



THE MANILA SOUTHWOODS GOLF AND COUNTRY CLUB

Southwoods Ave., Carmona, Cavite, Philippines 4116

November 15, 2022

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Blvd., Pasay City
1307 Metro Manila

Thru : Ms. Rachel Esther J. Guntang-Remalante
Director

Ms. Ryzpah R. Capicio
Assistant Director
Corporate Governance & Finance Department

Re : The Manila Southwoods Golf & Country Club, Inc.
Company Registration No. 181069
2022 Definitive Information Statement

Gentlemen/Mesdames:

We respectfully submit the Definitive Information Statement (“DIS”) of The Manila Southwoods Golf & Country Club, Inc. (the “Club”) in relation to the conduct of its annual stockholders’ meeting to be held on December 14, 2022, Wednesday, at 9:00 a.m. through remote communication or *in absentia*. Incorporated therein are the changes addressing the findings and comments of the Securities and Exchange Commission on the Club’s Preliminary Information Statement (“PIS”) filed last November 8, 2022.

In response to this Honorable Office’s findings and comments to the Club’s PIS, we present below a summary of the changes and/or our remarks:

SEC Comments		Remarks
General Comment	Please submit copy of the proof of payment of the filing fee.	Complied with. A copy of the Validated Payment Assessment Form (“PAF”) and Official Receipt No. 2195445 for the payment of Php7,575.00 (<i>i.e.</i> , filing fee inclusive of 1% LRF) dated November 14, 2022 is attached herewith.

Directors & Executive Officers (page 10, Information Statement)	Revise the following statements in item 5 (e) and comply with Section 22 of the Revised Corporation Code which provides that the board the corporations with public interest shall have independent directors (ID) constituting at least 20% of such board: xxx Considering that the Club is composed of 11 directors, it should have at least three (3) IDs.	Please see the Club's explanation or justification of the current number of IDs in the cover email and the attached template of the undertaking to comply with the requirement of three (3) IDs.
Directors and Executive Officers (page 11, Information Statement)	1. The company is required to elect at least 3 Independent Directors in compliance with Section 22 of the Revised Corporation Code which state that "corporations vested with public interest shall have independent directors constituting at least twenty percent (20%) of such board". The new nominees for ID is required to submit certificate of qualifications pursuant to SEC MC 5, Series of 2017. Please note SRC Rule 38 for the qualifications of the ID. 2. The qualifications of nominees for Independent Directors, namely: Mr. Alfredo M. Mendoza and Daniel C.	1. Same remark as above. 2. This is noted. We await the CGD's validation and comments.

	Samaniego are subject of validation by our Corporate Governance Division. We will advise the company if any of its ID nominees if disqualified upon receipt of CGD's comments.	
Compensation of Directors & Executive Officers (page 14)	Provide estimated fees for the ensuing year (2023).	Complied with. Please see pages 14 and 15 of the Club's DIS. We further note that all Club directors are not paid any salary for their services to the Club. Their compensation is in the form of exemption from the payment of monthly dues of P4,000.00 and locker rental, a monthly consumable of P3,333.00 for charges within the Club if they attend a monthly regular Board of Directors meeting, 40 rounds of free green fee per year and reserved parking.
Management Report	1. Attach copy of Interim FS for the period ended September 30, 2022. 2. Provide MD&A based on the Interim Financial Statements as of September 30, 2022 instead of June 30, 2022. 3. Provide the share prices for the 3rd Quarter of 2022. 4. Preset Top 20 Stockholders as of the latest practicable date.	1. Complied with. Please see copy of Interim FS for the period ended September 30, 2022 on page 20 of the Management Report. 2. Complied with. Please see discussion on pages 10 to 14 of the Management Report. 3. Complied with. Please see page 18 of the Management Report. 4. Complied with. Please see pages 19 and 20 of the Management Report.

We hope you find the foregoing in order.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Delvin P. Angcao', written in a cursive style.

DELFIN P. ANGCAO
Corporate Secretary

COVER SHEET

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SEC Registration Number

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						C	O	U	N	T	R	Y		C	L	U	B	,		I	N	C	.						

(Company's Full Name)

[illegible]

Atty. Delfin P. Angcao
Contact Person

8817-67-91
Company Telephone Number

1	2
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Month

Fiscal Year

3	1
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Day

SEC Form 20-IS
Definitive Information Statement

Annual Meeting of
Stockholders
December 14, 2022
Month Day
Annual Meeting

Secondary License Type, If Applicable

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Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic
Foreign

To be accomplished by SEC Personnel concerned

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Remarks: Please use BLACK ink for scanning purposes



THE MANILA SOUTHWOODS GOLF AND COUNTRY CLUB

Southwoods Ave., Carmona, Cavite, Philippines 4116

NOTICE OF 2022 ANNUAL MEETING OF STOCKHOLDERS

TO: ALL STOCKHOLDERS
The Manila Southwoods Golf & Country Club, Inc.

Please take notice that the annual meeting of the stockholders of The Manila Southwoods Golf & Country Club, Inc. (the "Club") will be held on **December 14, 2022, Wednesday, at 9:00 a.m.** through remote communication. The agenda of the annual meeting is as follows:

1. Call to Order
2. Certification on Notice and Quorum
3. Approval of Minutes of the Annual Stockholders' Meeting held on September 16, 2009
4. Approval of Management Report for the period of 2009 to 2022 and the 2021 Audited Financial Statements
5. Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date
6. Appointment of Independent Auditor (Isla Lipana & Co.)
8. Election of the Members of the Board of Directors for the term 2022-2023
9. Such other business as may properly come before the meeting
10. Adjournment

For purposes of the annual meeting, stockholders of record as of October 12, 2022 shall be entitled to notice of, participation via remote communication, and voting *in absentia* or through proxy at such meeting and any adjournment thereof. As approved by the Nomination and Election Committee on October 28, 2022, this notice with the guidelines for voting and related documents will be sent to the stockholders via email.

You may vote *in absentia* or through proxy by submitting (i) the original signed and accomplished pre-numbered Proxy/Ballot form attached to this notice by mail, courier, or delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite, or (ii) **a scanned copy thereof by email at the Club's email address at southwoods.asm2022@gmail.com**. The deadline for submission of the Proxy/Ballot is on or before 5:00 pm of November 28, 2022. For corporate

stockholders, a notarized Secretary's Certificate attesting to the authority of their representative to execute the Proxy/Ballot should be attached thereto. When signing as attorney-in-fact, executor, administrator, guardian or in any representative capacity, please indicate your full title and file the necessary documents showing your authority. The validation of proxies shall be held on December 9, 2022 at 1:00 p.m.

Successfully verified stockholders voting *in absentia* or by proxy will receive an email from the Club providing them the weblink to be able to access the live streaming of the meeting.

Electronic copies of the Notice of the Meeting, Definitive Information Statement, Management Report, and other information and documents related to the annual meeting may be accessed through the Club's website at <https://www.manilasouthwoods.com/index.php/stockholders-meeting> in due time.

For any concerns, please reach us by email at southwoods.asm2022@gmail.com.

Makati City, Metro Manila

October 28, 2022


DELFIN P. ANGCAO
Corporate Secretary

Code Number: _____
[For Corporate Stockholder]

INSTRUCTIONS:

1. This Proxy/Ballot form must be accompanied by a notarized Secretary's Certificate of the company's Board Resolution appointing and authorizing its representative to accomplish this Proxy/Ballot form.
2. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the person authorized to accomplish this Proxy/Ballot form affixes his/her full signature beside such erasures or alterations. The initials of the said authorized person are not sufficient to validate the Proxy/Ballot, unless the said initials are also the said person's customary signature.
3. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier, or manual delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at *southwoods.asm2022@gmail.com*. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of November 28, 2022.

PROXY/BALLOT FORM

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
☐ The undersigned hereby votes as indicated below.	☐ The Undersigned hereby appoints the Chairman of the Board of Directors of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), or in his absence, the President of the Club to act for and on our behalf at the Manila Southwoods Golf & Country Club, Inc.'s Annual Stockholders' Meeting to be held on December 14, 2022 (and as may be rescheduled and/or adjourned) and to vote for us as indicated below, or, if no such indication is given, as our proxy thinks fit:

		Please check or mark the appropriate box		
	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval of minutes of the annual stockholders' meeting held on September 16, 2009			

2	Approval of Management Report for the period of 2009 to 2022 and the 2021 audited financial statements			
3	Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date			
4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2022-2023. (Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected).			
	1. Robert John L. Sobrepeña Director			
	2. Edward E. Dy Director			
	3. Rafael Perez de Tagle, Jr. Director			
	4. Francisco C. Gonzalez Director			
	5. Federico P. Campos III Director			
	6. Renato E. Lirio Director			
	7. Rhais M. Gamboa Director			
	8. Alberto Q. Avanceña Director			
	9. Ferdinand T. Santos Director			
	10. Daniel C. Samaniego Independent Director			
	11. Alfredo M. Mendoza Independent Director			

IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report for the period of 2009 to 2022 and 2021 audited financial statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the election of the following directors for the term 2022-2023:

1. Robert John L. Sobrepeña	Director
2. Edward E. Dy	Director
3. Rafael Perez de Tagle, Jr.	Director
4. Francisco C. Gonzalez	Director
5. Federico P. Campos III	Director
6. Renato E. Lirio	Director
7. Rhais M. Gamboa	Director
8. Alberto Q. Avanceña	Director
9. Ferdinand T. Santos	Director

10. Daniel C. Samaniego
11. Alfredo M. Mendoza

Independent Director
Independent Director

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Club's external auditors; and
- TO authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES

Validation of proxies shall be on December 9, 2022 at 1:00 pm at the principal office of the Club.

REVOCATION OF PROXIES:

A stockholder giving a proxy has the power to revoke it at any time before the validation of proxies on December 9, 2022 at 1:00 pm by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at *southwoods.asm2022@gmail.com*.

(Printed Name of Corporate Stockholder)

By:

Signature over Printed name of
Authorized Representative

Address

Code Number: _____
[For Individual Stockholder]

INSTRUCTIONS:

1. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the stockholder affixes his/her full signature beside such erasures or alterations. The initials of the said stockholder are not sufficient to validate the Proxy/Ballot unless the said initials are also the said stockholder's customary signature.
3. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier, or manual delivery to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at *southwoods.asm2022@gmail.com*. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of November 28, 2022.

PROXY/BALLOT FORM

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
☐ The undersigned hereby votes as indicated below.	☐ The Undersigned hereby appoints the Chairman of the Board of Directors of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), or in his absence, the President of the Club to act for me/us and on my/our behalf at the Manila Southwoods Golf & Country Club, Inc.'s Annual Stockholders' Meeting to be held on December 14, 2022 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or, if no such indication is given, as my/our proxy thinks fit:

		Please check or mark the appropriate box		
	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval of minutes of the annual stockholders' meeting held on September 16, 2009			
2	Approval of Management Report for the period of 2009 to 2022 and the 2021 audited financial statements			
3	Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date			
4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2022-2023.			

