade and Other Payables

	2024	2023
Trade	**₱24,288,708**	₱14,123,377
Organizations and cooperative	**32,680,368**	17,297,531
VAT payable	**5,801,396**	4,723,062
Accrued expenses	**4,293,571**	9,652,000
Concessionaires	**3,922,185**	4,490,102
Others	**1,153,376**	1,474,637
	₱72,139,604	₱51,760,709

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 within the next financial year.

Organizations and cooperative include payments for loans and advances by the employees to be remitted to the association, and payables to golf associations and other organizations. These are normally settled within the next financial year.

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.

13. Members' Deposits and Others

	2024	2023
Cash deposits	**₱17,040,450**	₱13,060,450
Due to former members	**6,332,408**	6,151,781
Security deposit	**264,554**	264,859
	₱23,637,412	₱19,477,090

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.

14. Contract Liabilities

	2024	2023
Membership dues paid in advance (Note 17)	**₱9,119,400**	₱8,459,000
Right-of-way fees paid in advance	**1,396,416**	539,134
Green fee coupons	**54,479**	388,679
Tournament deposit	**282,714**	232,189
Others	**142,971**	90,294
	₱10,995,980	₱9,709,296

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

Right-of-way fees paid in advance represents advance collection on the long-term agreements with various companies and individuals for the use of the Club's road. The deferred income on these advance collections is recognized as follows:

	2024	2023
Right-of-way fees paid in advance	**₱22,309,775**	₱5,236,883
Less current portion	**1,396,416**	539,134
Noncurrent portion	**₱20,913,359**	₱4,697,749

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 pertain 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.

15. Provision for Probable Claims

Movements in this account are as follows:

	2024	2023
Balances at beginning of year	**₱7,268,575**	₱5,668,575
Addition	–	1,600,000
Payments	**(1,600,000)**	–
Balances at end of year	**₱5,668,575**	₱7,268,575

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.

On July 21, 2023, the Club paid ₱1,600,000 to the heirs of a former stockholder for the full and final settlement of the case filed by the former stockholder against the Club.

16. Capital Stock

Details of the Club's common shares as of June 30, 2024 and 2023 are as follows:

	Shares	Amount
Common shares - ₱9,000 par value		
Authorized shares	1,800	₱16,200,000
Issued	1,594	14,346,000

17. Revenue from Contracts with Customers

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

	2024	2023	2022
Nature of services			
Membership dues	**₱70,940,126**	₱70,791,176	₱57,423,318
Sports and recreation	**39,508,414**	33,147,816	19,459,569
Assessment for road maintenance	**36,829,374**	28,335,713	23,706,765
Corporate services	**35,576,613**	30,919,171	22,561,454
Revenue from special events	**23,212,387**	25,192,101	2,364,767
Concessionaires' fee (Note 18)	**8,210,940**	7,393,161	3,493,824
Patronage fees	**3,196,635**	3,540,265	3,952,245
Surcharge	**695,056**	864,988	768,108
Others	**9,892,111**	6,791,632	7,083,730
	₱228,061,656	₱206,976,023	₱140,813,780

	2024	2023	2022
Timing of revenue recognition			
Services transferred overtime	**₱215,959,025**	₱195,177,609	₱132,599,603
Goods transferred at a point in time	**12,102,631**	11,798,414	8,214,177
	₱228,061,656	₱206,976,023	₱140,813,780

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 ₱9,119,400 and ₱8,459,000 as at June 30, 2024 and 2023, respectively. Members' dues paid in advance is considered as a contract liability of the Club to its members.

