

Expense recognition

Cost and expenses are recognized in the statements of comprehensive income when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

- (a) *Cost of services and sales* is recognized as an expense when the related services are rendered and related goods are sold.
- (b) *Administrative expenses* constitute costs of administering the business and are expensed as incurred.

Related party relationships and transactions

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Parties are considered related if one party has the ability, directly or indirectly through one or more intermediaries, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting entity, or between and/or among entities and its key management personnel, directors or its shareholders.

In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely the legal form.

Retirement benefits liability

Retirement benefits are provided to employees through a defined benefit plan. A defined benefit plan is a retirement plan that defines an amount of retirement benefit that a qualified employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The legal obligations for any benefits from this kind of pension plan remains with the Club.

The Club's defined benefit pension plan covers all regular full-time employees. The pension plan is registered with the Bureau of Internal Revenue (BIR) and is qualified for tax exemption.

Typically, defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any).

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. Defined benefit costs comprise service cost, net interest on the net defined benefit liability or asset and remeasurements 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 profit or loss. 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 the statements of comprehensive income.

Remeasurements 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 other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statements of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantively enacted as of the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carrying forward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carry-over (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, carrying forward benefits of unused tax credits from excess of MCIT over RCIT and unused NOLCO can be utilized. At each reporting period, the Club reassesses the need to recognize previously unrecognized deferred income tax asset. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign currency transaction

Functional and presentation currency

Items included in the financial statements of the Club are measured using the functional currency. Functional currency is the currency of the primary economic environment in which the Club operates. The financial statements are presented in Philippine Peso (₱), the Club's functional and presentation currency.

Provisions and contingencies

Provisions are recognized when the Club has a present obligation (legal or 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 with the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, an increase in the provision due to the passage of time is recognized as an interest expense. When the Club expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statements of comprehensive income, net of any reimbursement.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Events after the reporting period

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. Significant post year-end events that are not adjusting events are disclosed in the notes to financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in compliance with PFRSs requires the management to make estimates and assumptions that affect the amounts reported in the financial statements. The estimates and assumptions used in the financial statements are based on the management's evaluation of relevant facts and circumstances at the end of the reporting period. Actual results could differ materially from such estimates.

Estimates and judgments 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 circumstances.

Significant accounting judgments in applying the Club's accounting policies

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the business model and solely for payments of principal and interest test. The Club determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Club monitors financial assets measured at amortized cost or FVOCI that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Club's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(b) Significant increase in credit risk

ECL are measured as an allowance based on lifetime ECLs at the end of each reporting period. In assessing whether the credit risk of an asset has significantly increased, the Club takes into account qualitative and quantitative reasonable and supportable forward-looking information. The management assessed that there was no significant increase in credit risk on the Club's financial assets for the years ended December 31, 2021 and 2020.

(c) Impairment of non-financial assets

Property and equipment and intangible asset are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized whenever there is existing evidence that the carrying amount is not recoverable.

The management believes that there is no indication that property and equipment and intangible asset are impaired as at December 31, 2021 and 2020.

Significant accounting estimates and assumptions

(a) Determining NRV of inventories

In determining the NRV of inventories, the management takes into account the most reliable evidence available at the time the estimates are made. Prices are affected by both internal and external factors that may cause inventory obsolescence. These factors may cause significant adjustment to the Club's inventories within the next reporting period.

As at December 31, 2021 and 2020, the carrying amount of the Club's inventories which are carried at NRV amounted to ₱9,652,496 and ₱8,133,142, respectively. There was no allowance for inventory obsolescence recognized in the books for both years (see note 6).

(b) Estimating useful lives of property and equipment and intangible assets

The Club estimated the useful lives of its property and equipment and intangible asset based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technological or commercial obsolescence or other limits on the use of our assets. In addition, estimation of the useful lives is based on the Club's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by the changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives would increase our recorded depreciation or amortization and decrease the noncurrent assets.

As at December 31, 2021 and 2020, total carrying amount of property and equipment (except land of ₱260,602,860) amounted to ₱40,128,403 and ₱41,291,642, respectively (see note 8).

As at December 31, 2021 and 2010, total carrying amount of intangible asset amounted to ₱988,417 and ₱1,442,751, respectively (see note 11).

(c) Retirement benefits liability

The determination of the obligation and cost of post-retirement benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, expected returns on plan assets and rates of compensation increase. In accordance with PFRS, actual results that differ from our assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. Though assumptions made by the Club are appropriate and reasonable, significant difference in the actual experience or significant changes in the assumptions may materially affect the Club's post retirement obligations.

As at December 31, 2021 and 2020, the carrying amount of retirement benefits liability are ₱10,966,698 and ₱9,156,763, respectively (see note 15).

4. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2021	2020
Cash on hand	₱36,457	₱75,000
Cash in banks	19,379,018	29,076,941
Cash equivalents	35,369,262	15,337,219
Total	₱54,784,737	₱44,489,160

Cash in banks generally earn interest at respective bank deposit rates of 0.25%. Cash equivalents are short-term deposits in banks with maturities of less than three months from the date of acquisition and earn interest at 2%. Interest income earned on cash and cash equivalents amounted to ₱121,364 in 2021 and ₱311,216 in 2020, and is presented as part of *Interest income* under *Other income* in the statements of comprehensive income (see note 19).

There is no restriction on the Club's cash and cash equivalents as at December 31, 2021 and 2020.

5. TRADE AND OTHER RECEIVABLES

This account consists of the following:

	2021	2020
Trade receivables	₱13,095,705	₱15,021,654
Advances to officers and employees	1,036,233	80,343
Other receivables	356,735	650,349
Total	₱14,488,673	₱15,752,346

Trade receivables from members have normal credit term of 30 days.

Advances to officers and employees are advances for liquidation and medical assistance initially paid by the Club. Advances for liquidation are to be liquidated within 10 days from the end of the activity while medical assistance are collectible within 30 to 90 days through salary deduction.

Other receivables include receivable from SSS for sickness and maternity reimbursement, insurance, and credit card merchants.

6. INVENTORIES

This account consists of the following:

	2021	2020
Motor pool and supplies	₱8,692,608	₱6,743,937
Food and beverages	627,145	713,435
Stockroom supplies	332,743	675,770
Total	₱9,652,496	₱8,133,142

All inventories as at December 31, 2021 and 2020 were stated at cost. The management assessed that the cost of inventories is lower than its NRV.

The cost of inventories recognized as expense and included under *Cost of services and sales* in the statements of comprehensive income amounted to ₱14,048,024 in 2021 and ₱11,273,933 in 2020 which consists of food and beverages sold, and supplies used to provide services (see note 20).

No part of the inventories is used as collateral for any of the Club's payables.