	(Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected).				
	1.	Robert John L. Sobrepeña	Director		
	2.	Edward E. Dy	Director		
	3.	Rafael Perez de Tagle, Jr.	Director		
	4.	Francisco C. Gonzalez	Director		
	5.	Federico P. Campos III	Director		
	6.	Renato E. Lirio	Director		
	7.	Rhais M. Gamboa	Director		
	8.	Alberto Q. Avanceña	Director		
	9.	Ferdinand T. Santos	Director		
	10.	Daniel C. Samaniego	Independent Director		
	11.	Alfredo M. Mendoza	Independent Director		

IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK

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- FOR the approval of the management report for the period of 2009 to 2022 and 2021 audited financial statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the election of the following directors for the term 2022-2023:

1.	Robert John L. Sobrepeña	Director
2.	Edward E. Dy	Director
3.	Rafael Perez de Tagle, Jr.	Director
4.	Francisco C. Gonzalez	Director
5.	Federico P. Campos III	Director
6.	Renato E. Lirio	Director
7.	Rhais M. Gamboa	Director
8.	Ferdinand T. Santos	Director
9.	Alberto Q. Avanceña	Director
10.	Daniel C. Samaniego	Independent Director
11.	Alfredo M. Mendoza	Independent Director
- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Club's external auditors; and

- TO authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

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Date

(Signature above printed name of Stockholder)

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SEC Registration Number

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(Company's Full Name)

[illegible]

Atty. Delfin P. Angcao
Contact Person

8817-67-91
Company Telephone Number

1	2
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Month

Fiscal Year

3	1
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Day

SEC Form 20-IS
Definitive Information Statement

Annual Meeting of
Stockholders
December 14, 2022
Month Day
Annual Meeting

Secondary License Type, If Applicable

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Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

[] Preliminary Information Statement

[☒] Definitive Information Statement

2. Name of Registrant as specified in its charter: The Manila Southwoods Golf & Country Club, Inc. ("Registrant" or "Club")
3. Province, country or other jurisdiction of incorporation or organization: Philippines
4. SEC Identification Number: 181069
5. BIR Tax Identification Code: 000-645-256
6. Address of principal office Postal Code: Bo. Cabilang Baybay, Carmona, Cavite
7. Registrant's telephone number, including area code: (046) 430-0260 to 69
8. Date, time, and place of the meeting of security holders: December 14, 2022, 9:00 a.m. at the Main Clubhouse, The Manila Southwoods Golf & Country Club, Inc., Bo. Cabilang Baybay, Carmona, Cavite
9. Approximate date on which the Information Statement is first to be sent or given to security holders: November 17, 2022
10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **The Registrant**

Address and Telephone No.: **Bo. Cabilang Baybay, Carmona, Cavite
(046) 430-0260 to 69**

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

<u>Title of Each Class</u>	<u>No. of shares of stock</u>	<u>Amount</u>
Founders' and Class "A"	1,800	₱1,508,650,362
Class "B"	<u>1,200</u>	<u>1,005,100,242</u>
Total	<u>3,000</u>	<u>₱2,513,750,604</u>

12. Are any or all of Registrant's Securities Listed with the Philippine Stock Exchange?

Yes ()

No (✓)

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

1. *Date, Time, and Place of Meeting*

The enclosed proxy is solicited for and on behalf of **The Manila Southwoods Golf & Country Club, Inc.** (hereinafter called the “Club” or the “Registrant”) for use in connection with the annual meeting of the stockholders to be held on December 14, 2022 (Wednesday), 9:00 a.m. via remote communication or *in absentia*.

The definitive information statement and form of proxy will be sent to the stockholders of record as of October 12, 2022 (the “Record Date”) on or before November 17, 2022.

The matters to be considered and acted upon at such meeting are referred to in the Notice and are more fully discussed in this Statement.

2. *Dissenter's Right of Appraisal*

Pursuant to Title X of the Revised Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares: (i) in case any amendment to the Club’s Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences over the outstanding shares, or of extending or shortening the term of corporate existence; (ii) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds in another corporation or business or for any purpose other than the primary purpose.

If an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Club has unrestricted retained earnings in its books to cover such payment.

The dissenter’s right of appraisal is not applicable in any of the matters or proposed Club actions to be submitted to the stockholders.

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

No director, officer, nominee for director, or their associates, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon, other than election to office. No director has informed the Registrant in writing of any intention to oppose any action to be taken during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. *Voting Securities and Principal Holders Thereof*

(a) As of October 12, 2022, the Record Date for the determination of the stockholders entitled to notice and to vote at the annual stockholders' meeting on December 14, 2022, the Registrant has the following issued shares:

1,800 Class "A" Common Shares,
inclusive of seven (7) Founders' Shares; and

1,200 Class "B" Common Shares.

(b) All stockholders in good standing as of the Record Date shall be entitled to notice and to vote at the annual stockholders' meeting on December 14, 2022. On the items of approval of minutes of previous meeting of stockholders, ratification of all the acts of the Board of Directors and officers during the previous year, appointment of independent external auditors, and amendments to the By-laws, each share of outstanding common stock is entitled to one (1) vote.

(c) In the election of directors, every stockholder entitled to vote shall have the right to vote, *in absentia* or by proxy, the number of shares of stock standing in his name at Record Date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Registrant multiplied by the whole number of directors to be elected.

Pursuant to the provisions of the Amended By-laws of the Registrant, nominations to the Board of Directors shall be made in writing and may be submitted by the stockholders in good standing to the Nomination and Election Committee, with the written consent of the nominees, on or before October 24, 2022 (at least 30 business days prior to December 14, 2022), provided, however, that only Regular Members in good standing who are duly qualified under Article VII, Section 2 (c) of the Amended By-laws of the Registrant may be nominated, and that the members of the Nomination and Election Committee may not themselves be nominated.

(d) *Security Ownership of Certain Record and Beneficial Owners*

The following table sets forth as of October 12, 2022, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Club which are entitled to vote and the amount of such record and/or beneficial ownership.

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Record/Beneficial Owner	Citizenship	No. of Shares Held	Percent of Class

Common A and B	Fil-Estate Golf and Development, Inc. 5/F The Renaissance Tower MERALCO Avenue Pasig City	Fil-Estate Golf and Development, Inc. 5/F The Renaissance Tower MERALCO Avenue Pasig City	Filipino	158	5.38%
Common A and B	Southern Heights Land and Development Corporation 750 Shaw Boulevard Mandaluyong City	Southern Heights Land and Development Corporation 750 Shaw Boulevard Mandaluyong City	Filipino	226	7.70%

Note: Fil-Estate Golf and Development, Inc. (FEGDI) is a wholly-owned subsidiary of Global-Estate Resorts, Inc. (GERI, formerly Fil-Estate Land, Inc.). The shares of stock of GERI are registered under the Revised Securities Act and listed with the Philippine Stock Exchange. Its top stockholders are Alliance Global Group, Inc. and Fil-Estate Management, Inc. (FEMI). For the scheduled annual stockholders' meeting on December 14, 2022, the person who had the right to vote the shares of FEGDI was Atty. Delfin Angcao. As to Southern Heights Land Development Corporation, the person who had the right to vote its shares was Mr. Renato Lirio and/or Mr. Rhais Gamboa.

(e) Security Ownership of Management

As of October 12, 2022, the security ownership of management is as follows:

Title of Class (Common)	Name of Beneficial Owner	Amount and Nature	Citizenship	Percent of Class (Common)
Class A	Robert John L. Sobrepeña	1 nominal	Filipino	0.05%
Class B	Renato E. Lirio	2 nominal	Filipino	0.11%
Class A	Rafael Perez de Tagle, Jr.	1 nominal	Filipino	0.05%
Class A	Edward E. Dy	1 nominal	Filipino	0.05%
Class A	Alberto Q. Avanceña	1 nominal	Filipino	0.05%
Class A	Rhais M. Gamboa	1 nominal	Filipino	0.05%
Class B	Federico P. Campos III	1 nominal	Filipino	0.05%
Class A	Ferdinand T. Santos	1 nominal	Filipino	0.05%
Class A & B	Francisco C. Gonzalez	3 & 1 nominal	Filipino	0.16% & 0.08%
Class A	Alfredo M. Mendoza	1 nominal	Filipino	0.05%
Class A	Daniel C. Samaniego	1 nominal	Filipino	0.05%
Class B	Mark O. Watson	1 nominal	Australian	0.08%

Aggregate Ownership of All Directors and Officers as a Group is 16 shares or 0.54%

(f) Voting Trust Holders of 5% or more

Registrant is not aware of any person holding more than 5% of the shares of Registrant under a voting trust or similar agreement.

(g) Changes in Control

There has been no change in control of the Registrant since the beginning of its last fiscal year. Neither is Registrant aware of any arrangement which may result in a change in control thereof.

5. *Directors and Executive Officers*

(a) *Incumbent director, Executive Officers and Significant Employees.*

The following are the incumbent directors, including independent directors, executive officers, and significant employees of the Registrant:

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Citizenship</u>
Robert John L. Sobrepeña	Chairman of the Board/Director	67	Filipino
Edward E. Dy	President/Director	74	Filipino
Rafael Perez de Tagle, Jr.	Treasurer/Director	67	Filipino
Francisco C. Gonzalez	Director	78	Filipino
Federico P. Campos III	Director	68	Filipino
Renato E. Lirio	Director	84	Filipino
Rhais M. Gamboa	Director	71	Filipino
Ferdinand T. Santos	Director	72	Filipino
Alberto Q. Avanceña	Director	70	Filipino
Daniel C. Samaniego	Independent Director	64	Filipino
Alfredo M. Mendoza	Independent Director	73	Filipino
Delfin P. Angcao	Corporate Secretary	65	Filipino
Alvin O. Geli	Asst. Corporate Secretary	52	Filipino
Mark O. Watson	General Manager & COO	72	Australian
Armando D. Sierra	Comptroller	59	Filipino
John R. Cope	Director of Grounds	58	American
Jerome U. Delariarte	Golf Director	44	Filipino
Charlie P. Panibe	Director of Engineering	49	Filipino

(b) *Term of office.*

The term of office of the Directors and executive officers is one (1) year from their election as such until their successors are duly elected and qualified, subject to the provisions of the By-laws of the Registrant.

(c) *Business experience of the Directors and Officers during the past five (5) years.*

Robert John L. Sobrepeña

Mr. Robert John L. Sobrepeña conceptualized the Southwoods project and has been the Chairman of the Board since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected and qualified during the annual stockholders' meeting. He is also the Chairman of the Grounds Committee of the Club. He has been in the real estate business for over 15 years. He is a founder and Chairman of the Fil-Estate Group of Companies. He is also the Chairman of the Metro Rail Transit Holding, Inc., Summit Estate Realty & Development Corp., Camp John Hay Development Corporation, Camp John Hay Golf Club, Inc., Sherwood Hills Development Corp., Sherwood Hills Golf Club, Inc., and Club Leisure Management, Inc. He obtained his Bachelor of Arts in Psychology and Marketing degree from De La Salle University.

Edward E. Dy

Mr. Edward E. Dy, the President, has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He is the Chairman of Grandview Properties & Ventures, Inc., Sunrise Properties Corporation, Megaventures Realty Corporation, and DBH Development Corporation. He is also a Director of Timeplus Commercial and Seiko Service Center, Inc. He has been in the real estate business for over 25 years. He obtained his AB-BSC degree from Ateneo de Manila University.

Rafael Perez de Tagle, Jr.

Mr. Rafael Perez de Tagle, Jr., the Treasurer and Finance Committee Chairman, has been a Director since 1999. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He is President of Club Leisure Mgt. Corp., the Chairman Metro Countrywide Corp., and Smart Probe, Inc., and also a Director of Camp John Hay Development Corp., Metro Rail Transit Dev. Corp., and Metro Global Holdings Corp. He has been in the real estate business for over 25 years. He is a graduate of De La Salle University with a degree of Bachelor of Arts major in Economics.

Francisco C. Gonzalez

Engr. Francisco C. Gonzalez has been a Director since January 1998. He is currently the Membership Committee Chairman of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He is the President of Romago Incorporated, Fabriduct & Metal Systems Inc., and Electro Mechanical Products International and the Proprietor of A&P of Manila, Inc. He has been in the construction and engineering business for over 30 years. He is also a director and Membership Committee Chairman of Camp John Hay Golf Club and Forest Hills Golf Club.

Federico P. Campos III

Mr. Federico P. Campos III was a Director in 2003 to 2008, also then Chairman of the Sports and Games Committee, and member of the House Committee, and again beginning January 2017 as replacement of Mr. Federico O. Campos. He is the President of Macaria Development Corp. and Macaria Properties, Inc., companies that he founded. Apart from these companies, he also founded Plaza Pacita Inc., a company primarily engaged in commercial leases, and Sunkis'd Resort and Leisure Group Inc. the owning company of Virgin Beach Resort in Laiya, San Juan, Batangas. He is a graduate of Lindenwood Colleges, St. Charles, Missouri with a degree of Bachelor of Business Administration.

Atty. Ferdinand T. Santos

Atty. Ferdinand T. Santos is currently the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., Fairways & Bluewater Resort Golf & Country Club, Inc., Forest Hills Golf & Country Club, Inc. Fil-Estate Urban & Development, Inc., MRT Development Corporation, St. Benedict Realty & Development, Inc., Royal Jade Memorial, Inc., Serenity View Resort Property,

Inc., and Mt. Zion Memorial, Inc. He obtained his Bachelor of Arts degree, *Cum Laude* from Arellano University in 1970. He took his Bachelor of Laws in San Beda College graduating *Magna Cum Laude* and the class Valedictorian. He was admitted to the Philippine Bar in 1974 and coming in 2nd in rank.

Renato E. Lirio

Mr. Renato E. Lirio has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders' meeting. He was formerly the Senior Vice-President and General Manager of Greenfield Development Corporation. He is currently the Chairman and President of Lima Property Holdings, Inc., Makiling Resources, Inc., and Hill Creek Gardens Tagaytay, Inc. He has been in the real estate business for more than 25 years. He obtained his B.S. in Business Administration degree from the University of the Philippines.

Rhais M. Gamboa

Mr. Rhais M. Gamboa is presently the Chief Operating Officer of Mt. Grace Hospitals, Inc. He also sits in the Board of four (4) other private tertiary hospitals. He was formerly an Undersecretary in the Department of Health and Vice-Chairman of the Philippine Medical Care Commission (now Philippine Health Insurance Corporation). He obtained his B.S. Management Engineering degree from Ateneo de Manila University.