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

18. Concessionaires' Fees

	2023	2023	2022
Food and beverage services	**₱6,360,151**	₱5,875,815	₱2,266,505
Retail services	**1,728,701**	1,517,346	1,227,319
Spa and massage services	**122,088**	–	–
	₱8,210,940	₱7,393,161	₱3,493,824

Concession agreements entered into by the Club are shown below:

Food and Beverage Services

a) 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 provides that the concessionaire shall pay a basic minimum rental of ₱40,000 or 10% of the gross sales per month plus VAT, whichever is higher. The agreement is for a period of five (5) years starting January 1, 2021 (the "Initial Term") renewable for another two (2) years at the option of DIGI (the "Extended Term"). The agreement may be renewed or extended at the end of the initial and extended terms as the parties may mutually agree upon. Upon execution of the agreement, DIGI agrees to provide for a ₱240,000 refundable security deposit. The deposit was included under "Security deposits" in the statements of financial position in 2024 and 2023.

   The concessionaire fee recognized from DIGI amounted to ₱1,228,338, ₱994,571 and ₱501,191 in 2024, 2023 and 2022, respectively.

b) Golf Kitchen OPC (GKO), a local food concessionaire, and the Club entered into a concession agreement whereby GKO manages the food and beverage operations of the Club located at the Main Clubhouse. The agreement also provides that the concessionaire shall pay a fee of 5% of its monthly gross sales exclusive of VAT during the period of pandemic. After the COVID-19 pandemic, once the gross sale reaches ₱2,000,000, GKO shall pay 10% of the gross sales per month exclusive of VAT. The agreement is for a period of three (3) years from November 1, 2021 until October 31, 2024 subject to renewal upon mutual agreement of both parties. Upon signing of the contract, GKO shall be required to remit refundable security deposit in the amount of ₱500,000. The deposit was included under "Security deposits" in the statements of financial position 2024 and 2023.

   The concessionaire fee recognized from GKO amounted to ₱2,239,245, ₱2,419,996 and ₱780,574 in 2024, 2023 and 2022, respectively.

c) New Mandarin Sky Food Group, Inc. (NMSFGI), a local food concessionaire, and the Club entered into a concession agreement whereby NMSFGI 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 10% of its monthly gross sales exclusive of VAT. The agreement is for a period of five (5) years from October 1, 2022 until September 30, 2027 subject to renewal upon mutual agreement of both parties. Upon signing of the contract, NMSFGI shall remit a security deposit amounting to ₱500,000 which is refundable not later than 30 days from the termination of the contract. The deposit was included under "Security deposits" and "Trade and other payables" in the statements of financial position 2024 and 2023, respectively.

   The concessionaire fee recognized from NMSFGI amounted to ₱2,892,568, ₱2,461,248 and nil in 2024, 2023 and 2022, respectively.

d) 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. The contract was further extended 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. On May 28, 2022, the BOD approved the recommendation of the House Committee not to renew JFMI's contract as a concessionaire at the North Clubhouse. On May 31, 2022, the BOD released a formal notice of termination for the main clubhouse concession effective July 31, 2022.

   The concessionaire fee recognized from JFMI amounted to nil in 2024 and 2023 and ₱984,740 in 2022, respectively.

Retail Shop

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

On July 9, 2018, the contract was renewed and shall be effective for a period of two (2) years, starting from March 15, 2018 up to May 14, 2020. 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 agreement was extended on January 1, 2021 until December 31, 2023 with the same terms, subject to renewal upon mutual agreement of both parties. The agreement was further extended on January 1, 2024 until December 31, 2026.

The concessionaire fees from Pacsport Phils, Inc. amounted to ₱1,728,701, ₱1,517,346 and ₱1,227,319 in 2024, 2023 and 2022, respectively.

Spa and Massage Services

Four M's Spa and Wellness Center was awarded the concession to operate a spa and massage outlet inside the Clubhouse to serve the members, guests and dependents, exclusively. The agreement provides that the concessionaire shall pay a fee of 10% of their gross sales per month exclusive of VAT. The agreement is for a period of three (3) years from 2023 to 2026.

The concessionaire fees from Four M's Spa amounted to ₱122,088 in 2024 and nil in 2023 and 2022.