7. PREPAYMENTS

This account consists of the following:

	2021	2020
Input VAT	P2,865,106	P2,618,876
Prepaid income tax	608,704	321,853
Total	P3,473,810	P2,940,729

8. PROPERTY AND EQUIPMENT (NET)

The reconciliation of property and equipment measured at cost is as follows:

December 31, 2021

	Land	Land improvements	Clubhouse and buildings	Tools, utensils and equipment	Water system	Office, bar and restaurant furniture and equipment	Other fixed assets	Total
(in thousands)								
Cost								
Balance at beginning of year	P260,603	P90,328	P73,958	P81,757	P10,647	P16,139	P9,034	P542,466
Additions	-	6,186	44	2,076	296	597	-	9,199
Balance at end of year	260,603	96,514	74,002	83,833	10,943	16,736	9,034	551,665
Accumulated depreciation								
Balance at beginning of year	-	83,533	63,488	62,303	9,915	14,048	7,285	240,572
Depreciation	-	167	1,698	6,502	361	1,092	542	10,362
Balance at end of year	-	83,700	65,186	68,805	10,276	15,140	7,827	250,934
Net carrying amount	P260,603	P12,814	P8,816	P15,028	P667	P1,596	P1,207	P300,731

December 31, 2020

	Land	Land improvements	Clubhouse and buildings	Tools, utensils and equipment	Water system	Office, bar and restaurant furniture and equipment	Other fixed assets	Total
(in thousands)								
Cost								
Balance at beginning of year	P260,603	P83,806	P73,913	P75,330	P10,510	P15,697	P8,184	P528,043
Additions	-	6,522	45	6,427	137	442	850	14,423
Balance at end of year	260,603	90,328	73,958	81,757	10,647	16,139	9,034	542,466
Accumulated depreciation								
Balance at beginning of year	-	83,094	61,431	56,227	9,449	12,609	6,796	229,606
Depreciation	-	439	2,057	6,076	466	1,439	489	10,966
Balance at end of year	-	83,533	63,488	62,303	9,915	14,048	7,285	240,572
Net carrying amount	P260,603	P6,795	P10,470	P19,454	P732	P2,091	P1,749	P301,894

The depreciation charged to operations amounted to P10,361,742 in 2021 and P10,966,096 in 2020, and is presented as part of *Depreciation and amortization* in the statements of comprehensive income.

The costs of fully depreciated items of property and equipment still in use are as follow:

	2021	2020
Land improvements	₱83,228,360	₱80,659,824
Tools, utensils and equipment	65,453,455	64,812,116
Clubhouse and buildings	55,271,421	52,381,502
Office, bar and restaurant furniture and equipment	13,323,022	11,782,173
Water system	8,768,713	7,313,192
Other fixed assets	5,353,117	5,353,117
Total	₱231,398,088	₱222,301,924

No part of the property and equipment is used as collateral for any of the Club's payables and no contractual commitments for its future acquisition of any property and equipment.

9. TRUST FUND INVESTMENTS

This account pertains to the Club's trust fund account with a bank. Changes in the trust fund balance are summarized as follow:

	2021	2020
Balance at beginning of year	₱12,344,529	₱12,289,887
Trust fund earnings	251,600	267,142
Fair value gain (loss)	1,291,436	(212,500)
Balance at end of year	₱13,887,565	₱12,344,529

The fair value of the Club's trust fund consists of the following:

	2021	2020
Savings and time deposit	₱6,861,956	₱9,175,566
Investment in private corporations	7,025,609	3,168,963
Total	₱13,887,565	₱12,344,529

In accordance with the amended by-laws, an amount not less than fifty percent (50%) of the proceeds of sale of POC and 100% of the option money shall be deposited under a trust instrument with any established reputable trust corporation for the purpose of deriving a steady and dependable income for the Club.

The earnings derived from the trust deposit shall be used exclusively for capital improvements of the Club and no part of the trust deposit may be used or disposed of without approval of 2/3 of the members entitled to vote, except for the refund of option payments.

As at December 31, 2021, the amount required to be deposited in trust principal account amounted to ₱10,752,514 which consist of the following:

50% of proceeds of POC issued	₱10,749,514
100% of options deposits	3,000
Total	₱10,752,514

The trust fund earnings account is presented as *Restricted fund* under *Cumulative excess of revenues over expenses* in the statements of changes in member's equity. Total unexpended trust fund earnings amounted to ₱6,449,730 and ₱6,198,130 as at December 31, 2021 and 2020, respectively.

The roll-forward of unexpended trust fund earnings are as follow:

	2021	2020
Balance at beginning of year	₱6,198,130	₱5,930,998
Trust fund earnings	251,600	267,142
Balance at end of year	₱6,449,730	₱6,198,130

The movements of fair value gain on trust fund investments recognized in the statements of financial position are as follow:

	2021	2020
Balance at beginning of year	₱3,020,974	₱3,233,474
Fair value gain (loss)	1,291,436	(212,500)
Balance at ending of year	₱4,312,410	₱3,020,974

10. LONG-TERM INVESTMENT

This account is a five-year time deposit with a local bank maturing on 2023, with interest of 4% per annum. Total interest earned amounted to ₱537,052 in 2021 and ₱443,421 in 2020, and is presented as part of *Interest income* under *Other income* in the statements of comprehensive income (see note 19). The interest income earned is directly deposited into the Club's bank account.

11. INTANGIBLE ASSET (NET)

The reconciliation of intangible asset is as follows:

	2021	2020
Cost		
Balance at beginning of year	₱7,351,306	₱4,910,277
Additions	1,005,492	2,441,029
Balance at end of year	8,356,798	7,351,306
Accumulated amortization		
Balance at beginning of year	5,908,555	4,675,239
Amortization	1,459,826	1,233,316
Balance at end of year	7,368,381	5,908,555
Net carrying amount	₱988,417	₱1,442,751

The amortization are charged to operations is presented as part of *Depreciation and amortization* in the statements of comprehensive income.

Intangible asset is subject to annual impairment testing and whenever there is an indication of impairment. The management has evaluated that there were no indicators for impairment in 2021 and 2020.

No part of the intangible assets is used as collateral for any of the Club's payables no contractual commitments for its future acquisition of intangible assets as at December 31, 2021 and 2020.

12. OTHER NONCURRENT ASSETS

This account consists of the following:

	2021	2020
Refundable deposits	₱105,520	₱105,520
Deferred input VAT	-	195,604
Total	₱105,520	₱301,124

In 2016, the Club purchased capital goods exceeding ₱1,000,000 which resulted in recognition of deferred input VAT to be amortized by five years or 60 months.

13. TRADE AND OTHER PAYABLES

This account consists of the following:

	2021	2020
Activity fund payable	₱26,907,748	₱30,003,132
Trade payables	6,261,544	4,329,536
Payable to government agencies	1,346,579	515,925
Other liabilities	2,199,000	1,947,391
Total	₱36,714,871	₱36,795,984

Trade payables pertain to the amount due to suppliers payable within 30 to 60 days from the date of sale and do not bear any interest.

Activity fund payable includes junior golf program fund, Christmas fund, Easter Sunday fund, insurance payable and others charged to members and tourist.

Other liabilities consist of 13th month pay accrual, service charge payable, back wage pay of resigned employees and employee union dues. This also includes accounts payable to pro-shop for the golf set availed by members which were subsequently billed and collected from members due for payment to pro-shop.