Alberto Q. Avanceña

Mr. Alberto Q. Avanceña is the President and Chief Operating Officer (COO) of Club Leisure Management Corporation. He previously served as General Manager of Manila Southwoods Golf & Country Club for a total of thirteen years from 1994 to 2006 and 2009. He worked with the Hyatt International chain of hotels for more than ten (10) years, assigned to Hyatt Terraces Baguio and Hyatt Regency Manila and assigned to do specific duties in other Hyatt hotels in the Asia Pacific Region. He studied Hotel and Restaurant Management in Tegernsee, Germany at the Hotelberufsschule D. Speiser and in San Diego, California at the United States International University (USIU).

Alfredo M. Mendoza

Mr. Alfredo M. Mendoza was a Director of the Club from 1999 to 2003 and also then the Chairman of the Sports and Games Committee. He was again elected as Director in July 2006. His current term of office as a director is for one (1) year or until his successor is elected during the annual stockholders' meeting. He is the Managing Director and President of Cargoaire Freight Forwarders, Inc., Cargoaire Maritime Corporation and Cyclo Air System Technologies, Inc. He is also currently the Chairman of House Committee of the Club. He obtained his liberal arts and commerce (LIA-COM) degrees from De La Salle University.

Daniel C. Samaniego

Mr. Daniel C. Samaniego was an Independent Director of the Club in 2005 and 2007, and again beginning March 2012 as replacement of Mr. Hector Diangkinay. Since 1982 up to the present,

Mr. Samaniego is engaged in the private practice of dentistry, and since 1996 up to the present, he is engaged in the specialty practice of surgical and prosthetic implant dentistry. He graduated in Dental Medicine in 1982 from the University of the Philippines and took up from 1994 to 1996 advanced postgraduate training in implant dentistry at New York University. Mr. Samaniego placed 4th in the 1982 Philippine National Dental Board Examinations. He is also currently the Chairman of Sports and Games Committee of the Club.

Atty. Delfin P. Angcao

Atty. Delfin P. Angcao is a Certified Public Accountant and a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. He earned his law degree at the University of the East, College of Law and was admitted to the Philippine Bar in 1990. He has been the Assistant Corporate Secretary since October 15, 2013, and then Corporate Secretary of the Club since September 24, 2014.

Atty. Alvin O. Geli

Atty. Alvin O. Geli is a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. He earned his law degree in the University of the Philippines, College of Law and later on admitted to the Philippine Bar in 1995. He has been the Assistant Corporate Secretary of the Club since September 24, 2014.

(d) *Nominees for Directors*

All the current directors, namely, Messrs. Robert John L. Sobrepeña, Edward E. Dy, Rafael Perez de Tagle, Jr., Ferdinand T. Santos, Federico P. Campos III, Francisco C. Gonzalez, Renato E. Lirio, Rhais M. Gamboa, Alberto Q. Avanceña, Alfredo M. Mendoza and Daniel C. Samaniego, have been nominated and/or qualified to run for re-election as directors at this year's annual meeting of stockholders. The said nominees are all Filipinos and their qualifications and other required information about them are already stated previously in this Statement.

The *curriculum vitae* and the plan of action of each of the nominees for election as directors are attached to this Statement as required under the Electoral Code of the Registrant.

(e) *Independent Directors; Members of Nomination Committee*

Under its Amended Manual on Corporate Governance submitted with the Securities and Exchange Commission, the Club is required to have at least two (2) Independent Directors (as defined under the Amended Manual on Corporate Governance) or such number of Independent Directors as shall constitute at least twenty percent (20%) of the members of the Board of Directors of the Club, whichever is lesser.

The incumbent Independent Directors of the Club are Messrs. Daniel C. Samaniego and Alfredo M. Mendoza.

The following nominees for Independent Directors were selected by the Board's Nomination and Election Committee in accordance with the guidelines in the Manual of

Corporate Governance, the Revised Code of Corporate Governance (SEC Memorandum Circular No. 24, Series of 2019), and the Guidelines in the Nomination or Election of Independent Directors (SRC Rule 38):

NOMINEE	NOMINATOR/S
Alfredo M. Mendoza	Roberto Iñigo
Daniel C. Samaniego	Federico P. Campos III

The above-named nominators are not related to the persons they have respectively nominated for independent directors.

To comply with the Securities and Exchange Commission (SEC) Memorandum Circular No. 5 which became effective March 10, 2017, the Registrant submits herewith the Certificates of Qualification of the independent directors in the form prescribed by the SEC. The term limits of the independent directors shall be in accordance with SEC Memorandum Circular No. 9, Series of 2011, which became effective beginning January 2, 2012. The term limits of the independent directors shall be for a maximum cumulative term of nine (9) years in accordance with SEC Memorandum Circular No. 4, Series of 2017, which became effective March 9, 2017. The reckoning date of the cumulative nine-year term is from 2012.

On August 26, 2009, the Board unanimously approved a resolution to implement the proposed amendments to the Club's Manual on Corporate Governance to affirm the Club's policy to abide by the provisions of its By-laws in all aspects which are in conflict with the Club's Manual on Corporate Governance, especially the provisions on the powers and composition of the Nomination and Election Committee. Said proposed amendments were duly approved by the stockholders during the annual stockholders' meeting held on September 16, 2009.

On July 30, 2010, the Club filed its Amended Manual on Corporate Governance with the SEC. One of the provisions amended was Sec. 2, Art. VI which originally provides that the Nomination Committee of the Club shall be composed of at least 3 directors, one of whom is an independent director. By virtue of the recent amendment, this provision now provides that "[t]he Nomination and Election Committee of the Club shall be composed of five (5) regular members in good standing. ..." The amendment was introduced because under the Club's By-laws, the members of the Nomination and Election Committee are not allowed to run for election as director. The rationale behind this prohibition is to avoid any potential conflict of interest, since the duties of the said Committee include the validation of proxies, balloting and election, and as such, a director, who himself may be running for re-election, should not be allowed to sit in such Committee. In order to maintain confidence in the integrity and impartiality of the Nomination and Election Committee, a director, even one who is an independent director, must not be allowed to influence the nomination and election proceedings. Nonetheless, upon the instruction of the SEC, the matter of the composition of the Nomination and Election Committee to comply with SRC Rule 38 will in due course be taken up with the Club's Board of Directors and stockholders.

The Board approved the Club's updated Manual on Corporate Governance was updated based on SEC Memorandum Circular No. 24, Series of 2019 on January 27, 2021.

The Club's Nomination and Election Committee is presently composed of the following individuals, all of whom are regular members in good standings:

Renato Tobias	-	Chairman
Gene D. Lim	-	Vice Chairman
Ranie A. Carlos	-	Secretary
Jose Morales	-	Member
Conrado Potenciano	-	Member

(f) Other directorships held in reporting companies naming each company.

Mr. Robert John L. Sobrepeña	-	Co-Chairman, Global-Estate Resorts, Inc.
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(g) Family Relationship

There is no family relationship up to the fourth civil degree, either by consanguinity or affinity, among directors, executive officers, or nominees for election as directors.

(h) No Involvement in Legal Proceedings

There are no events or legal proceedings occurring in the past five years up to this date that are material to an evaluation of the ability or integrity of any director or person nominated to become a director or executive officer of the Club.

The Club and its affiliates are parties to various legal actions or proceedings as disclosed in the Club's Annual Reports (SEC Form 17-A) filed with the SEC. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Club's financial position.

(i) Significant employees

<u>Significant Employees</u>	<u>Position</u>	<u>Age</u>
Mark Oswald Watson	General Manager & COO	72
Armando D. Sierra	Comptroller	59
John R. Cope	Director of Grounds	58
Jerome U. Delariarte	Golf Director	44
Charlie M. Panibe	Director of Engineering	49

(j) Business experience of the significant employees of the Registrant for the last five years:

Mark O. Watson

Mr. Mark O. Watson was appointed as the Club General Manager in May 2013. He has a diploma in Insurance and attended various courses in Management, Sales and Marketing. He also had trainings on golf rules qualifications. He has been in the golf industry for around 16 years. Among other companies he has worked with in the past are Sutera Harbour Golf &

Country Club in Malaysia as Golf Operations Manager, Raffles Golf Bali in Bali, Indonesia as Chairman and Club Captain, and Titirangi Golf Club and Auckland Golf Incorporated in Auckland, New Zealand doing various amateur administration functions.

Armando D. Sierra

Mr. Armando D. Sierra became the Comptroller in March 2006. He is a Certified Public Accountant by profession. He has worked with the Club as Assistant Comptroller from 1995 to 2004 before he accepted the position of Chief Accountant of Ken Aqua Hotel & Resort in Saipan, USA. He has a degree in Bachelor of Science in Commerce, Major in Accounting, at the Polytechnic University of the Philippines.

John R. Cope

Mr. John Cope has over 30 years of experience in the golf course industry. He was appointed as the Club's Director of Grounds effective January 1, 2014. Prior to this, he has worked with Jack Nicklaus Design for over 21 years as a Senior Designer. During that period he has been assigned in various parts of the world and has designed 37 golf courses. Mr. Cope finished his B. S. in Landscape Horticulture in Colorado State University in 1986. He has been a member of the American Society of Golf Course Architects since 2007 and Golf Course Superintendents of America since 1980. He is currently running his own company, the Cope Design Limited, with offices in Manila and Hongkong.

Jerome U. Delariarte

Mr. Jerome U. Delariarte has been in the golf industry for over 14 years and has worked with Camp John Hay Golf Club in Baguio City as Golf Director from August 8, 2012 to June 30, 2014 after which he transferred to the Manila Southwoods Golf and Country Club and was appointed as the Club's Golf Director effective July 2, 2014. He has been an amateur player in various teams starting 2000 to 2003. He has also joined various professional tournaments like Asian Tour from 2005 to 2010, Philippine Golf Tour from 2008-2012 and The Razon Invitational Champion in 2005. Mr. Delariarte attended the University of Tennessee at Chattanooga USA for one and a half years starting August 2008 before deciding to focus on amateur and professional golf as a career and returned to the Philippines.

Charlie M. Panibe

Mr. Charlie Panibe has over 20 years of experience in electrical industry and extensive experience in property management engineering, building operation and maintenance, and electrical construction for medium and high rise buildings. He is a licensed Registered Master Electrician by profession. Among other companies he has worked in the past are LGRM Engineering & Construction as Project In-Charge, ABS-CBN Broadcasting Corp. as Maintenance Shift Engineer, MDEC Corporation as Building Maintenance Supervisor, Paris Manila Technology Corporation, Excell Contractors and Developers, Inc., HTE Corporation, Kindea Phils. Corporation, and Romago, Inc.

(k) *Certain Relationships and Related Transactions*

Transaction with Other Related Parties (Key Management Personnel)

	2021	2020	2019	2018	2017
Short-term employee benefits	₱18,923,655	₱17,151,953	₱18,825,076	₱15,860,856	₱13,822,394
Retirement costs	₱1,174,753	₱778,204	₱866,956	₱1,289,175	₱1,038,829
	₱20,098,408	₱17,930,157	₱19,692,032	₱17,150,031	₱14,861,223

6. *Compensation of Directors and Executive Officers*

<u>Name and Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Other Accumulated Compensation</u>
Edward E. Dy - President & CEO	2023	None	None	₱88,000
	2022	None	None	₱88,000
	2021	None	None	₱88,000
	2020	None	None	₱64,667
	2019	None	None	₱78,000
	2018	None	None	₱77,449
Mark O. Watson – General Mgr. & COO	2023	₱3,022,737	None	None
	2022	₱3,022,737	None	None
	2021	₱3,022,737	None	None
	2020	₱3,022,737	None	None
	2019	₱3,024,648	None	None
	2018	₱2,936,456	None	₱54,100
Armando D. Sierra – Comptroller	2023	₱ 2,298,491	None	None
	2022	₱ 2,153,338	None	None
	2021	₱1,960,491	None	None
	2020	₱1,960,491	None	None
	2019	₱1,960,491	None	None
	2018	₱1,825,160	None	None
John R. Cope – Director of Grounds	2023	₱4,748,991	None	None
	2022	₱ 4,491,059	None	None
	2021	₱4,748,991	None	None
	2020	₱3,089,353	None	None
	2019	₱4,747,991	None	None
	2018	₱4,747,993	None	None
Jerome U. Delariarte – Golf Director	2023	₱ 1,209,351	None	₱300,000
	2022	₱ 1,108,861	None	₱300,000
	2021	₱975,351	None	₱300,000
	2020	₱975,351	None	₱300,000
	2019	₱975,351	None	₱300,000
	2018	₱933,447	None	₱300,000
Charlie M. Panibe – Director of Engineering	2023	₱ 959,907	None	₱120,000
	2022	₱ 907,808	None	₱120,000
	2021	₱838,591	None	₱120,000

	2020	₱838,591	None	₱120,000
	2019	₱838,591	None	₱120,000
	2018	₱786,241	None	₱120,000
All Officers and Directors as Group Unnamed	2023	₱12,239,257	None	₱508,000
	2022	₱11,683,803	None	₱508,000
	2021	₱11,546,161	None	₱508,000
	2020	₱8,886,523	None	₱484,667
	2019	₱11,547,072	None	₱498,000
	2018	₱11,229,297	None	₱551,549

All Club directors are not paid any salary for their services to the Club. Their compensation is in the form of exemption from the payment of monthly dues of ₱4,000.00 and locker rental, a monthly consumable of ₱3,333.00 for charges within the Club if they attend a monthly regular Board of Directors meeting, 40 rounds of free green fee per year and reserved parking.