19. Rentals

	2024	2023	2022
Golf cart rental	**₱13,651,838**	₱13,034,934	₱14,900,957
Golf cart storage	**6,467,614**	5,961,189	3,789,831
Venue and room fee	**1,369,889**	1,563,304	414,361
Locker rental	**1,030,364**	1,023,725	920,084
Driving range	**423,822**	506,646	505,961
Communication cell site (Note 9)	**334,109**	305,404	305,404
Pull-cart rental	**–**	–	385
Others	**436,921**	306,257	150,000
	₱23,714,557	₱22,701,459	₱20,986,983

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 at June 30, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Within one (1) year	**₱474,525**	₱431,387	₱392,169
More than one (1) year but not more than five (5) years	**2,422,499**	2,202,272	2,002,066
More than five (5) years	**2,529,594**	3,224,346	3,855,939
	₱5,426,618	₱5,858,005	₱6,250,174

The excess of principal amount of the refundable security deposits over its fair value, at inception date of operating lease, is presented under "Security deposits" in the statements of financial position amounting to ₱96,078 and ₱109,803 as at June 30, 2024 and 2023, respectively. The current portion under "Trade and other payables" amounted to ₱73,201 and ₱82,350 as of June 30, 2024 and 2023, respectively. Straight-line amortization of deferred rent amounted to ₱13,725, ₱13,725, ₱7,380 in 2024, 2023, and 2022, respectively.

Interest expense from the amortization of security deposit amounted to ₱12,408, ₱12,209, and ₱11,638 in 2024, 2023 and 2022, respectively.

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 at June 30, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Within one (1) year	**₱305,404**	₱305,404	₱305,404
More than one (1) year but not more than five (5) years	**687,159**	992,563	1,297,967
	₱992,563	₱1,297,967	₱1,603,371

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

On March 31, 2022, the Club entered into a memorandum of conformity (MOC) with Globe Telecom Inc for the lease of Club's premises to be used as a cell sit under certain conditions. Monthly rental amounts to ₱25,000. The lease period is for a period of 10 years from January 1, 2022 to December 31, 2032 renewable for another 10 years.

The future minimum lease commitment under this operating lease as at June 30, 2024 are as follows:

	2024	2023	2022
Within one (1) year	**₱267,857**	₱267,857	₱300,000
More than one (1) year but not more than five (5) years	**1,339,286**	1,339,286	1,500,000
More than five (5) years	**401,786**	669,643	1,050,000
	₱2,008,929	₱2,276,786	₱2,850,000

20. Cost of Services

	2024	2023	2022
Outside services	**₱60,103,238**	₱57,386,637	₱43,131,926
Personnel cost (Note 22)	**26,749,137**	24,194,357	21,069,000
Club events	**23,412,479**	20,576,874	1,394,951
Depreciation and amortization (Notes 8, 9, and 11)	**20,728,997**	20,648,776	23,061,566
Supplies	**19,415,045**	15,173,055	19,027,951
Utilities	**18,681,444**	17,555,083	12,809,010
Repairs and maintenance	**7,157,395**	5,693,752	4,236,571
Taxes and licenses	**3,337,258**	3,337,258	3,337,258
Others	**15,423,068**	13,159,747	4,632,847
	₱195,008,061	₱177,725,539	₱132,701,080

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

Club events pertains to the costs incurred in relation to the Don Celso Tuason tournaments, and Grand Raffle.

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

21. Administrative Expenses

	2024	2023	2022
Personnel costs (Note 22)	**₱9,410,505**	₱9,480,376	₱8,677,336
Outside services	**5,291,005**	3,258,007	2,328,376
Taxes and licenses	**2,866,341**	3,532,653	1,601,703
Board members' meetings	**2,252,560**	1,641,252	829,297
Supplies	**1,641,425**	1,006,486	1,014,950
Bank charges	**931,523**	1,120,870	756,105
Utilities	**795,202**	776,439	615,451
Depreciation and amortization (Notes 8, 9, and 11)	**479,128**	318,270	356,299
Provision for inventory obsolescence (Note 7)	**259,438**	52,571	–
Marketing	**699,385**	841,889	190,643
Provision for (reversal of) ECL (Note 6)	**(112,450)**	–	614,492
Loss on derecognition of property and equipment (Note 8)	–	131,371	–
Sundries	**5,711,060**	2,440,115	1,511,213
	₱30,225,122	₱24,600,299	₱18,495,865