14. MEMBERS' CASH AND OPTION DEPOSITS

This account consists of following:

	2021	2020
Members' cash deposits	₱22,172,670	₱20,671,640
Members' option deposits	3,000	3,000
Total	₱22,175,670	₱20,674,640

Members' cash deposits are payments made by assignee, special Club members and senior members upon approval of their membership application. When the members withdraw their membership, the Club is obliged to return the cash deposit.

Members' option deposits are payment made by assignee special Club members and senior members upon approval of their membership application, and deposited under a trust instrument with any established reputable trust corporation for the purpose of deriving a steady and dependable income for the Club (see note 9).

15. RETIREMENT BENEFITS LIABILITY

The Club maintains a funded, noncontributory defined benefit plan administered by a trustee covering all regular and full-time employees. The fund is administered by a trustee bank that is authorized to invest the fund as they deem proper. The funds are invested in bonds, government securities and time deposit with coupon rates ranging from 2% to 3.25%. The retirement plan provides a retirement benefit equal to 30 days' pay for every year of credited service. The Club's latest actuarial valuation report for its retirement benefits liability as at December 31, 2020 is dated January 22, 2021.

The retirement benefits liability recognized in the statements of financial position is determined as follows:

	2021	2020
Present value of obligation at end of year	₱29,494,547	₱27,995,468
Fair value of plan assets at end of year	(18,527,849)	(18,838,705)
Retirement benefits liability	₱10,966,698	₱9,156,763

The movements in the retirement benefits liability recognized in the statements of financial position are determined as follow:

	2021	2020
Retirement benefits		
Current service cost	₱2,040,964	₱1,962,185
Net interest expense	338,800	296,688
	2,379,764	2,258,873
Remeasurement loss for the year		
Loss from change in financial assumptions	-	2,141,838
Actuarial loss (gain) on plan assets	780,171	(151,539)
	780,171	1,990,299
Contributions	(1,350,000)	(1,050,000)
	1,809,935	3,199,172
Balance at beginning of year	9,156,763	5,957,591
Balance at end of year	₱10,966,698	₱9,156,763

The movements of remeasurement loss on retirement benefits recognized in the statements of financial position are determined as follow:

	2021	2020
Balance at beginning of year	₱6,138,139	₱4,744,930
Remeasurement loss for the year	780,171	1,990,299
Deferred tax	(195,043)	(597,090)
Adjustments due to CREATE Law	438,438	-
Balance at ending of year	₱7,161,705	₱6,138,139

The retirement benefits recognized in the statements of comprehensive income is as follows:

	2021	2020
Current service cost	₱2,040,964	₱1,962,185
Net interest expense	338,800	296,688
Total	₱2,379,764	₱2,258,873

The retirement benefits is presented as a part of *Salaries and wages* under the *Administrative expenses* in the statements of comprehensive income (see note 21).

The movements in the present value of obligation are determined as follow:

	2021	2020
Balance at beginning of year	₱27,995,468	₱26,862,249
Current service cost	2,040,964	1,962,185
Interest cost	1,035,832	1,337,740
Actuarial loss	-	2,141,838
Benefits paid	(1,577,717)	(4,308,544)
Balance at ending of year	₱29,494,547	₱27,995,468

The movements in the fair value of plan assets are as follow:

	2021	2020
Balance at beginning of year	P18,838,705	P20,904,658
Expected return on plan assets	697,032	1,041,052
Contributions	1,350,000	1,050,000
Actuarial gain (loss)	(780,171)	151,539
Benefits paid	(1,577,717)	(4,308,544)
Balance at ending of year	P18,527,849	P18,838,705

The Club's retirement plan assets consist of the following:

	2021	2020
Cash equivalents	P2,252,406	P19,650
Investments in government bonds	12,994,883	15,199,505
Investments in stocks	3,280,560	3,619,550
Total	P18,527,849	P18,838,705

The fair value of the plan assets approximates their carrying amount as at December 31, 2021 and 2020.

For determination of the retirement benefits liability, the following actuarial assumptions (percentage per annum, compounded annually) were used:

	2021	2020
Discount rate	4.98%	4.98%
Salary increase rate	4.00%	4.00%

Assumptions regarding mortality and disability experience are based on the 1994 Group Annuity Table and the 1952 Disability Table, respectively.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions which can affect the related retirement benefits liability in the financial statements is as follows:

December 31, 2021

	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	+1/-1.00%	(P4,000,793)	P4,798,704
Salary increase rate	+1/-1.00%	4,720,240	(4,033,357)

December 31, 2020

	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	+1/-1.00%	(P3,340,505)	P4,006,730
Salary increase rate	+1/-1.00%	3,941,215	(3,367,695)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement plan, the Club is exposed to a number of risks, the most significant of which are as follow:

- Asset volatility - The plan liabilities are calculated using a discount rate set with reference to government bonds, if future plan assets underperformed its yield, this will create a deficit.
- Changes in bond yield - A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the any plans' bond holdings.

The Club annually reassess its retirement plan and provide contributions to meet the minimum required funding.

The weighted average duration of the defined benefit obligation is 17 years as at December 31, 2021 and 2020.

The expected maturity analysis of undiscounted retirement benefits liability as at December 31 is as follows:

December 31, 2021

	Less than a year	Between 1 to 5 years	Over 5 years
Retirement benefits	₱203,456	₱7,174,153	₱11,018,910

December 31, 2020

	Less than a year	Between 1 to 5 years	Over 5 years
Retirement benefits	₱767,948	₱4,504,682	₱13,891,837

The expected contribution for 2022 amounts to ₱3,028,890.

16. CONTRACT LIABILITIES

The account consists of the following:

	2021	2020
Current:		
Membership dues	₱3,330,193	₱2,885,844
Admission fees	4,874,466	3,593,575
	8,204,659	6,479,419
Noncurrent:		
Admission fees	31,078,610	23,865,983
Total	₱39,283,269	₱30,345,402

Membership dues represents advance collection of monthly membership dues which are applied in the next reporting period.

Admission fees pertain to admission fees paid by members which are to be amortized for an average membership period of 10 years.

17. PROPRIETARY MEMBERSHIP CERTIFICATES

The POC issued to original proprietary members are not to be issued for less than ₱3,000. The authorized and issued proprietary shares are as follow:

	2021	2020
Authorized:		
800 certificates at ₱3,000 stated value per certificate	₱2,400,000	₱2,400,000
Issued and fully paid:		
800 certificates	2,400,000	2,400,000

The POCs have the following rights and limitations as to ownership:

- Proprietary members are holders of POC. POC holders are divided into 401 members and 129 non-members. Members are further classified as voting and non-voting as determined by the Board. Voting members can vote and hold office in the Club.
- The BOT may, by a unanimous vote of all directors, present at a special or regular meeting, authorize and issue to a company, for a fee, to be fixed by the BOT, a special company non-proprietary membership certificate which entitle any duly designated officer of the company to use the club facilities in the same manner as a resident non-proprietary member. At any given time, outstanding company membership certificates cannot exceed 120 in number. All special company non-proprietary membership certificates issued after March 1, 1978 shall be automatically cancelled and recalled within 10 years of the date of issuance without prejudice to the company's application for a new membership certificate.