There are no standard arrangements pursuant to which directors are compensated or are to be compensated, or is to be compensated for any services provided as director including committee participation or special assignments for the last completed year and the ensuing year.

There are neither other arrangements nor consulting contracts pursuant to which any director of the Club is compensated or is to be compensated directly or indirectly during the Club's completed fiscal year and the ensuing year for any service provided as a director.

There are no employment contracts between the Club and any named executive officer except for the standard arrangement for an employer-employee relationship. There are no compensatory plans or arrangements, including payments to be received from the Club, with respect to a named executive officer which resulted or will result from the resignation, retirement, or any other termination of such executive officer's employment with the Club or from a change-in-control of the Club or a change in the named officer's responsibilities.

There are no outstanding warrants or options held by any of the Club's executive officers. Consequently, there were no adjustments or amendments to any exercise price of stock warrants or options previously awarded to any officers or directors of the Club.

7. *Independent Public Accountant; Audit Committee*

- (a) The auditing firm named below will be recommended to the stockholders for re-appointment as the Registrant's principal accountant for the ensuing fiscal year.

Isla Lipana & Co.
(PricewaterhouseCoopers-Philippines)
29th Floor, Philamlife Tower
8767 Paseo de Roxas 1226
Makati City, Metro Manila
Handling Partner: Pocholo C. Domondon

- (b) Isla Lipana & Co. was the principal accountant of the Registrant for the fiscal year most recently completed (December 31, 2021).
- (c) Representatives of Isla Lipana & Co. are expected to be present at the stockholders' meeting; they will have the opportunity to make a statement if they desire to do so, and they are expected to be available to respond to appropriate questions.
- (d) Audit Committee – The members of the Club's Audit Committee are as follows:

Alfredo M. Mendoza	- Chairman (Independent Director)
Daniel C. Samaniego	- Member (Independent Director)
Renato E. Lirio	- Member
Federico P. Campos III	- Member
Alberto Q. Avanceña	- Member
Jose R. Cedo	- Member
Jayson Q. Yu	- Member
- (e) There were no changes in, or disagreements with, accountants on accounting and financial disclosures.

8. *Compensation Plans*

There is no action to be taken during the meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed to any person.

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. *Authorization or Issuance of Securities Other Than for Exchange*

There is no action to be taken during the meeting with respect to the authorization or issuance of any securities of the Registrant.

10. *Modification or Exchange of Securities*

There is no action to be taken during the meeting with respect to the modification or any class of securities of the Registrant, or the issuance or authorization for issuance of one class of securities of the Registrant in exchange for outstanding securities of another class.

11. *Financial and Other Information*

Financial statements meeting the requirements of SRC Rule 68 and other information required under SRC Rule 20 are attached or incorporated in this Information Statement.

12. *Mergers, Consolidations, Acquisitions and Similar Matters*

There is no action to be taken during the meeting with respect to mergers, consolidations, acquisitions, or similar matters involving the Registrant.

13. *Acquisition or Disposition of Property*

There is no action to be taken during the meeting with respect to the acquisition or disposition of any property of the Registrant.

14. *Restatement of Accounts*

There is no action to be taken during the meeting with respect to the restatement of any asset, capital, or surplus account of the Registrant.

D. OTHER MATTERS

15. *Action with Respect to Reports*

- (a) Approval/ratification of the minutes of the annual meeting of stockholders held on September 16, 2009 (As previously disclosed to the SEC, the annual meetings which were supposed to have been held on September 15, 2010, June 8, 2011, December 14, 2011, June 5, 2013, August 27, 2014, September 16, 2015, August 20, 2016, September 27, 2017, September 26, 2018, October 30, 2019, December 18, 2020, and October 20, 2021 failed to proceed due to lack of quorum. Also, the annual meeting that was supposed to be held on August 29, 2012 did not push through due to a Temporary Restraining Order). Approval of said minutes shall constitute a confirmation of the accuracy and faithfulness of the recording all the matters and events that transpired in the meeting as stated in the said minutes, namely: (i) approval of the minutes of the 2008 annual meeting; (ii) the ratification of the acts of the Board of Directors for the period 2008-2009; (iii) the selection of Sycip Gorres Velayo & Co. as independent auditors; and (iv) the election of the Board of Directors for the year 2008-2009. This will not constitute a second approval of the same matters that were already approved during the annual stockholders' meeting in 2009.
- (b) Ratification of the acts of the Board of Directors and Officers, which refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the minute books, annual report, and financial statements, for the period October 20, 2021 to December 14, 2022, to wit: (i) sale of Club shares and the conditions thereof; (ii) waivers of the Club's right of first refusal; (iii) admission of Club membership applicants; (iv) approval of increase in Club fees; (v) public auction of delinquent shares; (vi) approval of golf tournaments; (vii) replacement of masters pump station; (viii) re-wiring of Fire Detection and Alarm System (FDAS) at the Main Clubhouse; (ix) replacement of louver doors at the Fertilizer and Chemical Room; (x) rehabilitation of lightning arresters; (xi) re-drilling of deep well; (xii)

replacement of ceiling at the Main Clubhouse bridgeway; (xiii) rehabilitation and repair of air condition and ventilation system; (xiv) installation of trophy cabinets; (xv) installation of *Euronet* ATMs; (xvi) replacement and/or acquisition of stairway carpet; (xvii) approval of the revised suspension matrix; (xviii) approval of the new policy for application for membership for developer shares; (xix) approval of increase in the market value of Club shares; (xx) investment of the Club's floating funds; (xxi) renewal of employment contracts; (xxii) approval of salary adjustments for employees; (xxiii) approval of the new terms of the collective bargaining agreement; (xxiv) imposition of fines and suspensions on members based on incident reports reviewed by the Board; (xxv) renewal of all risk insurance policy; (xxvi) revision of COVID-19 protocols, contact tracing, testing, quarantine, and social distancing policies; (xxvii) approval of the Audited Financial Statements of the Club for the year ended December 31, 2021, among others.

(c) Selection of Isla Lipana & Co. as independent auditors.

(d) Election of Directors

Election of eleven (11) directors, including the Independent Directors, who shall hold office for one (1) year and until their successors are duly elected and qualified. The following are the nominees for the Board of Directors:

1. Alberto Q. Avanceña
2. Federico P. Campos III
3. Edward E. Dy
4. Rhais M. Gamboa
5. Francisco C. Gonzales
6. Renato E. Lirio
7. Alfredo M. Mendoza
8. Rafael Perez de Tagle, Jr.
9. Daniel C. Samaniego
10. Ferdinand T. Santos
11. Robert John L. Sobrepeña

16. *Matters Not Required to be Submitted*

There is no action to be taken during the meeting with respect to any matter which is not required to be submitted to a vote of the security holders of the Registrant.

17. *Amendment of Charter, By-laws or Other Documents*

There are no proposed amendments to the charter documents.

18. *Other Proposed Actions*

There is no action to be taken during the meeting with respect to any matter not specifically referred to above.

19. Voting Procedures

(a) Approval/ratification of the minutes of the annual stockholders' meeting held on September 16, 2009

- (1) Vote required: A majority of the outstanding common shares present in person, in absentia or by proxy constituting a quorum.
- (2) Method by which votes shall be counted: Each outstanding common share shall be entitled to one (1) vote.

(b) Ratification of the acts of the Board of Directors and Officers

- (1) Vote required: A majority of the outstanding common shares present in person, in absentia or by proxy constituting a quorum.
- (2) Method by which votes shall be counted: Each outstanding common share shall be entitled to one (1) vote.

(c) Appointment of Independent External Auditors

- (1) Vote required: A majority of the outstanding common shares present in person, in absentia or by proxy constituting a quorum.
- (2) Method by which votes shall be counted: Each outstanding common share shall be entitled to one (1) vote each.

(d) Election of Directors

- (1) Vote required: The eleven (11) candidates receiving the highest number of votes shall be declared elected.
- (2) Method by which votes will be counted. A stockholder entitled to vote shall have the right to vote in person, *in absentia* or by proxy the number of shares of stock standing in his own name in the stock books of the Registrant as of the There is no family relationship up to the fourth civil degree, either by consanguinity or affinity, among directors, executive officers, or nominees for election as directors, and said stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Registrant multiplied by the whole number of directors to be elected.

Counting of votes will be done by balloting. Votes cast in the election of directors shall be counted by the Nomination and Election Committee and/or the canvassing body, while those for other actions shall be counted by the Corporate Secretary.

PART II
INFORMATION REQUIRED IN A PROXY FORM

1. Identification

This proxy is being solicited for and on behalf of the Registrant.

2. Instruction

- (a) In accordance with the Electoral Code of the Registrant, the Registrant shall issue and cause to be delivered the Registrant's official pre-numbered proxy forms to all stockholders in good standing and recorded as such in the stock and transfer of the Club as of the record date. The proxy of a corporate stockholder shall be accompanied by a notarized Secretary's Certificate of the resolution of its board of directors appointing its proxy and the person authorized to accomplish the proxy.
- (b) Duly accomplished proxies issued by the Registrant may be e-mailed, sent by courier or by postage mail, or submitted personally to the Corporate Secretary of the Club not later than 5:00 p.m. of November 28, 2022 at the following address:

E-mail: southwoods.asm2022@gmail.com

The Corporate Secretary
c/o The Manila Southwoods Golf and Country Club
Bo. Cabilang Baybay, Carmona, Cavite, Philippines
- (c) Validation of proxies will be conducted by the Nomination and Election Committee together with the Stock Transfer Agent of the Registrant on December 9, 2022 at 1:00 p.m. at the principal office of the Registrant at Bo. Cabilang Baybay, Carmona, Cavite.
- (d) If the name of the proxy is left in blank, the person to whom it is given or the issuer corporation receiving the proxy is at liberty to fill in any name he/it chooses.
- (e) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b) and the Electoral Code of the Registrant, and such other rules and regulations consistent therewith that may be promulgated from time to time by the Nomination and Election Committee.
- (g) The proxy, when properly executed, will be voted in the manner as directed by the stockholder. If no direction is made, the proxy will be voted for the items stated therein at the discretion of the Proxy.

3. Revocability of Proxy

Any individual stockholder who executes the proxy enclosed with this statement may revoke it at any time before the validation of proxies on December 9, 2022 at 1:00 p.m. by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery

to the front desk of the Club's principal office at Southwoods Avenue, Barrio Cabilang Baybay, Carmona, Cavite; or (ii) a scanned copy thereof by email at the Club's email address at *southwoods.asm2022@gmail.com*.

4. *Persons Making the Proxy Solicitation*

The solicitation of proxy is made by the Registrant through email, courier or personal delivery. The Registrant will shoulder the cost of solicitation.

Registrant does not intend to bring any matter before the meeting other than those set forth in the notice of the annual meeting of stockholders and does not know of any matter to be brought before the meeting by others. If any other matter does come before the meeting, the proxy shall vote in the manner indicated by the stockholder, or if no such indication is made, in accordance with proxy's discretion.

ACCOMPANYING THIS INFORMATION STATEMENT IS A COPY OF THE NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF, PROXY/BALLOT FORM, AND A COPY OF THE REGISTRANT'S MANAGEMENT REPORT PURSUANT TO SRC RULE 20 (4).

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE REGISTRANT'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE REGISTRANT AT ITS PRINCIPAL OFFICE THROUGH ITS COMPTROLLER, MR. ARMANDO SIERRA.

PART III
SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on November 15, 2022.