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

22. Personnel Costs

	2024	2023	2022
Cost of services (Note 20):			
Salaries and wages	**₱20,603,395**	₱18,835,048	₱16,146,963
Employee benefits	**5,149,158**	4,285,235	3,967,935
Service cost (Note 25)	**996,584**	1,074,074	954,102
	26,749,137	24,194,357	21,069,000
General and administrative (Note 21):			
Salaries and wages	**7,769,919**	7,863,206	6,843,837
Employee benefits	**1,391,440**	1,348,652	1,594,974
Service cost (Note 25)	**249,146**	268,518	238,525
	9,410,505	9,480,376	8,677,336
	₱36,159,642	₱33,674,733	₱29,746,336

23. Income Taxes

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

	2024	2023	2022
Current	**₱237,379**	₱834,224	₱170,312
Deferred	**(6,822,617)**	(1,717,364)	403,681
	(₱6,585,238)	(₱883,140)	₱573,993

a. The Club's provision for current income tax pertains to MCIT in 2024 and 2022 and RCIT in 2023.
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:

	2024	2023	2022
Income tax at the statutory rate	**₱7,001,431**	₱7,100,940	₱2,732,220
Income tax effects of:			
Nontaxable revenues	**(27,669,806)**	(28,950,694)	(19,215,588)
Nondeductible expenses	**13,688,632**	21,680,010	16,909,614
Movement of unrecognized deferred tax assets	**898,554**	(465,263)	211,854
Interest income subject to final tax	**(504,049)**	(248,133)	(64,107)
	(₱6,585,238)	(₱883,140)	₱573,993

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

	2024	2023
Deferred tax assets:		
Advance collections on fees and other dues	**₱5,613,187**	₱1,331,795
Retirement benefit obligation	**2,392,837**	–
Past service cost	**645,726**	–
Allowance for ECLs	**–**	153,623
Allowance for inventory obsolescence	**–**	13,142
	8,651,750	1,498,560
Deferred tax liabilities:		
Rent receivable	**390,765**	367,552
Interest income from accretion	**4,617**	4,288
	395,382	371,840
	₱8,256,368	₱1,126,720

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

	2024	2023
Balances at beginning of year	**₱1,126,720**	(₱177,111)
Benefit from deferred tax during the year recognized in:		
Profit or loss	**6,822,617**	1,717,364
OCI	**307,031**	–
Application of MCIT	**–**	(413,533)
Balances at end of year	**₱8,256,368**	₱1,126,720

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:

	2024	2023
NOLCO	₱12,290,619	₱–
Allowance for ECLs	1,613,395	–
Allowance for inventory losses	312,009	–
MCIT	237,379	–
Retirement benefit obligation	–	₱8,266,671
Unrecognized past service cost	–	2,193,301
	₱14,453,402	₱10,459,972

As at June 30, 2024, the movement in the Club's NOLCO 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	As at June 30, 2023	Addition	Applied	As at June 30, 2024
2024	2025-2028	₱–	₱12,290,619	₱–	₱12,290,619

As at June 30, 2024, the movement in excess of MCIT over RCIT that can be claimed as deductions from future taxable liabilities, are as follows:

Year Incurred	Availment Period	As at June 30, 2023	Addition	Applied	As at June 30, 2024
2024	2025-2028	₱–	₱237,379	₱–	₱237,379

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 2% in 2024 in accordance with RMC 69-2023.

24. 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 which represent short-term and retirement benefits are as follows:

	2024	2023	2022
Short-term benefits	**₱3,723,903**	₱3,636,362	₱3,226,557
Retirement benefits	**857,068**	876,469	1,627,171
	₱4,580,971	₱4,512,831	₱4,853,728

Key management personnel include the officers and managers of the Club.