- Junior members are children of POC holders that wished to use the facilities of the Club in their own capacity. They shall be exempted from admission fees. Application shall be in writing undertaken by the parent who guarantees for the payment of all monthly bills of the junior member. The child must be 21 to 30 years to qualify for the status. Limitations of a junior member include guest card rights and functions sponsorship.
- Assignee members are holders of the rights and benefits of POC holders. Deed of assignment must be made for the assignee to be a member and be privileged to use all the Club's facilities. The assignor and the assignee are solidarily liable to the Club.
- Senior proprietary members are proprietary members who have been a member of the Club for 25 consecutive years, upon reaching the age of 70 are qualified to be a senior member. The BOT cannot refuse any senior proprietary member to change status. A senior member shall be exempted from owning a POC for continued membership provided that he makes a refundable deposit to the Club in the amount of ₱20,000 or such higher amount as the BOT may require from time to time and provided further that if he is a voting member, he shall immediately cease to be such if he sells his POC though he may continue to enjoy all other benefits and privileges of a senior member.

Additional contributions are excess of member's payment over the stated value of the POC which is recognized during the sale of the POC by the Club. These totaled ₱108,345,528 as at December 31, 2021 and 2020.

The following table presents information necessary to calculate the basic earnings per outstanding certificate:

	2021	2020
Net loss for the year	(₱2,816,989)	(₱3,932,875)
Divided by: Outstanding stock certificate	800	800
Basic loss per outstanding certificate	(₱3,521)	(₱4,916)

18. REVENUES

The revenues are disaggregated as follow:

(a) Major revenues

	2021	2020	2019
Membership dues	₱50,262,538	₱49,526,740	₱44,058,377
Food and beverages	22,414,924	17,533,563	46,680,242
Golf and other sports operation	14,751,277	15,710,358	55,176,029
Total	₱87,428,739	₱82,770,661	₱145,914,648

(b) *Timing of revenue recognition*

2021		
	At point in time	Over time
Membership dues	₱ -	₱50,262,538
Food and beverages	22,414,924	-
Golf and other sports operation	14,751,277	-
Total	₱37,166,201	₱50,262,538

2020		
	At point in time	Over time
Membership dues	₱ -	₱49,526,740
Food and beverages	17,533,563	-
Golf and other sports operation	15,710,358	-
Total	₱33,243,921	₱49,526,740

2019		
	At point in time	Over time
Membership dues	₱ -	₱44,058,377
Food and beverages	46,680,242	-
Golf and other sports operation	55,176,029	-
Total	₱101,856,271	₱44,058,377

(c) *Geographical market*

The Club's revenues are mainly earned within the Philippines.

These are unconditional and not impaired as at December 31, 2021, 2020 and 2019.

19. OTHER INCOME

This account consists of the following:

	2021	2020	2019
Interest income (notes 4 and 10)	₱658,416	₱754,637	₱1,068,078
Penalty	346,605	145,897	756,095
Function room	10,714	72,246	163,386
Locker	-	718,505	3,112,660
Pro-shop	-	111,607	535,714
Miscellaneous	279,413	60,915	186,474
Total	₱1,295,148	₱1,863,807	₱5,822,407

Miscellaneous pertains to photocopy, cash overages, publication fee and others.

20. COST OF SERVICES AND SALES

This account consists of the following:

	2021	2020	2019
Salaries and wages	₱15,719,335	₱17,504,732	₱25,988,771
Food and beverages (note 6)	11,720,600	8,846,243	23,518,391
Security services	5,057,818	5,114,302	4,986,766
Repairs and maintenance	3,449,086	4,059,926	8,391,847
Light and water	3,155,469	4,382,640	8,189,138
Supplies (note 6)	2,327,424	2,427,690	4,915,033
Gas services	2,238,335	1,955,284	2,644,558
SSS, PHIC and HDMF premium	1,403,598	1,714,991	1,969,141
Taxes and licenses	642,517	767,726	647,414
Golf tournament	372,888	1,308,047	7,088,609
Rentals	111,272	-	43,096
Representation and entertainment	98,886	109,421	-
Contracted services	73,601	377,417	1,919,202
Commission	52,500	54,643	485,184
Laundry	52,238	151,067	726,373
Postage and communication	44,567	54,527	29,838
Trainings and seminars	37,376	-	7,270
Sanitation supplies	19,436	33,482	22,517
Transportation and travel	5,920	36,323	-
Dues and subscription	-	41,304	62,153
Project development cost	-	-	2,284,086
Miscellaneous	98,845	212,474	754,956
Total	₱46,681,711	₱49,152,239	₱94,674,343

21. ADMINISTRATIVE EXPENSES

This account consists of the following:

	2021	2020	2019
Salaries and wages (note 15)	₱13,961,707	₱13,078,929	₱12,709,107
Taxes and licenses	7,800,441	7,733,802	7,880,320
Repairs and maintenance	2,434,842	877,117	1,209,133
Professional and legal fees	1,755,625	1,793,593	2,928,916
Supplies	1,322,993	749,413	1,637,134
SSS, PHIC and HDMF premium	821,160	598,546	709,935
Postage and communication	800,504	643,757	394,744
Sanitation supplies	739,767	666,767	871,485
Light and water	621,256	564,163	599,935
Insurance	523,769	453,166	601,447
Merchant discount	468,194	419,937	962,625
Gas services	367,172	211,007	133,874
Representation and entertainment	311,683	102,542	1,248,252
Contracted services	134,277	1,596,395	501,719
Transportation and travel	53,075	-	-
Donations, dues and subscriptions	27,831	121,444	224,807
Golf tournament	18,122	-	-
Bank charges	3,552	750	1,250
Trainings and seminars	500	13,344	362,792
Other events	-	-	1,432,470
Miscellaneous	129,676	45,566	797,515
Total	₱32,296,146	₱29,670,238	₱35,207,460

Salaries and wages include retirement benefits amounting to ₱2,379,764 in 2021 and ₱2,258,873 in 2020 (see note 15).

22. INCOME TAXES

In June 2019, the Supreme Court ruled out that membership fees and other assessment/charges solely incurred by members are not subject to income tax and value added tax because they do not constitute profit or gain. They are collected purely for the benefit of the members and are the incidental consequence of a Club's responsibility to effectively oversee, maintain or even improve the Club as well as its governance.