The Manila Southwoods Golf & Country Club, Inc.
By:


DELFINO P. ANGCAO
Corporate Secretary

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.
(A NONPROFIT CORPORATION)**

MANAGEMENT REPORT

**For the
2022 Annual Meeting of the Stockholders
Pursuant to SRC Rule 20 (4)**

FINANCIAL INFORMATION

(A) Management's Discussion and Analysis and Plan of Operation

Fiscal Year 2021 and 2020

Balance Sheet

Total assets of the club as of December 31, 2021 and 2020 is ₱5.75 billion and ₱5.73 billion, respectively, or increased by ₱23.6 million or 0.41%. Balance sheet accounts with significant movements from the previous year are as follows:

Cash and cash equivalent. Cash account increased by ₱53.5 million or 73.0%, from ₱73.3 million to ₱126.8 million, due to the improvement in operations as the COVID-19 pandemic eases in the latter part of 2021.

Receivables. Receivable increased by ₱9.0 million or 43.4%, from ₱20.8 million to ₱29.8 million, due to re-issuance of club acquired delinquent shares on installment basis and various down payments to suppliers and contractors in relation to the on-going rehabilitation projects of the Club.

Inventories. Decreased by ₱1.4 million or 7.8%, from ₱17.8 million to ₱16.4 million, which is attributed to the increased consumption of various maintenance supplies with the improvements on Club operations.

Prepayments and other current assets. Decreased by ₱4.9 million or 56.4%, from ₱8.7 million to ₱3.8 million, due to the deferred payment of real property taxes for 2022 pending the resolution of the Club's appeal on the new land valuation for the golf courses imposed by the local government.

Property and equipment. Decreased by ₱35.0 million or 12.9%, from ₱270.4 million to ₱235.4 million, mainly due to the depreciation expense for the year.

Retirement benefit assets. Registered a balance of ₱0.4 million as compared to nil in the previous year representing the excess payment of retirement contribution based on the latest actuarial valuation conducted by an independent contractor.

Other noncurrent assets. Increased by ₱2.0 million or 7.1%, from ₱29.0 million to ₱31.0 million, due to the additional non-current portion of installment receivable from the re-issuance of club acquired delinquent shares.

Unearned receipts. Increased by ₱17.3 million or 34.0%, from ₱51.0 million to ₱68.3 million, representing the advance payment of monthly dues by the members, and additional membership fees collected by the Club which are being amortized over an average length of membership of four (4) years, in compliance to PFRS#15.

Lease liabilities. Decreased by ₱4.9 million or 34.4%, from ₱14.1 million to ₱9.2 million, due to payment of lease amortizations for the year.

Retirement benefit liability. Registered a nil balance as compared to ₱0.8 million from previous year due to the payment of retirement contributions for the year.

Deferred income tax liabilities. Decreased by ₱205.0 million or 16.7%, from ₱1.23 billion to ₱1.03 billion, due to the impact of CREATE law from the appraisal of land in 2020.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱23.9 million or 75.0%, from ₱31.9 million to ₱55.8 million, due to the re-issuance of various class “A” and class “B” shares during the year with prices ranging from ₱1.5 million to ₱2.5 million.

Result of Operations

The Club registered an excess of receipts over costs and expenses before depreciation and income tax amounting to ₱24.2 million for the current year as compared to ₱22.2 million of the previous year or an increase of ₱2.0 million or 9.2% due to the improvement on club operations.

Revenues from club operations and receipts from members. Total revenue from club operations and receipts from the members for the year is ₱221.5 million as compared to ₱195.6 million of the previous year, or increased by ₱25.9 million or 13.2%. Revenue items with an increase/decrease of 5% and above are as follows:

Membership dues – increased by ₱6.8 million or 6.0%, from of ₱112.1 million to ₱118.9 million, due to reactivation of club membership of some shareholders who have been inactive for several years.

Membership fees – increased by ₱2.8 million or 15.4%, from of ₱18.4 million to ₱21.2 million, due to the accumulation of new member applicants from 2020 but were only completed in 2021 brought by the surge of COVID-19 pandemic.

Transfer fees – increased by ₱6.0 million or 54.5%, from of ₱11.0 million to ₱17.0 million, as some shareholders sold their golf shares due to the pandemic.

Annual playing rights fees – decreased by ₱0.8 million or 8.4%, from of ₱10.0 million to ₱9.2 million, as some playing right holders bought their own golf shares instead of renting.

Operating revenues increased by ₱10.6 million or 25.7% because of the improved playability with the following details:

Green fees and tourist fees - increased by ₱8.0 million or 36.9%, from of ₱21.8 million to ₱29.8 million,

Locker, golf cart and equipment rental fees – increased by ₱2.6 million or 19.8%, from of ₱13.2 million to ₱15.8 million. Locker room remained closed for use until end of the year.

Sale of golf merchandise – increased by ₱0.4 million or 9.2%, from of ₱4.7 million to ₱5.1 million.

Tournament fees – nil in 2021 as compared to ₱0.6 million in 2020 because of the suspension of the tournaments due to COVID-19 pandemic.

Others – increased by ₱0.3 million or 23.8%, from of ₱1.0 million to ₱1.3 million.

Interest income - increased by ₱0.4 million or 16.4%, from of ₱2.7 million to ₱3.1 million

Costs and Expenses. Operating expenses of the Club likewise increased by ₱23.9 million or 13.8%, from ₱173.4 million to ₱197.3 million. Expense items with significant movements from the previous year are the following:

Salaries and wages - increased by ₱6.0 million or 13.0%, from ₱46.2 million last year to ₱52.2 million this year, as the employees and other service personnel have already reported for work regularly.

Repairs and maintenance – increased by ₱13.9 million or 56.0%, from ₱24.8 million last year to ₱38.7 million this year, as there were more repairs and renovation projects completed during the year.

Materials and supplies – increased by ₱1.7 million or 10.5%, from ₱16.4 million to ₱18.1 million, brought by higher consumption of operating supplies due to improved club operations.

Other employee benefits – increased by ₱0.7 million or 5.5%, from ₱13.2 million to ₱13.9 million, in relation to the higher payroll costs in 2021 as compared from previous year.

Fuel and oil – increased by ₱1.8 million or 37.7% brought by higher consumption of fuel as the club is back to normal operation.

Professional fees – increased by ₱0.5 million or 25.0%, from ₱2.3 million to ₱2.8 million, representing various legal services of the Club's legal counsel which were accrued from the previous year.

Taxes and licenses - decreased by ₱0.9 million or 32.2% due to lower business tax assessment as a result of lower revenues generated by the Club from the preceding year.

Meetings and conferences – increased by ₱0.6 million or 62.3%, from ₱0.9 million to ₱1.5 million, due to the resumption of interviews for the new membership applicants and the holding of cocktails for the new members.

Interest expense - decreased by ₱0.6 million or 34.8% due to reduced finance lease balances brought by monthly amortizations.

Contracted services – decreased by ₱0.5 million or 33.4% due to continuous suspension of janitorial and laundry service contractors since the start of the COVID-19 pandemic.

Others – increased by ₱0.7 million or 8.8%, from ₱8.0 million to ₱8.7 million.

Interest income. Increased by ₱0.4 million or 16.5% brought by collection of late payment charges from the members during the year.

Fiscal Year 2020 and 2019

Balance Sheet

Total assets of the club as of December 31, 2020 and 2019 is ₱5.7 billion and ₱5.4 billion, respectively. Balance sheet accounts with significant movements from the previous year are as follow:

Cash and cash equivalent. Cash account increased by ₱8.4 million or 13.0%, from ₱64.9 million to ₱73.3 million, due to re-issuance of club acquired delinquent shares during the year, funds provided by operating activities, collection of receivables and other prepayments.

Receivables. Receivable decreased by ₱0.8 million or 3.5%, from ₱21.5 million to ₱20.7 million, due to liquidation of various advance payment to suppliers & contractors brought by the completed renovation projects during the year.

Inventories. Decreased by ₱0.8 million or 4.2%, from ₱18.6 million to ₱17.8 million, which is attributed to the consumption of various maintenance supplies particularly the fertilizers, chemicals and herbicides, equipment parts and fuel supplies.

Prepayments and other current assets. Decreased by ₱1.7 million or 16.5%, from ₱10.4 million to ₱8.7 million, due to the reduction in prepaid VAT and the amortization of prepayments for the year.

Property and equipment. Decreased by ₱43.0 million or 13.7%, from ₱313.3 million to ₱270.3 million, mainly due to the net effect of depreciation expense for the year.

Land. Increased by ₱408.0 million or 8.3%, from ₱4.9 billion to ₱5.3 billion, representing the appraisal increment on the market value of the land based on the latest valuation conducted by an independent appraiser.

Retirement benefit assets. Decreased by ₱1.0 million or 100% after the recognition of additional accrued retirement cost based on the latest actuarial valuation conducted by an independent contractor as of December 31, 2020.

Other noncurrent assets. Decreased by ₱4.0 million or 12.2%, from ₱33.0 million to ₱29.0 million, due to the amortization of prepaid dues and the reduction on input VAT arising from non-recognition of input tax on certain expenditures funded by non-VATable revenues in relation to the nullification of RMC No. 35-2012.

Accounts payable and other current liabilities. Accounts payable and other current liabilities decreased by ₱5.9 million or 8.4%, from ₱69.5 million to ₱63.6 million, brought by full payment of outstanding liabilities to the contractors and suppliers in relation to the completion of various renovation projects.

Unearned receipts. Decreased by ₱10.2 million or 16.7%, from ₱61.2 million to ₱51.0 million, representing the reduction on the number of new member applicants during the year due to the effect of COVID-19 pandemic.

Lease liabilities. Decreased by ₱8.8 million or 38.4%, from ₱22.9 million to ₱14.1 million, due to payment of amortizations during the year.

Retirement benefit liability. Increased by ₱0.8 million or 100% representing the additional accrued retirement costs based on the actuarial valuation conducted by an independent contractor.

Deferred income tax liabilities. Increased by ₱122.4 million or 11.0%, from ₱1.1 billion to ₱1.2 billion, representing the additional provision for income tax arising from the revaluation increment of land.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱5.8 million or 22.4%, from ₱26.1 million to ₱31.9 million, due to re-issuance of various class “A” shares with prices ranging from ₱1.5 million to ₱1.75 million during the year.

Result of Operations

The Club registered an excess of receipts over expenses before depreciation and income tax amounting to ₱22.2 million for the current year as compared to ₱17.6 million of the previous year or an increase of ₱4.5 million or 25.6%, with the following highlights.

Revenues from club operations and receipts from members. Total revenue from club operations and receipts from the members for the year is ₱195.6 million as compared to ₱246.0 million of the previous year,

or decreased by ₱50.4 million or 20.5% due to the effect of the community quarantine brought by COVID-19 pandemic. Revenue items with an increase/decrease of 5% and above are as follow:

Membership Fees – increased by ₱1.6 million or 9.6%, from of ₱16.7 million to ₱18.3 million, due to higher revenue amortization from the previous year in relation to the adoption of PFRS 15.

Transfer Fees – decreased by ₱4.8 million or 30.5%, from of ₱15.8 million to ₱11.0 million, due to lower number of share transfers during the year due to the effect of community quarantine.

Annual playing rights fees – increased by ₱3.4 million or 52.1%, from of ₱6.6 million to ₱10.0 million, as there were more numbers of playing right holders who opted to rent a share instead of buying their own share.

Special Assessment – decreased by ₱5.8 million or 99.5% which is mainly due to the completion of the two-year assessment to the general membership on March 2019.

Operating revenues that registered significant decreases during the year due to the impact of the community quarantine are the following:

Green fees and tourist fees - decreased by ₱23.8 million or 52.2%, from of ₱45.6 million to ₱21.8 million.

Locker, golf cart and equipment rental fees – decreased by ₱7.3 million or 35.7%, from of ₱20.5 million to ₱13.3 million. Locker room remained closed for use until end of the year.

Sale of golf merchandise – decreased by ₱3.3 million or 42.3%, from of ₱7.9 million to ₱4.6 million.

Tournament fees - decreased by ₱5.8 million or 89.7%, from of ₱6.4 million to ₱0.6 million. Tournament remained suspended and not allowed by the governing agencies until end of the year.

Concessionaires' fee – decreased by ₱0.4 million or 96.7%, from ₱0.4 million to ₱12 thousand.

Other revenues – decreased by ₱0.4 million or 25.5%, from of ₱1.4 million to ₱1.0 million.

Interest income - increased by ₱0.2 million or 7.8%, from of ₱2.5 million to ₱2.7 million.

Costs and Expenses. Operating expenses of the Club likewise decreased by ₱55.0 million or 24.0%, from ₱228.4 million to ₱173.4 million, due to the effect of temporary closures and limited club operations during the year. Expense items with significant movements from the previous year are the following:

Salaries and wages - decreased by ₱10.4 million or 18.4%, from ₱56.5 million last year to ₱46.1 million due to imposition of the “no-work no pay” for employees with exhausted leave credits at the height of the lock downs due to ECQ & MECQ. Extended closure of certain club services such as locker rooms, valet parking, and bag drop also contributed to the reduction of payroll cost.