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:

	2024	2023	2022
Beginning balance	**2,682**	2,100	120
Additions during the year	**5,000**	5,000	4,440
Issuances during the year	**(4,441)**	(4,418)	(2,460)
Ending balance	**3,241**	2,682	2,100

On January 16, 2021, these green fee rates are changed ranging from ₱1,700 to ₱2,500 during weekdays, and ₱2,850 to ₱4,200 during weekends and holidays.

On January 16, 2024, these green fee rates are changed ranging from ₱1,000 to ₱4,500 during weekdays, and ₱1,600 to ₱5,500 during weekends and holidays.

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

25. 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.

Defined benefit cost expense recognized in the statements of income:

	2024	2023	2022
Service cost	**₱1,245,730**	₱1,342,592	₱1,192,627
Net interest expense:			
Interest cost on benefit obligation	**1,691,249**	1,701,201	1,144,456
Interest income on plan assets	**(1,028,323)**	(1,189,701)	(863,341)
	₱1,908,656	₱1,854,092	₱1,473,742

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

	2024	2023	2022
Actuarial losses (gains):			
Experience adjustments	**₱1,647,152**	(₱51,565)	₱2,489,236
Changes in financial assumptions	**(823,969)**	595,399	(2,128,165)
Changes in demographic assumptions	**(55,686)**	81,325	744,246
	767,497	625,159	1,105,317
Return on plan assets excluding the amount included in net interest cost	**460,625**	171,656	1,587,165
Re-measurement losses on defined benefit obligation	**₱1,228,122**	₱796,815	₱2,692,482

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

	2024	2023
Balances at beginning of year	**₱2,461,815**	₱1,665,000
Re-measurement losses on defined benefit obligation – net of tax	**921,091**	796,815
Total amount recognized in OCI	**₱3,382,906**	₱2,461,815

Movements in retirement benefit obligation in 2024 and 2023 are as follows:

	2024	2023
Balances at beginning of year	**₱8,266,671**	₱7,614,418
Retirement benefit expense	**1,908,656**	1,854,092
Contributions paid	**(1,832,100)**	(1,998,654)
Remeasurement losses recognized in OCI	**1,228,122**	796,815
Balance at end of year	**₱9,571,349**	₱8,266,671

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

	2024	2023
Balances at beginning of year	**₱27,190,494**	₱25,814,891
Benefits paid from plan assets	**(6,614,694)**	(2,293,349)
Interest cost	**1,691,249**	1,701,201
Current service cost	**1,245,730**	1,342,592
Net actuarial loss (gain) due to:		
Experience adjustments on plan liabilities	**1,647,152**	(51,565)
Changes in financial assumptions	**(823,969)**	595,399
Changes in demographic assumptions	**(55,686)**	81,325
Balances at end of year	**₱24,280,276**	₱27,190,494

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

	2024	2023
Balances at beginning of year	**₱18,923,823**	₱18,200,473
Interest income on retirement plan assets	**1,028,323**	1,189,701
Actual contributions	**1,832,100**	1,998,654
Actual return excluding amount included in net interest cost	**(460,625)**	(171,656)
Benefits paid	**(6,614,694)**	(2,293,349)
Balances at end of year	**₱14,708,927**	₱18,923,823

Retirement obligation as reported in the statement of financial position:

	2024	2023
Present value of benefit obligation	**₱24,280,276**	₱27,190,494
Fair value of retirement plan assets at end of year	**(14,708,927)**	(18,923,823)
	₱9,571,349	₱8,266,671

The major categories of plan assets are as follows:

	2024	2023
Deposit in banks	**₱1,770,735**	₱3,130,259
Investment in government securities	**5,776,253**	7,156,135
Investment in shares of stock	**2,947,009**	3,404,754
Other securities and debt instruments	**2,865,744**	3,833,988
Unit investment in trust fund	**1,247,742**	1,231,224
Accrued interest receivable	**140,996**	158,245
Other receivables	**–**	73,717
Accrued trust fees and other payables	**(39,552)**	(64,499)
	₱14,708,927	₱18,923,823

Deposit in banks includes regular savings.