The reconciliation of income tax computed at the statutory income tax rate to income tax expense as shown in the statements comprehensive income is as follows:

	2021	2020	2019
Income (loss) before income tax	(P1,823,938)	(P6,120,279)	P8,803,387
Income tax expense at 25%/30%	(455,984)	(1,836,084)	2,641,016
Add (deduct):			
Non-taxable income	(10,649,026)	(15,164,555)	(440,339)
Non-deductible expenses	11,179,154	14,813,235	117,297
Adjustments due to CREATE Law	918,907	-	-
Income tax expense (benefit)	P993,051	(P2,187,404)	P2,317,974

The component of income tax expense or benefit under other comprehensive income is as follows:

	2021	2020	2020
Deferred tax on remeasurement loss	P195,043	P597,090	(P141,478)
Adjustments due to CREATE Law	(438,438)	-	-
Income tax benefit (expense)	(P243,395)	P597,090	(P141,478)

The details of deferred tax assets in the statements of financial position are presented as follow:

	2021	2020
Retirement benefits liability (including unamortized retirement contributions)	P3,067,117	P3,235,192
NOLCO	3,840,509	2,335,944
MCIT	128,548	87,700
Unamortized admission fees	-	2,572,936
Total	P7,036,174	P8,231,772

Per BIR Revenue Regulation (RR) No. 25-2020 (implementing Republic Act (RA) No. 11494 or the “Bayanihan to Recover as One Act”), the NOLCO for the taxable years 2020 and 2021 shall be allowed to be carried-over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The details of the NOLCO, which can be applied as a deduction against future taxable income for the succeeding five years, are as follow

Year incurred	Year of expiry	2020	Addition	Applied/ expired	2021
2020	2025	P7,786,482	P -	P -	P7,786,482
2021	2026	-	7,575,554	-	7,575,554
Total		P7,786,482	P7,575,554	P -	P15,362,036

The details of the MCIT, which can be applied as a deduction against future regular corporate income tax for the succeeding three years, are as follow

Year incurred	Year of expiry	2020	CREATE Law	Addition	Applied/ expired	2021
2020	2023	₱87,700	(₱21,925)	₱ -	₱ -	₱65,775
2021	2024	-	-	62,773	-	62,773
Total		₱87,700	(₱21,925)	₱62,773	₱ -	₱128,548

23. RELATED PARTY TRANSACTIONS

The Club, in the normal course of business, has transactions with related party. Detail is shown below:

Related party	Relationship
Metropolitan Bank and Trust Company (MBTC)	Retirement plan trustee

Details of the transactions, fair value amount and terms and conditions follow:

	Amount of transactions		Outstanding balance	
	2021	2020	2021	2020
<i>Retirement plan trustee</i>				
Retirement contribution	₱1,350,000	₱1,050,000	₱18,527,849	₱18,838,705
Expected return on plan assets	697,032	1,041,052		
Benefits paid	(1,577,717)	(4,308,544)		

Transactions with MBTC

The Club has the discretion to deliver additional funds at any time hereafter and from time to time to the trustee; subject to the latter's agreement in each case. The agreement entered by the Club is a Trust Agreement for financial return and for the appreciation of assets of the account but does not guarantee a yield, return or income by the trustee.

The retirement plan asset is set up to establish funding of the retirement obligations of the Club (see note 15).

Key management personnel compensation

Compensation of the Club's key management personnel are as follow:

	2021	2020
Short-term benefits	₱3,345,543	₱3,186,231
Long-term benefits	267,643	254,898
Total	₱3,613,186	₱3,441,129

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Club's principal financial instruments comprise of cash and cash equivalents, trade and other receivables, trust fund investments, long-term investment, refundable deposits, trade payables, activity fund payables and other liabilities. The main purpose of these financial instruments is to raise finance for the Club's operations.

The main risks arising from the Club's financial instruments are credit risk and liquidity risk. The Club also monitors the market price risk arising from Trust fund investment. The BOT has reviewed and set up policies to manage these risks.

It continuously upgrades these policies and procedures to ensure that the management of risk exposures is both progressive and reflective of the Club's financial outlook.

a. Credit risk

Credit risk is the risk that the Club will incur a loss from members, guests or counterparties that fail to discharge their contractual obligations. The Club manages credit risk by setting limits on the amount of risk the Club is willing to accept from counterparties and by monitoring exposures in relation to such limits.

As a policy, the Club trades only with recognized, creditworthy members and guests and transacts only with institutions or banks which have demonstrated financial soundness. Credit verification procedures for member-customers on credit terms are done. In addition, results of regular review of receivable and allowance revealed that the Club's exposure to bad debts is not significant; hence, no allowance was provided. The Club's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount with respect to credit risk arising from the other financial assets of the Club, which compose mostly of trade and other receivables, trust fund investment and refundable deposits.

Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Club as at December 31.

	2021	2020
Cash and cash equivalents*	₱54,748,279	₱44,414,160
Trade and other receivables	14,488,673	15,752,346
Long-term investment	14,814,450	14,814,450
Refundable deposits	105,520	105,520
Total	₱84,156,922	₱75,086,476

* - Excluding cash on hand amounting to ₱36,458 and ₱75,000 as at December 31, 2021 and 2020, respectively.

There is no requirement for collateral over trade and other receivables since the Club trades only with members.

The Club's trade and other receivables current credit risk grading framework are as follow:

Category	Description	Basis for recognizing ECLs	Minimum allowance for credit losses	Stage
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-month ECL	5%	1
Doubtful	Amount is 31 to 90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired	10%	2
In default	Amount is more than 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	50%	3
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Club has no realistic prospect of recovery	Amount is written off	100%	4

The table below shows the Club's maximum exposure to credit risk and the credit quality of the Club's financial assets:

December 31, 2021

	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in banks and cash equivalents (a)		₱54,748,279	₱ -	₱54,748,279
Trade and other receivables (b)	Lifetime ECL	14,488,673	-	14,488,673
Trust fund investments (c)	12-month ECL	13,887,565	-	13,887,565
Long-term investments (a)		14,814,450	-	14,814,450
Refundable deposits (d)		105,520	-	105,520
Total		₱98,044,487	₱ -	₱98,044,487

December 31, 2020

	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in banks and cash equivalents (a)		₱44,414,160	₱ -	₱44,414,160
Trade and other receivables (b)	Lifetime ECL	15,752,346	-	15,752,346
Trust fund investments (c)	12-month ECL	12,344,529	-	12,344,529
Long-term investments (a)		14,814,450	-	14,814,450
Refundable deposits (d)		105,520	-	105,520
Total		₱87,431,005	₱ -	₱87,431,005

- (a) Cash in bank and cash equivalents and long-term investments are assessed to have low credit risk at each reporting period. These are held by reputable banking institutions. The identified impairment loss on these financial assets is immaterial, hence no ECL is recognized.
- (b) For trade and other receivables, the Club has applied the simplified approach to measure the loss allowance at lifetime ECL. The Club determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors. The Club implemented an effective collection policy, past due accounts are immaterial, and the Club assesses that these receivables are collected thus, no impairment loss be recognized for both years.
- (c) The Club has trust fund investments which composed of short-term and long-term time deposit which are held by a reputable bank which can be withdrawn upon approval of 2/3 of the members entitled to vote.
- (d) Refundable deposits are refunded upon the termination of the contract with the lessor of the electric meter used.