Repairs and maintenance – decreased by ₱20.9 million or 45.7%, from ₱45.7 million last year to ₱24.8 million this year, due to deferral of various repairs and renovation projects for the year.

Materials and supplies – decreased by ₱2.6 million or 13.6%, from ₱19.0 million to ₱16.4 million, brought by reduced consumption of operating supplies due to lock downs.

Security and janitorial – decreased by ₱4.4 million or 22.8% due to suspension of janitorial services at the start of community quarantine in March 2020 and remained suspended until end of the year. Displaced regular employees from the closed facilities and services were utilized for janitorial functions.

Light and power – decreased by ₱6.6 million or 31.6%, from ₱21.0 million to ₱16.4 million, due to limited power consumption brought by the temporary closures and limited club operations during the year.

Other employee benefits – decreased by ₱2.5 million or 16.1%, from ₱15.7 million to ₱13.2 million, in relation to lower payroll cost and the suspension of various employee activities.

Input tax expense – a new expense item in relation to nullification of RMC 35-2012 exempting various club revenues from VAT and income Tax. Certain expenditures funded by a non-VATable receipts can no longer claim input VAT but booked as part of the expense. Total input tax expense of the Club for the year is ₱7.0 million.

Fuel and oil – decreased by ₱2.4 million or 33.2% brought by reduced fuel consumption plus the significant price reduction of fuel products during the year.

Cost of sales of inventories – decreased by ₱2.1 million or 41.8% in relation to reduced pro shop sales.

Taxes and licenses - decreased by ₱1.0 million or 26.4% due to the effect of nullification of RMC 35-2012 that exempt various club revenues from taxes.

Retirement benefit expense - decreased by ₱0.4 million or 14.5% due to the movement of manpower complement brought by retirement and resignation of personnel.

Professional fees – decreased by ₱1.4 million or 38.6%, from ₱3.7 million to ₱2.3 million.

Interest expense - increased by ₱0.6 million or 56.7% due to various new finance leases secured by the Club for turf maintenance equipment and additional rental golf cart on the latter part of 2019.

Contracted services – decreased by ₱4.0 million or 73.2% due to suspension of manpower service contractor and laundry services during the year.

Meetings and conferences – decreased by ₱1.2 million or 55.6%, from ₱2.1 million to ₱0.9 million due to the adoption of web-based zoom meetings.

Others – decreased by ₱2.7 million or 25.4%, from ₱10.7 million to ₱8.0 million.

Liquidity

The Club has a current ratio of 1.18:1.00 as of December 31, 2020 as compared to 0.99:1.00 as of December 31, 2019. With the Club's positive working capital, the management is confident that it has sufficient resources to sustain its day-to-day operation and pay-off financial obligations as they mature. The Club has available shares acquired from the delinquent shareholders which can be re-issued anytime when there is a need to raise additional funds for its operation. During the year, the Club sold four (4) Class "A" shares at ₱1.5 million and ₱1.75 million for a total amount of ₱6.75 million. As of December 31, 2020, the Club has a total of 145 delinquent shares acquired through auctions. Further, the Club may also to impose special assessment to its general membership or increase the monthly dues when the need arises.

The Club is a respondent in other cases arising from the normal course of business. Any potential liability is likely to have a repayment period of more than a year and would probably be classified to noncurrent liabilities thereby the Club's current ratio will not be materially affected.

Except for the contingent liability discussed above, there are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

Top Five (5) Key Performance Indicators

The Club identifies its top five (5) key performance indicators as follows:

1. Net working capital (current assets less current liabilities)
2. Current ratio (current assets over current liabilities)
3. Base equity (members' equity over total liabilities)
4. Collection from membership dues and consumables
5. Earnings before depreciation (EBD)

Net working capital and current ratio measures the liquidity or short-term debt paying ability of the Club. Having a positive net working capital and current ratio of at least 1:1 is a fair indication of liquidity. The positive net working capital and 1.18:1.00 current ratio as of December 31, 2020 was discussed under the liquidity section above.

Base equity measures the dependence of the Club on its shareholders or creditors in meeting its financial obligations. A base equity of at least 25% is a good indication of a healthy capitalization. As of December 31, 2020, the Club has a base equity of 321% as compared to 325% in 2019. The decrease was due to excess expenses over receipts after depreciation expense for the year.

The benchmark average monthly collection from membership dues and consumables of about ₱9.3 million for 2020 and 2019 is based on the monthly dues of ₱4,000 for about 2,200+ members and unused consumables of ₱500 about 1,000+ members. An additional average monthly collection of about ₱3.3 million was also realized in 2020 from the membership fees of the new members, transfer fees and annual assignment fees. The average monthly collection of membership dues, unused consumables, and other related joining fees is a good indication of the Club's ability to sustain its fixed revenue and collection target.

Having a positive EBD determines that the Club can sustain viable and normal operation being a non-profit organization. Club operations registered positive EBD of ₱22.2 million and ₱17.6 million for 2020 and 2019, respectively.

Others

Except for the items discussed under liquidity caption above, there are no other events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities or other persons created during the reporting period.

The Club is continually doing the renovation projects and improvement programs for its facilities to maintain its premier service to its members. Various projects that were completed in 2019 are greens renovation at the masters course, upgrading of turf maintenance equipment, rehabilitation of deep wells and pumps, and renovation of mens locker shower area and jacuzzi, among others. Although the Club was unable to carryout its renovation programs for 2020 due to COVID-19 pandemic, such projects will be carried over to the succeeding year for implementation. The club's budget allocation for 2021 for special projects to be funded by operation is about ₱25.0 million.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

The club does not have any significant elements of income or loss that did not arise from continuing operations during the year.

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

Causes for material (5%) changes from period to period aside from those already discussed in the comparative analysis of full fiscal years above are as follow:

Balance Sheets

Receivables:

- **Current portion of installment receivables** – increased by ₱0.8 or 20.9% due to additional re-issuance of delinquent shares acquired from auctions on installment payments during the year.
- **Advances to officers and employees** - decreased by ₱1.0 million or 28.9% brought by liquidation of various advances in relation to the sports and games activities from the previous year.
- **Advances to suppliers and contractors** - decreased by ₱0.5 million or 28.7% due to liquidation of various advances to contractors in relation to completed renovation projects.
- **Other receivables** – decreased by ₱0.5 million or 39.3% due to collection of various sponsorships of contractors and suppliers to club events through offsetting arrangement.

Materials and supplies:

- **Supplies** – increased by ₱1.0 million or 25.5% brought by replenishment of irrigation supplies, additional cleaning supplies and personal protective equipment in compliance to the new health and safety protocols of the club.
- **Spare parts** - decreased by ₱0.4 million or 9.6% due to procurement of various major parts for the repair and maintenance of turf maintenance equipment.
- **Fertilizers, herbicides and chemicals** - decreased by ₱1.8 million or 32.7% which is mainly attributed to the timing of stock replenishment for the golf course maintenance.
- **Fuel and oil** - decreased by ₱0.3 million or 43.9% due to the timing of stock replenishment of fuels. Consumption of fuels slowed down due to the effect of limited operations of the Club.
- **Inventories for sale** – increased by ₱0.7 million or 18.5% due to delivery of pre-ordered stocks prior to the implementation of community quarantine by the national government. Sale of golf merchandise dropped during the year.

Prepayments and other current assets:

- **Input VAT** - decreased by ₱1.9 million or 100% due to non-recognition of input VAT on the expenditures funded by non-VATable receipts by the club.

- **Prepaid income tax** – increased by ₱0.3 million or 41.2% arising from the non-taxability of various club collections in relation to the SC ruling on RMC 35-2012.

Other non-current assets:

- **Prepaid dues** - decreased by ₱1.2 million or 5.6% representing the amortization of ₱100 thousand monthly for the perpetual use of the sports club facilities by the club members.
- **Installment receivable, net of current portion** – decreased by ₱0.7 million or 11.4% due to collection of installment amortizations during the year.
- **Deferred input VAT** – decreased by ₱1.3 million or 35.2% attributed to the amortization of input VAT on various capital expenditures from previous years.

Payables:

- **Trade payables to third parties** – decreased by ₱10.0 million or 25.0% due to liquidation of various advances for completed repair works and special projects.
- **Deposit from members** - increased by ₱2.2 million or 28.0% due to advance payment of consumable charges by the members during the year.
- **Deferred liabilities** – increased by ₱0.6 million or 5.9% representing the membership fees paid by the new member applicants but still waiting for the completion of their membership processes.
- **Statutory liabilities** - increased by ₱1.6 million or 130.9% attributed to the output VAT payable and additional accrual of real property taxes.
- **Withholding taxes** - decreased by ₱0.5 million or 48.4% which is attributed to the reduced payroll expense and number of transactions due to the effect of COVID-19 pandemic.
- **Accrued payroll** - decreased by ₱0.3 million or 89.1% which is mainly attributed to the timing of payroll cut-off between the covering periods.
- **Sinking fund** - increased by ₱0.4 million or 12.0% due to suspension of inter-club sport events during the year brought by COVID-19 pandemic.
- **Tournament fund** - increased by ₱0.3 million or 18.3% due to suspension of the members' tournaments during the year due to COVID-19 pandemic.
- **Other payables** - decreased by ₱0.2 million or 9.3% due to utilization of Christmas assessment fund during the year.

Interim Financial Statements

Current assets of the Club increased by ₱32.2 million or 18.2% in the three quarters of 2022, from ₱176.8 million as of December 31, 2021 to ₱209.0 million as of September 30, 2022. The positive variance is attributed to investments by the Club in treasury bills, increase in receivables brought by Christmas assessment and down payment for the special projects, increase of inventories for the purchase of additional pro shop and warehouse stocks, and the increase in prepayments pertaining to real property taxes.

Non-current assets on the other hand decreased by ₱3.3 million or 0.06%, from ₱5.571 billion to ₱5.568 billion, due to the depreciation expense, amortization of prepaid dues, and the utilization of prepaid VAT.

Total Assets of the Club as of September 30, 2022 and December 31, 2021 is ₱5.78 billion and ₱5.75 billion, respectively.

Current liabilities of the Club increased by ₱36.4 million or 31.2%, from ₱116.6 million to ₱153.0 million, attributed to various accruals for partially completed renovation projects, unearned receipts from the members, and the recognition of various statutory liabilities.

Non-current liabilities as at September 30, 2022 and December 31, 2021 is ₱1.0 billion consisting of deferred tax liabilities on the appraisal increment of land, unearned portion of receipts from the members, and the recognition of additional finance lease obligations of the Club.

The Club registered an excess of receipts over costs and expenses before depreciation expense amounted to ₱13.2 million for the three quarters of 2022 which is ₱9.0 million or 40.8% lower than 2021 with an income before depreciation expense amounted to ₱22.3 million. Receipts and expenses with significant movements are discussed in the succeeding paragraphs.

Club revenues and receipts for the covering period is ₱196.7 million as compared to ₱163.7 million of the previous year or increased by ₱33.0 million or 20.2% with the following highlights:

Green fees and tourist fees – increased by ₱16.7 million or 102.2% due to the increase of golf rates effective May 1, 2022 and the increase in the number of players as the Club is back to its normal operations.

Locker, golf cart and equipment rental - increased by ₱8.1 million or 71.3% attributed to the additional 20 units golf cart purchased by the Club for its rental operations, reinstatement of Php600.00 golf cart rental fee for single users, increase of the monthly golf cart storage fee, and the reinstatement of locker rental fee effective March 1, 2022.

Sale of golf merchandise – increased by ₱6.6 million or 211.4% from the previous year due to the increase in the number of players and utilization of pro shop items as giveaways and raffle prize for club events such as Southwoods Invitational tournament and members' monthly tournament.

Membership fee – increased by ₱2.6 million or 17.6% due to the increase of membership fee rate from Php200,000 to Php250,000 effective May 1, 2022, and more new members joined the Club by way of share transfers and change of playing representatives.

Transfer fees – increased by ₱2.4 million or 17.4% due to the increase of transfer fee rate from Php200,000 to Php250,000 effective May 1, 2022.

Annual playing rights fee - increased by ₱1.0 million or 15.0% due to the increase of annual assignment fee from Php100,000 to Php150,000 effective May 1, 2022, and more new members by way of annual playing rights.

Tournament fee – registered a revenue of ₱1.8 million as compared to nil last year due to the reinstatement of members sponsored tournaments this year.

Other income – increased by ₱0.5 million or 54.5% arising from the repair and development fee brought by higher number of guests and the function room rentals from member sponsored events.