Investments in government securities consist of retail treasury bonds that bear interest ranging from 2.625% to 8.625% in 2024 and 2023 and will mature on various dates starting August 2023 to October 2037.

Investments in shares of stock consists of listed shares in the Philippines Stock Exchange carried at fair value.

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

Other 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:

	2024	2023
Discount rate	**6.73%**	6.22%
Future salary increases	**4.00%**	4.00%

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

	Increase (decrease)	Effect on defined benefit obligation
2024		
Discount rates	**+1%**	**(₱1,492,303)**
	-1%	**1,659,614**
Salary increase rate	**+1%**	**₱1,688,504**
	-1%	**(1,543,482)**
2023		
Discount rates	+1%	(₱1,555,769)
	-1%	1,737,482
Salary increase rate	+1%	₱1,758,831
	-1%	(1,601,752)

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

	2024	2023
Year 1	**₱1,908,520**	₱6,454,000
Year 2	**3,441,705**	1,767,768
Year 3	**2,627,202**	3,292,978
Year 4	**3,033,479**	2,495,440
Year 5	**498,097**	2,900,269
Year 6 - 10	**22,915,107**	15,818,211

The average duration of the defined benefit obligation is 6.5 years and 6.1 years as at June 30, 2024 and 2023, respectively.

The Club's latest actuarial valuation report was as of June 30, 2024.

26. Financial Instruments

Financial Risk Management Objectives and Policies
The Club's principal financial liabilities comprise of trade and other payables, members' deposit and others, and short-term borrowing. 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 and trade and other receivables and refundable deposit, which arise directly from its operations. The Club also has short-term investments, investments in financial assets at FVPL and trust fund.

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:

	2024	2023
Cash in banks and cash equivalents	**₱108,849,238**	₱82,225,206
Short-term investments	**21,529,278**	–
Trade and other receivables	**32,914,650**	23,356,548
Financial assets at FVPL	**–**	10,387,218
Trust fund	**5,186,530**	4,984,096
Refundable deposit	**749,297**	1,425,516
	₱169,228,993	₱122,378,584

Impairment of financial assets
The Club's financial assets that are subject to the ECL model:
- cash and cash equivalents
- short-term investments
- trade and other receivables
- trust fund
- financial assets at FVPL
- refundable deposit

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.

While cash and cash equivalents, short-term investments, trust fund, financial assets at FVPL and refundable deposit are also subject to the impairment requirements of PFRS 9, the identified impairment loss were immaterial.

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:

2024	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	Total
				Days past due			
Expected credit loss rate	0.0004%	0.0019%	0.0096%	0.0409%	0.0271%	100%	
Estimated total gross carrying amount at default	₱16,664,323	₱5,457,999	₱2,483,228	₱2,744,926	₱5,567,218	₱1,610,351	₱34,528,045
Expected credit loss	₱74	₱104	₱238	₱1,122	₱1,506	₱1,610,351	₱1,613,395

2023	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	Total
				Days past due			
Expected credit loss rate	1.2459%	2.8839%	3.0676%	4.4100%	4.8436%	100%	
Estimated total gross carrying amount at default	₱9,784,365	₱6,203,456	₱4,904,098	₱771,335	₱2,289,449	₱1,129,690	₱25,082,393
Expected credit loss	₱121,908	₱178,901	₱150,438	₱34,016	₱110,892	₱1,129,690	₱1,725,845

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 at June 30, 2024 and 2023, 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.