The following tables show the Club's aging analysis of past due, but not impaired financial assets:

December 31, 2021

	Cash and cash equivalents	Trade and other receivables	Trust fund investments	Long-term investments	Refundable deposits	Total
Neither past due nor impaired	₱54,748,279	₱9,214,904	₱13,887,565	₱14,814,450	₱105,520	₱92,770,718
Past due but not impaired						
Less than 30 days	-	3,496,976	-	-	-	3,496,976
30 days and over	-	1,776,793	-	-	-	1,776,793
Total	₱54,748,279	₱14,488,673	₱13,887,565	₱14,814,450	₱105,520	₱98,044,487

December 31, 2020

	Cash and cash equivalents	Trade and other receivables	Trust fund investments	Long-term investments	Refundable deposits	Total
Neither past due nor impaired	₱44,414,160	₱10,693,639	₱12,344,529	₱14,814,450	₱105,520	₱82,372,298
Past due but not impaired						
Less than 30 days	-	1,471,911	-	-	-	1,471,911
30 days and over	-	3,586,796	-	-	-	3,586,796
Total	₱44,414,160	₱15,752,346	₱12,344,529	₱14,814,450	₱105,520	₱87,431,005

Credit quality information for financial assets that are neither past due nor impaired

The credit quality of financial assets is being managed by the Club using internal credit ratings. The following tables below show the credit quality of the neither past due nor impaired accounts by class of financial assets based on the Club's credit rating system:

December 31, 2021

	Cash and cash equivalents	Trade and other receivables	Trust fund investments	Long-term investment	Refundable deposits	Total
Neither past due nor impaired						
High	₱54,748,279	₱9,214,904	₱13,887,565	₱14,814,450	₱105,520	₱92,770,718
Moderate	-	5,273,769	-	-	-	5,273,769
Total	₱54,748,279	₱14,488,673	₱13,887,565	₱14,814,450	₱105,520	₱98,044,487

December 31, 2020

	Cash and cash equivalents	Trade and other receivables	Trust fund investments	Long-term investment	Refundable deposits	Total
Neither past due nor impaired						
High	₱44,414,160	₱10,693,639	₱12,344,529	₱14,814,450	₱105,520	₱82,372,298
Moderate	-	5,058,707	-	-	-	5,058,707
Total	₱44,414,160	₱15,752,346	₱12,344,529	₱14,814,450	₱105,520	₱87,431,005

b. Liquidity risk

The Club's policy is to maintain a level of cash that is sufficient to fund its monthly cash requirements. Operating expenses and working capital requirements are funded through cash collections. Furthermore, the Club places money in excess of immediate requirement in banks.

To manage this risk, the Club regularly monitors its projected and actual cash flows information and continuously assesses conditions in the financial market for opportunities to pursue fund raising initiatives. Furthermore, members may be assessed for any special purpose or assessment maybe increased with prior authority by the Club in a general meeting of voting proprietary members.

At December 31, 2021, the Club's financial liabilities have contractual maturities which are presented below:

	Within 6 to 12 months	Between 1 to 5 years
Trade and other payables*	₱35,368,292	₱ -
Member's cash and option deposits	-	22,175,670
Total	₱35,368,292	₱22,175,670

* - Excluding amounts payable to government of ₱1,346,579 as at December 31, 2021.

This compares to the maturity of the Club's financial liabilities as at December 31, 2020 as follows:

	Within 6 to 12 months	Between 1 to 5 years
Trade and other payables*	₱36,280,059	₱ -
Member's cash and option deposits	-	20,674,640
Total	₱36,280,059	₱20,674,640

* - Excluding amounts payable to government of ₱515,925.

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

25. CAPITAL RISK OBJECTIVE AND MANAGEMENT

The Club's objective in managing capital is to safeguard the Club's ability to continue as a going concern so that it can continue the Club's services.

The Club manages the members' equity and makes adjustments to it in the light of changes in the economic conditions. In order to adjust capital, the Club may change assessments to Club members. No changes were made in the objectives and policies in 2021 and 2020.

The Club's strategy is to maintain a debt to equity not lower than 1:2. However, the debt to equity ratio is above the target as shown below. The management continues to pursue operational improvements that will address the debt to equity ratio target. Debt comprises of liabilities and equity comprises of all components of members' equity.

Debt to equity ratio are as follow:

	2021	2020
Total liabilities	₱109,140,508	₱96,972,789
Total equity	310,822,597	313,371,716
Total	₱419,963,105	₱410,344,505
Debt to equity ratio	1 : 2.85	1 : 3.23

The Club sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Club manages the members' equity and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets.

26. FAIR VALUE INFORMATION

Assets measured at fair value

The following table gives information about how the fair value of Club's assets is determined in particular, the valuation technique and inputs used.

	Fair values		Fair value hierarchy	Value techniques
	2021	2020		
Trust fund investments				
Time deposit	₱6,861,956	₱9,175,566	Level 2	Discounted cash flows
Investment in private corporations	7,025,609	3,168,963	Level 1	Quoted bid price in an active market
Total	₱13,887,565	₱12,344,529		

Time deposit

The fair value is determined based on the discounted value of future cash flows using applicable interest rates for similar types of assets. Discount rate used was 3% as at December 31, 2021 and 2020.

Investment in private corporations

The fair value is determined by reference to current price of equity securities in an active market.

Asset and liabilities not measured at fair value

The following gives information about how the fair values of the Club's financial asset and liabilities, which are not measured at fair value, but the fair values are disclosed at the end of each reporting period are determined.

Cash and cash equivalents, Trade and other receivables, Refundable deposits, Trade and other payables and Member's cash and option deposits

The carrying amount approximates fair value due to the relatively short-term maturities of these financial assets and liabilities.

The carrying amount and fair value of the categories of noncurrent financial asset and liabilities presented in the statements of financial position are shown below:

2021				
	Carrying values	Fair values	Fair value hierarchy	Value techniques
Financial assets:				
Refundable deposits	₱105,520	₱102,447	Level 2	Discounted cash flows
Long-term investment	14,814,450	14,382,961	Level 2	Discounted cash flows
Total	₱14,919,970	₱14,485,408		
Financial liabilities:				
Members' cash deposits	₱22,172,670	₱21,526,864	Level 2	Discounted cash flows
Members' option deposits	3,000	2,912	Level 2	Discounted cash flows
Total	₱22,175,670	₱21,529,776		
2020				
	Carrying values	Fair values	Fair value hierarchy	Value techniques
Financial assets:				
Refundable deposits	₱105,520	₱102,447	Level 2	Discounted cash flows
Long-term investment	14,814,450	14,370,017	Level 2	Discounted cash flows
Total	₱14,919,970	₱14,472,464		
Financial liabilities:				
Members' cash deposits	₱20,671,640	₱20,069,553	Level 2	Discounted cash flows
Members' option deposits	3,000	2,912	Level 2	Discounted cash flows
Total	₱20,674,640	₱20,072,465		

The fair value of refundable deposits, long-term investments members' cash deposits and option deposits is based on the discounted cash flow at a discount rate of 3% in 2021 and 2020, which reflects the prevailing borrowing rate at the end of the reporting period.