Re-allocation of restricted fund – nil this year while registered an income of Php5.1 million last year arising from the re-allocation of funds from the sports and games to operations in the absence of tournaments in 2021 brought by COVID-19 pandemic.

Interest income – decreased by ₱0.6 million or 22.8% due to the significant reduction on members' accounts with overdue balances since the Club has returned to its normal operations.

Costs and expenses of the club for the three quarters of the year likewise increased by ₱42.1 million or 29.9%, from ₱141.4 million last year to ₱183.5 million this year, with the following highlights:

Salaries and wages – increased by ₱8.4 million or 21.7%, from ₱38.9 million last year to ₱47.3 million this year due to the reinstatement of full manning deployment, impact of salary adjustment per collective bargaining agreement (CBA) and the new minimum wage order issued by the government, and the salary adjustment for the Supervisors and Department Heads.

Repairs and maintenance – increased by ₱6.9 million or 26.7%, from ₱25.9 million last year to ₱32.8 million this year, attributed to the purchase of lithium batteries for the rental golf carts in lieu of the ordinary batteries for longer serviceability, purchase of irrigation heads as replacement of broken ones, more repair works of turf maintenance equipment due to additional units purchased from previous years, rehabilitation of main club bridgeway ceiling and flooring, and repainting works, among others.

Cost of sales of inventories – increased by ₱5.0 million or 314.6% brought by higher sales of golf items at the pro shop for the period.

Light and Water – increased by ₱3.1 million or 28.5% due full operations of the Club this year, hence, longer operating hours for the air conditioning units and other power consuming equipment.

Real property taxes - increased by ₱3.0 million or 74.7% due to the forfeited discounts on the payment of real property taxes for 2022 brought by the Club's appeal to the government for a fair and reasonable land valuation. The Club has successfully negotiated its land valuation from 300% increase to 20% increase plus the payment of penalty charges.

Fuel and oil - increased by ₱2.9 million or 59.5% due to the full operations of the Club and the impact of series of price increases of petroleum products.

Materials and supplies - increased by ₱1.8 million or 14.3% attributed to the inflation rate and higher supplies consumption due to the increase of number of players.

Security and janitorial - increased by ₱0.9 million or 8.0% attributed to the impact of first tranche of new minimum wage order effective June 30, 2022.

Other employee benefits – increased by ₱1.2 million or 12.1%, from ₱9.7 million last year to ₱10.9 million this year, in relation to the increase of payroll expense as discussed under salaries and wages account.

Professional fees - increased by ₱0.6 million or 30.2% which is attributed to the services of the Club's legal counsel in relation to real property taxes and the increase on the retainer's fee of the club's internal auditor for corporate governance.

Meetings and conferences - increased by ₱0.5 million or 47.2% as the Committee meetings were to its normal schedule and the increase in the number of new members' applicant interviews by the Membership Committee.

Input VAT expense - increased by ₱3.7 million or 72.7% which is attributed to expense out of unutilized input VAT from operations, facility renovations, and capital expenditures.

Contracted services - increased by ₱0.2 million or 20.0% brought by the reinstatement of laundry services for the regular operations of the Club.

Interest expense - increased by ₱0.1 million or 12.0% attributed to the new finance lease secured by the Club for the purchase of additional rental golf carts and turf maintenance equipment.

Others – increased by ₱3.7 million or 61.0% attributed to the club events such as SW Invitational Tournament, SW Pro-Am Tournament, and the food and beverage consumption of SW Team Players as they have resumed their regular golf practice rounds.

The Club identifies five (5) key performance indicators as follows: 1.) net working capital; 2.) current ratio; 3.) base equity; 4.) collection from membership dues and consumables; and 5.) earnings before depreciation (EBD).

Net working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or short-term debt paying ability of the Club. Having a positive working capital and a current ratio of at least 1:1 is a fair indication of liquidity. While base equity (member's equity over total liabilities) of at least 25% measures the level of dependence of the Club from its stockholders or creditors in meeting its financial obligation. A positive EBD determines that the Club can sustain its normal operation being a non-profit organization.

The Club has a net working capital of ₱56.0 million as of September 30, 2022 as compared to a net working capital of ₱60.2 million as of December 31, 2021. The Club's positive net working capital is an indication that the Club has sufficient funds for its day-to-day operations and pay-off financial obligations as they mature. The potential liability is also likely to have a repayment period of more than a year and would probably be reclassified to noncurrent liabilities thereby improving further the Club's current ratio. The Club has also available shares acquired from its delinquent shareholders that can be sold anytime at the prevailing market prices when the need arises. The current ratio of the Club is ₱1.37 current asset for each peso of current liabilities as of September 30, 2022 as compared to ₱ 1.52 as of December 31, 2021. The Club has a base equity of 379% and 392% as of September 30, 2022 and December 31, 2021, respectively. The benchmark average monthly collection from membership dues and consumables of about ₱9 million monthly is based on the monthly dues of ₱4,000 and ₱500 monthly consumables. The average monthly collection is a good indication of the Club's ability to sustain its fixed revenue and collection targets. EBDA registered at ₱13.2 million and ₱22.3 million for the periods ending September 30, 2022 and 2021.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Club's liquidity except for the possible resurgence of COVID-19 pandemic the could affect the business establishments nationwide.

Except for the possible resurgence of COVID-19 pandemic, there are no events that will trigger direct or contingent financial obligation that is material to the company, including default or acceleration of an obligation.

Except for the possible resurgence of COVID-19 pandemic, there are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

Except for the possible resurgence of COVID-19 pandemic, there are no known trends, events or uncertainties expected to have a material impact on sales, revenues and income from continuing operations.

There were no significant elements of income or loss that did not arise from the Club's continuing operations.

Except for the possible resurgence of COVID-19 pandemic, there are no seasonal aspects that had a material effect on the financial condition or results of operations.

(B) Information on Independent Accountant

External Audit Fees and Services

(a) Audit and Audit-Related Fees

The aggregate fees for each of the last two fiscal years' financial audit rendered by the external auditors, Isla Lipana & Co. amounted to ₱313,600 for 2021 and ₱323,211 for 2020, including out-of-pocket expenses and the VAT. The signing auditor of the Club's Audited Financial Statements (AFS) for the year ended December 31, 2021 is Mr. Pocholo C. Domondon, Partner in Charge of Isla Lipana & Co.

(b) Tax Fees

There was no tax compliance review conducted for the covering years 2021 and 2020.

(c) All Other Fees

The external auditors normally assist the Club in the canvassing of ballots in the annual election of its Board of Directors in an annual stockholders meeting. But since there were no annual stockholders' meetings carried out for the past several years due to lack of quorum, there were no other fees incurred by the Club with its external auditors.

(d) The audit committee's approval on policies and procedures for the above services

The above engagements of Isla Lipana & Co. as recommended by the management were deliberated upon and approved by the Audit Committee and the Board.

(2) Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with Accountants on accounting and financial disclosure.

General Nature and Scope of Business

The Manila Southwoods Golf & Country Club, Inc. (the Club) was incorporated on September 5, 1990 and started full operations on January 2, 1995. Its securities were registered with the Securities and Exchange Commission for sale to the public on October 23, 1991.

The Club was organized and operates exclusively for the promotion of the social, recreational and athletic activities on a non-profit basis among its shareholders, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The Club has not been subject to any bankruptcy, receivership or similar proceedings. Neither has the Club been subject to any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

As a nonprofit entity, the Club generates revenues in the form of membership and other fees in order to meet the expenses for its general operations, maintenance and improvements of the premises and facilities. The major source of revenue from club operations and receipts from members and their corresponding contribution to total receipts are as follows: membership dues, 54%; membership and transfer fees, 17%; and green fees

and tourist fees, 13%. Total receipts and income of the Club for 2021 registered an increase of ₱25.9 million or 13% because of the improvement on COVID-19 situation with minimal temporary closures of golf operations although some club facilities and activities remained closed and suspended during the year such as the tournaments, hosting of events, use of locker rooms, and other services as part of the Club's health and safety protocols to prevent the spread of the virus. The percentage of contribution of other receipts and revenues during the year is almost the same of the preceding year. Other services offered by the Club to the members and their guests are golf tournament management, banqueting functions and golf cart rentals.

The Club has no sales or revenues and net income contributed by foreign sales.

All Club products and services are delivered within the premises of the Club to visiting members and their guests. There are no elaborate distribution methods of products and services.

There is no publicly-announced new product or service of the Club.

The golf industry caters to upper and middle class individuals and families who have available disposable income to be able to own a proprietary share of stock or rent a share for playing rights. Located to the south of Metro Manila or the CALABARZON area, the Club is in direct competition with other golf courses such as The Orchard Golf & Country Club, Riviera Golf & Country Club, Eagle Ridge Golf & Country Club, Tagaytay Highlands, Tagaytay Midlands and Sherwood Hills Golf Club, all located within the province of Cavite. Further down south are Sta. Elena Golf & Country Club, The Country Club, Canlubang Golf Club and Ayala Greenfields, all in Laguna province and Mt. Malarayat Golf & Country Club in Lipa City, Batangas.

Principal methods of competition in the golf industry consist of quality of facilities, amenities and services, pricing and accessibility. The Club enjoys higher patronage as compared to its competitors due to its accessibility from major thoroughfares. It is the first golf course a golfer would reach south of Metro Manila via South Luzon Expressway. It is only about 10-minute drive from Alabang, Muntinlupa and 40 minutes from the Makati financial district. This fact, coupled with the quality of its 36-hole golf course and leisure facilities, which are being maintained all year round at the highest level, in turn gives more value for money. Further, the Club maintains superior member-guest relations and services as compared to its competitors. With these factors, the Club has always been considered as one of the leaders in the industry to which others measure and gauge their own performance.

The Club is not dependent on any particular supplier or group of suppliers for various supplies needed in the operation and maintenance of its facilities. Major parts of its requirements are readily available in the local market from various manufacturers and traders. Specialized requirements such as imported spare parts for turf equipment, irrigation and pump systems and a number of fertilizers and herbicides grades are available through local authorized distributors or directly from the foreign manufacturers. The Club has no existing major supply contracts.

The Club is not dependent upon a single customer or a few customers. It currently has 2,200+ active members, all can use the facilities and services of the Club together with their guests subject to existing house rules, regulations and procedures. In the normal Club operations, it is also open to member-sponsored golf tournaments and to a limited extent, and tourist program at premium rates. However, since the COVID-19 pandemic had started sometime in March 2020, golf tournaments and tourist program remained suspended in 2021 to avoid congestion and the possible source of spread of the virus. There is no customer that accounts for at least twenty percent (20%) of the Club's revenues and there are no existing major sales contracts.

In the normal course of business, there were transactions involving expense allocations for key management personnel and outstanding balances for the retirement benefits and contributions which were specifically

discussed in the related party transactions and balances of this report. The Club is not dependent on any related party.

The Club has no patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements to which its operations depend on or is expected to depend.

There is no need for any government approval of principal products or services being offered by the Club to its members and their guests.

The Club is still in the process of rectifying and securing certain permits from the Department of Environment and Natural Resources (DENR) and Laguna Lake Development Authority (LLDA) for golf operations. A group of consultants were commissioned by the Club to attend and administer the process of securing the necessary permits and the funding requirement has been allocated. The documentation process have slowed down due to the impact of COVID-19 pandemic. The expected completion of the project is within the current year.

The Club has not spent on research and development activities during the three last years.

Since April 9, 1999, the Club has been fully certified by the Audubon Cooperative Sanctuary Program, a leading non-governmental, internationally-recognized environmental organization based in the United States. The objective of the program is to educate people to become environmental stewards and motivate them to take action and enhance their habitats and, conserve natural resources and improve the environment and the surrounding communities. The Club has the distinction of being the first golf club to receive this Audubon Certification in the Asia-Pacific region. The Club had since been recertified on a bi-annual basis and expects to be continuously recertified again in the succeeding years.

The Club obtained its Integrated Management System (IMS) certification in 2005 from TUV Philippines to become the first golf club in the Philippines that successfully established, implemented, and maintained the three governing IMS standards, namely, the ISO 9001, ISO 14001 and ISO 45001 for Golf Club Operations. The Club is the first of its kind to be certified individually on Quality Management System (ISO 9001), Environmental Management Systems (ISO 14001), and Occupational Health and Safety (ISO 45001). The certification is generally awarded to companies that continually improve the quality of their products and services while paying careful attention to the impact on the environment and the well-being of their members and employees. The IMS certification involves achieving all members' requirements, the health and safety of members and employees, as well as prevention of pollution in and around the club venue and golf course. The Club has successfully maintained its re-certification since 2005.