	2024					
	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 91 Days	Total
Financial liabilities						
Trade and other payables:						
Trade payables	₱18,721,365	₱–	₱290,011	₱35,694	₱5,241,638	₱24,288,708
Accrued expenses	–	764,828	177,390	232,482	3,118,871	4,293,571
Others*	37,402,318	–	–	–	–	37,402,318
Members deposits and others	23,637,412	–	–	–	–	23,637,412
Provisions for probable claims	–	–	–	–	5,668,575	5,668,575
Security deposits	–	–	–	–	1,390,000	1,390,000
	₱79,761,095	₱764,828	₱467,401	₱268,176	₱15,419,084	₱96,680,584
Financial assets						
Cash and cash equivalents	₱76,244,424	₱684,353	₱1,108,311	₱30,957,853	₱–	₱108,994,941
Short-term deposits	21,529,278	–	–	–	–	21,529,278
Trade and other receivables:						
Trade receivables	7,079,976	17,065,685	–	–	–	24,145,661
Others	3,712,530	5,056,459	–	–	–	8,768,989
Trust fund	–	–	–	–	5,186,530	5,186,530
Refundable deposits	–	–	–	–	749,297	749,297
	₱108,566,208	₱22,806,497	₱1,108,311	₱30,957,853	₱5,935,827	₱169,374,696

**Excludes statutory liabilities amounting to ₱6,155,007*

	2023					
	On demand	Less than 30 Days	30 to 60 days	61 to 90 days	More than 91 Days	Total
Financial liabilities						
Trade and other payables:						
Trade payables	₱4,029,118	₱10,094,259	₱–	₱–	₱–	₱14,123,377
Accrued expenses	–	5,666,906	2,787,885	1,183,007	14,202	9,652,000
Others*	22,983,485	–	–	–	–	22,983,485
Members deposits and others	19,477,090	–	–	–	–	19,477,090
Provisions for probable claims	–	1,600,000	–	–	5,668,575	7,268,575
Security deposits	–	–	–	–	890,000	890,000
	₱46,489,693	₱17,361,165	₱2,787,885	₱1,183,007	₱6,572,777	₱74,394,527
Financial assets						
Cash and cash equivalents	₱70,266,957	₱683,821	₱1,084,218	₱10,375,210	₱–	₱82,410,206
Trade and other receivables:						
Trade receivables	3,188,414	12,459,383	–	–	–	15,647,797
Others	4,481,122	3,227,629	–	–	–	7,708,751
FVPL	10,387,218	–	–	–	–	10,387,218
Trust fund	–	–	–	–	4,984,096	4,984,096
Refundable deposits	–	–	–	–	1,425,516	1,425,516
	₱88,323,711	₱16,370,833	₱1,084,218	₱10,375,210	₱6,409,612	₱122,563,584

**Excludes statutory liabilities amounting to ₱5,001,847*

In November 2021, the Club entered into a one year Loan Agreement with Metrobank Trust Company with a principal amount of ₱694,400 for the acquisition of a transportation equipment for use as shuttle and emergence vehicle of the Club. The loan bears an interest of 7.27% per annum.

As at June 30, 2024 and 2023, the Club made payments on short term borrowing amounted to nil and ₱236,946, respectively. Interest expense from the Loan Agreement amounted to nil, ₱3,644, ₱23,911, in 2024, 2023 and 2022, respectively.

Fair Value Measurements

The following provides the fair value measurement hierarchy of the Club's assets and liabilities as at June 30, 2024 and 2023:

		Fair Value Measurement			
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets for which fair values are disclosed					
Investment Properties	**2024**	**₱126,910,100**	**₱–**	**₱–**	**₱126,910,100**
	2023	₱123,657,900	₱–	₱–	₱123,657,900
Assets measured at fair value					
Financial assets at FVPL	**2024**	**₱–**	**₱–**	**₱–**	**₱–**
	2023	₱10,387,218	₱10,387,218	₱–	₱–
Trust Fund invested in UITF	**2024**	**₱–**	**₱–**	**₱–**	**₱–**
	2023	₱4,984,096	₱4,984,096	₱–	₱–

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, 2024 and 2023, 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, short-term investments, trade and other receivables, trust fund invested in time deposits, refundable deposits, trade and other payables, security deposits and members' deposit and others
The carrying values of cash and cash equivalents, trade and other receivables, trade and other payables, and members' deposit and others, and short-term borrowing, approximate their fair values due to the relatively short-term maturity of these financial instruments.