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation about the changes in the Club's liabilities arising from financing activities including both cash and non-cash changes as follows:

	2020	Changes from financing cash flows	2021
Members' cash and option deposit	₱20,674,640	₱1,501,030	₱22,175,670
	2019	Changes from financing cash flows	2020
Members' cash and option deposit	₱24,071,500	(₱3,396,860)	₱20,674,640

28. SUPPLEMENTAL INFORMATION REQUIRED BY THE BIR

Supplementary information required by RR No. 15-2010

On December 28, 2010, the BIR issued RR No.15-2010, which amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the ffs to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRSs.

The following supplementary information is required this regulation:

(a) Output VAT for the year 2021

The Club declared output VAT for the year is as follows:

	Revenues	Output VAT
Sales subject to 12% VAT		
Sale of goods	₱30,035,667	₱3,604,280
Exempt sales	67,384,720	-
Total	₱77,260,199	₱3,604,280

Exempt sales pertain to the membership fees solely incurred by the members per Supreme court decision dated June 26, 2019.

(b) Input VAT for the year 2021 is summarized below.

	2021
Balance at beginning of year	₱2,404,813
Add: Current year's domestic purchase/payments	3,392,093
Total available input VAT	5,796,906
Less: Applied against output VAT during the year	(3,604,280)
Balance at end of year	₱2,192,626

Balance at end of year pertains to unamortized portion of the input tax on purchase of capital goods exceeding ₱1,000,000 and excess input VAT to be carried-over in subsequent years.

(c) *Taxes on importation, excise tax and documentary stamp tax*

The Club has not paid nor accrued custom duties or tariff fees as the Club did not import any goods or equipment. The Club has not paid nor accrued any excise tax. The Club has not paid any documentary stamp tax, as there is no related transaction that requires the payment of the said tax.

(d) *Taxes and licenses*

Details of the Club's all other local and national taxes for the year are as follow:

	2021
Real property tax	₱7,696,132
Business permit and licenses	726,204
Insurance tax	20,122
BIR registration	500
Total	₱8,442,958

(e) *Withholding taxes*

Details of the Club's total withholding taxes for the year are as follow:

	2021
Expanded withholding taxes	₱604,764
Tax on compensation and benefits	430,723
Total	₱1,035,487

- (f) There are no deficiency tax assessments incurred and paid for during the year 2021. The Club has no tax cases under preliminary investigation and/or prosecution in courts or bodies outside the BIR.

Supplementary information required by BIR RR No. 19-2020, as amended by RR No. 34-2020

On July 28, 2020, the BIR issued RR No. 19-2020, which was amended by RR No. 34-2020 dated December 28, 2020, which prescribes the procedures and guidelines in connection with submission of Form 1709 or Information Return on Related Party Transaction (RPT Form). Under Section 2 of RR No. 34, 2020, the following are required to file RPT Form, together with Annual Information Tax Return (AITR):

- a. Large Taxpayers
- b. Taxpayers enjoying tax incentives, i.e. Board of Investments (BOI)-registered and economic zone enterprises, those enjoying Income Tax Holiday (ITH) or subject to preferential income tax rate;
- c. Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two consecutive taxable years; and
- d. A related party, as defined under Section 3 of RR No. 19- 2020, which has transactions with (a), (b) or (c). For this purpose, key management personnel (KMP), as defined under Section 3 (7) of RR No. 19-2020, shall no longer be required to file and submit the RPT Form, nor shall there be any requirement to report any transaction between KMP and the reporting entity/Club of the latter in the RPT Form.

The Club does not meet any of the criterion above. Thus, the Club is not covered by the requirements and procedures for related party transactions provided under the aforementioned RR.

* * *

SWORN STATEMENT


We Jose R. Soberano III and Antonio R. Moraza, President and Treasurer, respectively of Cebu Country Club, Inc., with address at Gov. Cuenco Ave., Brgy Kasambagan, Cebu City hereby depose and state that:

In compliance with SRC Rule 68, as amended, we are stating the following information that related to the preceding fiscal year 2021, to wit:

Documents/ Schedules to the Audited Financial Statements as of	NSPO Forms	Check if applicable
1. Affidavit of Willingness to be Audited by the Commission	NSPO Form-2	✓
1. Schedule of Receipts or Income or Sources of Funds Other Than Contributions and Donations	NSPO Form-3	✓
1. Schedule of Contributions and Donations	NSPO Form-4	
1. Schedule of Application of Funds	NSPO Form-5	
1. Certificate of Existence of Program/Activity (COEP)		
1. COEP issued by Heads/Officers of private institution or actual beneficiaries/recipients of the program/activity shall be allowed in lieu of COEP issued by the government offices/entities		

We hereby certify that this Sworn Statement with duly attached documents/schedules is executed to attest to the truth of the foregoing and for whatever legal purpose it may serve.

In witness thereof, we have hereunto affixed our signature this JUN 07 2022 day of 2022, at CEBU CITY, Philippines.


Jose R. Soberano III
President


Antonio R. Moraza
Treasurer

Subscribed and sworn to before me, a Notary Public for and in CEBU CITY City, on JUN 07 2022 affiants personally, exhibiting their respective competent evidence of Identification Card issued at _____ issued on _____

NOTARY PUBLIC

Doc. No. 128
Page No. 49
Book No. 53
Series of 2022



EVELYN T. NUNEZ
Notarial Commission No. 75-06
Notary Public for Cebu City
Until December 31, 2023
7th Floor, Ayala Life-EGU Center
Cebu Business Park, Cebu City
Tel. No. (032) 212-2375/232-2559
Roll No. 36758
PTR No. 8438478, 12-07-2021 for 2022, Cebu City
IBP No. 352548, 01-31-2022, Cebu City
MCLE VII-0014431, valid until 4-30-2025, Pasig City
TIN 823-820-222-000

NSPO Form-2

Page 1 of 1

AFFIDAVIT OF WILLINGNESS TO BE AUDITED BY THE COMMISSION

I, Glenn M. Parame, of legal age, Filipino and resident of Tres de Abril St., Brgy Punta Princesa Cebu City, after having been sworn to in accordance with law hereby depose and state:

I am the Finance Officer of Cebu Country Club, Inc., a non-stock non-profit organization registered with the Securities and Exchange Commission.

That I, as authorized by the Board of Directors of the corporation, hereby manifest its willingness to be audited by the Commission upon its Order and Authority for the purpose of determining compliance of the corporation with existing laws and regulations.

That this affidavit is executed to attest to the truth of the foregoing and for whatever legal purpose and intent it may serve.

In witness whereof, I hereby sign this affidavit this day of JUN 07 2022 at CEBU CITY



Affiant
Glenn M. Parame

SUBSCRIBED AND SWORN to before me this JUN 07 2022, affiant exhibiting to me his _____ issued on _____ at _____ as competent evidence of identity.