Financial Assets at FVPL and Trust Fund invested in UITF
The carrying values of financial assets at FVPL and trust fund are measured at fair value and is computed based on net asset value per unit.

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.

	2024	2023
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	**107,752,849**	74,082,979
	₱323,726,621	₱290,056,751

No changes were made in the objectives, policies or processes for the years ended June 30, 2024 and 2023.

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 2023:

a. VAT

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. Starting May 2024, the Club opted not to charge output VAT on the sales of concessionaires.

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	₱186,379,106	₱22,365,493
Exempt sales	20,883,564	–
	₱207,262,670	₱22,365,493

ii. Input VAT

Balance at July 1, 2023	₱–
Current year's domestic purchases/payments for:	
Domestic purchases of services	10,265,876
Goods other than for resale or manufacture	3,419,374
	13,685,250
Input vat allocable to exempt sales	(1,849,209)
Applied against output tax	(11,836,041)
Balance at June 30, 2024	₱–

b. Withholding Taxes

Expanded withholding taxes	₱3,187,399
Withholding taxes on compensation and benefits	767,166
	₱3,954,565

c. Other Taxes and Licenses

Real estate taxes	₱3,933,240
Business permits	2,229,744
Others	40,615
	₱6,203,599

d. Tax Assessments

On July 9, 2024, the Club received the Preliminary Assessment Notice for the deficiency of Income tax, VAT, Expanded withholding tax, and Documentary Stamp tax. On July 16, 2024, the Club submitted and presented the position paper on the justifications and arguments against the deficiency taxes. On August 14, 2024, the Club received the Final Assessment Notice (FAN) for the deficiency tax liabilities.

On May 7, 2024, the Club received a Notice of Discrepancy (NOD) from BIR in relation to the Letter of Authority dated December 1, 2021, covering income taxes and value-added taxes for the period July 1, 2019 to June 30, 2020. The Club submitted and presented the supporting documents and schedules in response to the discrepancies received from BIR.

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Valley Golf & Country Club, Inc. (a nonprofit organization) (the Club) as at June 30, 2024 and 2023 and for each of the three years in the period ended June 30, 2024, and have issued our report thereon dated September 5, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Club's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082030, January 6, 2024, Makati City

September 5, 2024

VALLEY GOLF & COUNTRY CLUB, INC.

INDEX TO SUPPLEMENTARY SCHEDULES
UNDER REVISED SRC RULE 68
JUNE 30, 2024

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024

Schedule A. Financial Assets

Name of Issuing Entity and Association of Each Issue	Number of Share or Principal Amount of Bonds and Notes	Amount in the Statement of Financial Position	Income Received and Accrued
Loans and Receivables			
A. Cash in banks			
Metropolitan Bank & Trust Company (MBTC)	₱–	₱27,067,701	₱1,106
Rizal Commercial Banking Corporation		10,944,353	24,808
BDO Unibank Inc.	–	20,612,387	14,580
Security Bank & Trust Company (SBTC)	–	15,025,781	5,753
Bank of Philippine Islands (BPI)	–	2,448,499	927
B. Cash equivalents			
MBTC	684,353	684,353	12,898
SBTC	1,106,737	1,108,311	11,784
BPI	30,957,853	30,957,853	953,095
C. Short-term investments			
BDO	21,460,285	21,529,278	366,925
D. Trade and other receivables			
Receivables from members	–	24,145,662	–
Receivables from concessionaires	–	2,845,510	–
Others	–	5,923,478	–
E. Trust fund	–	5,186,530	–
F. Refundable deposits	–	749,297	–
	₱54,209,228	₱169,228,993	₱1,391,876

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024

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

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

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024

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

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

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024

Schedule D. Long Term Debt

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

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024

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

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

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
		- Not applicable -		

VALLEY GOLF & COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024

Schedule G. Capital Stock

				No. of shares held by		
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statements of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Related parties	Directors, Officers, and employees	Others
Common shares	1,800	1,594	–	–	11	1,583