Pag-Ibig # 1210-91955652

Doc. No. 129 ;
Page No. 49 ;
Book No. 59 ;
Series of 2022




EVELYN T. NUÑEZ
Notarial Commission No. 75-08
Notary Public for Cebu City
Until December 31, 2023
7th Floor, Ayala Land Center
Cebu Business Park, Cebu City
Tel. No. (032) 233-2575/233-2258
Roll No. 36718
PTR No. 8648479, 12-07-2021 for 2022, Cebu City
IBP No. 193648, 01-31-2022, Cebu City
MCLE VII-0014431, valid until 4-14-2025, Pasig City
TIN 323-820-222-000

**SCHEDULE OF RECEIPTS OR INCOME OR SOURCES OF FUNDS
OTHER THAN CONTRIBUTIONS AND DONATIONS**

Name of Foundation/Organization Cebu Country Club, Inc.	SEC Registration No. 1202
For the year ended December 31, 2021	

Receipts Or Income Or Sources Of Funds

(a) No.	(b) Description of Income	(c) Source	(d) Amount (indicate by footnote if other than Philippine currency, then translate in this column)	(e) Date Received/ Period Covered
1	Food and Beverage Revenue	Operation	P 22,414,924.00	Jan 1- Dec 31 2021
2	Golf and Other Sports	Operation	P 14,751,277.00	Jan 1- Dec 31 2021
3	Membership Dues	Assessment	P 50,262,538.00	Jan 1- Dec 31 2021
4	Other Income	Operation	P 1,295,148.00	Jan 1- Dec 31 2021
5	Trust Fund Earnings		P 251,600.00	Jan 1- Dec 31 2021
6	Fair Value Gain on Trust Funds		P 1,291,436.00	Jan 1- Dec 31 2021
7			P	
8			P	
9			P	
10	Others (aggregate of all sources of income which are individually below P100,000.00)		P	

(Use separate sheet if necessary)

SCHEDULE OF CONTRIBUTIONS AND DONATIONS (PART I)

Name of Foundation/Organization Cebu Country Club, Inc.	SEC Registration No. 1202
For the year ended December 31, 2021	

Part I Contributors/Donors

(a) No.	(b) Name and address	(c) Nationality	(d) Total Contributions	(e) Type of Contribution
1			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
2			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
3			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
4			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
5			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
6			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
7			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
8			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
9			P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)
10	Others (aggregate of all contributions which are individually below P100,000.00) - by nationality		P	<input type="checkbox"/> Cash <input type="checkbox"/> Noncash (Complete Part II if there is a noncash contribution)

(Use separate sheet if necessary)

1A contributor or donor includes individuals, partnerships, corporations, associations, trusts and organizations.

2If supranational organization, indicate place of principal office or domicile.

3Contributions or donations reportable on the Schedule are contributions, donations, grants, bequests, devises, and gifts of money or property, amounting to P100,000.00 or more from each contributor or donor.

SCHEDULE OF CONTRIBUTIONS AND DONATIONS (PART II)

Name of Foundation/Organization Cebu Country Club, Inc.	SEC Registration No. 1202
For the year ended December 31, 2021	

Part II	Noncash Property
----------------	-------------------------

(a) No. from Part I	(b) Description of noncash property given	(c) Fair Market Value (or estimate)	(d) Date received
1		P	
2		P	
3		P	
4		P	
5		P	
6		P	
7		P	
8		P	
9		P	
10		P	

(Use separate sheet if necessary)

SCHEDULE OF APPLICATION OF FUNDS

Name of Foundation/Organization Cebu Country Club, Inc.	SEC Registration No. 1202
For the year ended December 31, 2021	

(a) Item Number	(b) Description of Programs/Projects/Activities	(c) Status	(d) Project Officer-In-Charge
1	Name of Program/ Project/Activity: _____ Complete Office Address: _____ _____ Contact Number of Project Office: _____	<input type="checkbox"/> Accomplished <input type="checkbox"/> On-going <input type="checkbox"/> Planned	Name: _____ Complete Address: _____ _____ Contact Number: _____
2	Name of Program/ Project/Activity: _____ Complete Office Address: _____ _____ Contact Number of Project Office: _____	<input type="checkbox"/> Accomplished <input type="checkbox"/> On-going <input type="checkbox"/> Planned	Name: _____ Complete Address: _____ _____ Contact Number: _____
3	Name of Program/ Project/Activity: _____ Complete Office Address: _____ _____ Contact Number of Project Office: _____	<input type="checkbox"/> Accomplished <input type="checkbox"/> On-going <input type="checkbox"/> Planned	Name: _____ Complete Address: _____ _____ Contact Number: _____
4	Name of Program/ Project/Activity: _____ Complete Office Address: _____ _____ Contact Number of Project Office: _____	<input type="checkbox"/> Accomplished <input type="checkbox"/> On-going <input type="checkbox"/> Planned	Name: _____ Complete Address: _____ _____ Contact Number: _____
5	Name of Program/ Project/Activity: _____ Complete Office Address: _____	<input type="checkbox"/> Accomplished <input type="checkbox"/> On-going <input type="checkbox"/> Planned	Name: _____

	<p>_____</p> <p>Contact Number of Project Office: _____</p>		<p>Complete Address: _____</p> <p>_____</p> <p>Contact Number: _____</p>
--	---	--	--

(Use separate sheet if necessary)

REPUBLIC OF THE PHILIPPINES)

CEBU CITY)S.S.

CERTIFICATION

I, JOSE R. SOBERANO III., of legal age, married, Filipino citizen, with residence address at 2nd St., Villa San Lorenzo Quijada, Guadalupe, Cebu City after having been sworn to in accordance with law, do hereby depose and state that :

- 1. I am the duly elected President of Cebu Country Club, Inc., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Gov. Cuenco Ave., Brgy. Kasambagan, Cebu City.
- 2. The Foundation has not received any funds from any Philippine government agency or any department, bureau or office of the national government, or any of its branches and instrumentalities, or any political subdivision or its instrumentalities, as well as any government-owned or controlled or controlled corporation, including its subsidiaries, or other self-governing board or commission of the government, nor received donations/grants/contributions in the amount of at least Five Hundred Thousand Pesos (Php 500,00.00) in one or aggregate transactions per donor/grantor/contributor; and
- 3. To the best of my knowledge, no action or proceeding has been filed or is pending before any court involving an intra-corporate dispute and/or claim by any person or group against the Foundation, its duly elected Trustees and/or corporate officers.

IN WITNESS WHEREOF, I have hereunto signed this Certification this 11th day of JUN 07 2022 at CEBU CITY

Jose R. Soberano III
PRESIDENT

Subscribed and Sworn to before me this 11th day of JUN 07 2022, affiant exhibiting to me his competent evidence of identity. issued on _____ at _____ 85

Doc. No. 190 ;
Page No. 49 ;
Book No. 57 ;
Series of 2021: 2022



EVELYN T. NUÑEZ
Notarial Commission No. 75-08
Notary Public for Cebu City
Until December 31, 2023
7th Floor, Ayala Life-EGU Center
Cebu Business Park, Cebu City
Tel. No. (052) 232-2375/242-2559
Roll No. 36738
PTM No. 3456479, 12-07-2021 for 2022, Cebu City
IBP No. 192540, 01-11-2022, Cebu City
MCLE VII-0034451, valid until 4-30-2025, Pasig City
TIN 123-820-222-000