From 2014 to 2020, the Club was awarded as Philippine Best Golf Course (Masters Course) by World Golf Awards for six (6) times in seven (7) years. Other previous awards received by the Club are Golf Course of the Year (Masters Course) by Business Mirror (2016 & 2017), One of the Top Ten Golf Courses in Asia by Destination of the World Awards (2016), Titled as One of the Best Golf Course in the Philippines (Masters Course) by Business Mirror (2015), and Host Venue of the Year (Legends Course) by Philippine Golf Tour (2014). The Club was the venue of the prestigious Asian Tour, the Resorts World Manila Masters for five (5) consecutive years from 2013 to 2017 with prize money of US\$1 million, the highest prize money ever offered in the Philippines.

The Club was also declared as champion in the previous years in various inter-club and national tournaments, namely, Champion for four (4) consecutive years in the Mens Regular Founders Division of PAL Interclub Tournament (68th, 69th, 70th & 71st PAL Interclub). In 2019, Champions (Founders Division) in the PAL Seniors Interclub Golf Tournament, Champions (Championship Division 1) in the PAL-JGFP Junior Interclub Golf Championship, Champions in the PGT Delimondo National Pro-am, Champion in the Junior World

Championship, Champions (Fil Championship Division) in 70th Fil-Am Invitational Golf Tournament, Champions (Am Championship Division). There were no inter-club tournaments held in 2020 and 2021 due to the COVID-19 pandemic.

As of December 31, 2021, the Club has 226 employees working full-time. This figure consisted of 192 employees involved in operations (i.e., golf operations, grounds maintenance, engineering, purchasing and materials management, security and housekeeping) and 34 employees involved in office/administrative functions (i.e., personnel, training, executive office and accounting). A total of 175 employees as of December 31, 2021 are covered by the existing CBA which will expire on December 31, 2022. The labor group and the Club management has established and maintained a good and harmonious working relationship ever since. The Club has never experienced any dispute, strike or disturbance from employees and the local union since its formation in 1998. Supplemental benefits given by the Club to its employees include salary adjustment, duty meal and allowances, partial cash conversion of unused sick leave benefit, provision of uniforms, loyalty awards, retirement benefits, bereavement financial assistance, birthday gift, emergency loans, life and medical insurance, among others.

The major risk involved in the operations of the Club is mainly the stoppage or hampering of operations which may be brought about by natural calamities, fire, and other causes such as COVID-19 pandemic. The Club is normally open 365 days a year especially on holidays where patronage or player traffic is high. In the industry itself, premium is given to all year-round playability and the clubs are always open. Several years back, the Club had suffered flooding incidents that resulted to series of repair works and temporary closure of the areas affected by floodwater and silts. The last flooding incident that had temporarily paralyzed portion of the facilities while undergoing clean-up and rehabilitation. The Club had been continuously doing the clean-up program of all river channels going through its property to minimize the risk of water overflowing during rainy months. In 2020 and 2021, the Club had to stop temporarily its operations in several occasions due to Taal Volcano eruption and the implementation of enhanced community quarantine (ECQ) by the national government to prevent the spread of corona virus disease (COVID-19) that hit world-wide on the early part of 2020. Club operations had been on on-and-off situation for quite a while because of the recurrence of the virus while some of the club facilities and sports events had to remain suspended throughout the year in compliance to the ordinances and directives of the government.

Directors and Executive Officers

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Citizenship</u>
Robert John L. Sobrepeña	Chairman of the Board	67	Filipino
Edward E. Dy	President	74	Filipino
Rafael Perez de Tagle, Jr.	Treasurer	67	Filipino
Alfredo Mendoza	Director	72	Filipino
Alberto Q. Avancena	Director	69	Filipino
Rhais M. Gamboa	Director	70	Filipino
Renato Lirio	Director	83	Filipino
Ferdinand T. Santos	Director	71	Filipino
Daniel C. Samaniego	Director	63	Filipino
Francisco C. Gonzalez	Director	78	Filipino
Federico P. Campos III	Director	67	Filipino
Mark O. Watson	Gen. Manager & COO	71	Australian
Armando D. Sierra	Comptroller	58	Filipino
John R. Cope	Director of Grounds	57	American
Jerome U. Delariarte	Golf Director	43	Filipino
Charlie M. Panibe	Director or Engineering	48	Filipino

Atty. Delfin P. Angcao	Corporate Secretary	64	Filipino
Atty. Alvin O. Geli	Asst. Corporate Secretary	51	Filipino

The following are the independent directors of the Club:

1. Alfredo M. Mendoza
2. Daniel C. Samaniego

For the information regarding the term, tenure, educational background, business experience and positions in other companies of the directors, officers and significant employees of the Club, please refer to Item 5 of the Information Statement to which this Management Report is appended

Market for the Issuer's Common Equity and Related Stockholder Matters

Market Information

As of January 2, 1995 all the 3,000 authorized no-par shares have been issued to the developer and its land owner partners in exchange for the two (2) 18-hole golf courses, buildings and facilities and the land where the Club now stands. The Club itself does not engage in any trading activities of its own shares except as provided for in its By-Laws with regards to the auctioning of shares of delinquent members to settle their outstanding liabilities to the Club. As of December 31, 2021, the Club has a total of one hundred thirty-five (135) delinquent shares acquired at the public auctions. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as of the date of auction plus costs incurred in the auction. There is no public trading market for the Club's shares. These are available only from the developer, its landowner partners and existing individual/corporate owners at a price agreed upon by both parties concerned, subject to the exercise of the Club of its right to first refusal over the shares.

Buyers of the Registrant's golf shares are expected to be from the upper and middle income class bracket, the Metropolitan Manila based golfers (and surrounding cities and municipalities) and present and future residents of the Manila Southwoods Residential Estates. The Registrant's golf shares are not traded in any Stock Exchange. The primary golf shares issued to the Developer and its landowner partners are sold to individuals and corporations through the marketing arm of the Developer while secondary shares are usually traded through individual transactions and brokers of club shares. In 2021 and the first half of 2022, there were 85 and 26 transfer fees received by the Club for the transfer of share ownership, respectively.

SHARE PRICES (Millions)

		2022		2021		2020	
		High	Low	High	Low	High	Low
First Quarter	A	2.60	2.30	1.35	1.35	1.20	1.10
	B	3.20	2.50	1.50	1.50	1.70	1.60
Second Quarter	A	2.60	2.60	1.35	1.30	1.20	1.20
	B	3.30	2.90	1.70	1.60	1.70	1.70
Third Quarter	A	3.00	2.80	1.70	1.50	1.30	1.10
	B	3.50	3.40	1.80	1.70	1.85	1.80
Fourth Quarter	A			2.00	2.20	1.35	1.20
	B			2.20	1.80	1.50	1.50

Holders

Top 20 shareholders as of September 30, 2022 are as follows (for practical presentation, only those shareholders holding 3 shares and above are included in the schedule):

Class A:

	No. of Shares Held	% to Total
Name		
1. Southern Heights Land Development Corp.	55	3.20%
2. Grandview Properties and Ventures, Inc.	49	2.85%
3. La Paz Housing Dev. Corporation	42	2.44%
4. Fil-Estate Land, Inc.	32	1.86%
5. College Assurance Plan	21	1.22%
6. Carmona Realty & Development Corp.	16	0.93%
Greenfield Development Corp.	16	0.93%
Fareast Bank & Trust Co.	16	0.93%
7. Fil-Estate Management, Inc.	12	0.70%
8. Homerson Development Corp.	7	0.41%
9. Fil-Estate Golf Development, Inc.	6	0.35%
10. Chuateco Romeo Sy	4	0.23%
Buenafortuna, Inc.	4	0.23%
Ignacio Co	4	0.23%
Travellers Intl. Hotel Group, Inc.	4	0.23%
Development Bank of the Phils	4	0.23%
Carino, Noel	4	0.23%
11. Mitsubishi Motors Phils. Corp.	3	0.17%
Caltex Philippines, Inc.	3	0.17%
Brent International School Manila, Inc	3	0.17%
Advanced Medical System, Inc.	3	0.17%
Francisco Gonzalez	3	0.17%
Looyuko Alberto T.	3	0.17%
Petron Corp	3	0.17%
Summit Estate Realty and Dev. Corp.	3	0.17%
Castillo Erlinda Flor	3	0.17%
San Miguel Corporation	3	0.17%
Integrated Microelectronics, Inc.	3	0.17%
Foscon Express Shipping Corp.	3	0.17%
Nestle Philippines, Inc.	3	0.17%

Class B:

	No. of Shares Held	% to Total
Name		
1. Southern Heights Land Development Corporation	171	14.91%
2. Fil-Estate Golf & Development Inc.	152	13.25%
3. La Paz Housing & Development Corp.	85	7.41%
4. Grandview Properties and Ventures, Inc.	31	2.70%
5. Greenfield Development Corporation	21	1.83%
6. College Assurance Plan	20	1.74%

7. Southcoast Real Estate Development Corp.	18	1.57%
8. Carmona Realty & Development Corp.	11	0.96%
9. Po Chi Chang and Fu Shu Shi	4	0.35%
Wan-Chu Chen	4	0.35%
Mitsui & Co., Ltd.	4	0.35%
10. Tan Caysing/Czarnita	3	0.26%
Benito R. Araneta	3	0.26%
The Coca-Cola Export Corp.	3	0.26%
Mitsubishi Corporation	3	0.26%
Caltex Philippines, Inc.	3	0.26%

Founders' and Class "A" and Class "B" shares outstanding as of September 30, 2022 were 1,721 and 1,147 shares, respectively, after deducting the club acquired delinquent shareholders and posted delinquent shareholders. Out of the 132 delinquent shares acquired by the Club, 65 shares were actually transferred in the name of the Club while the transfer of the remaining 67 shares are still being processed.

Dividends

Being a non-profit organization, there are no cash dividends declared or will be declared at anytime in the future as provided in the Articles of Incorporation. Stockholders are entitled only to a pro rata share of the assets of the Corporation at the time of dissolution or liquidation.

Recent Sales of Unregistered Securities or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

Within the past three (3) years there are no sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction under the Code including sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities resulting from the modification of outstanding securities.

Discussion on Compliance with Leading Practice on Corporate Governance

- (a) At present, the Club utilizes the Self Rating System on Corporate Governance being implemented by the SEC through its SEC Memorandum Circular No. 24, Series of 2019 to assess compliance with leading practices on good corporate governance. The Compliance Officer meets with the directors and top-level management from time to time evaluates compliance with the Manual on Corporate Governance.
- (b) The Club is in full compliance with its Manual on Corporate Governance. The Compliance Officer is present at all the regular meetings of the Board of Directors and closely coordinates with the Chairman of the Board to ensure full compliance with the adopted leading practices on good corporate governance. In addition, the Club encourages its directors and the top-level management to attend seminars on good corporate governance.
- (c) There are no deviations to date from the Club's Manual of Corporate Governance.
- (d) The Board has no immediate plans to adopt new policies to improve corporate governance.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE REGISTRANT'S ANNUAL REPORT IN SEC FORM 17-A

DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

**MR. ARMANDO D. SIERRA
THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.
BO. CABILANG BAYBAY
CARMONA, CAVITE**

THE MANILA SOUTHWOODS GOLF AND COUNTRY CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

	September 30 2022 (Interim)	December 31 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 2)	119,555,488	126,819,084
Receivables (Notes 3)	39,995,121	29,776,965
Investments (Note 3.1)	14,999,755	-
Inventories (Note 4)	27,314,951	16,423,069
Prepayments and other current assets (Notes 5)	7,187,647	3,812,682
Total Current Assets	209,052,962	176,831,800
Noncurrent assets		
Property and equipment (Notes 6)	221,627,650	235,374,464
Land (Note 7)	5,305,108,000	5,305,108,000
Retirement benefit asset (Note 16)	92,658	396,798
Other noncurrent assets (Notes 8)	41,793,556	31,038,936
Total Noncurrent assets	5,568,621,864	5,571,918,198
	5,777,674,826	5,748,749,998
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 9)	83,018,370	66,190,126
Current portion of unearned receipts	63,815,438	43,630,966
Current portion of lease liabilities (Note 10)	6,198,823	6,814,842
Total current liabilities	153,032,631	116,635,934
Noncurrent Liability		
Unearned receipts-net of current portion	21,495,183	24,750,306
Lease liabilities, net of current portion(Note 10)	6,731,874	2,435,991
Deferred tax liabilities (Note 17)	1,026,119,337	1,025,119,337
Total Noncurrent Liabilities	1,053,346,394	1,052,305,634
	1,206,379,025	1,168,941,568
Equity		
Proprietary shares (Note 11)	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through Auctions (Note12)	(33,335,846)	(33,536,586)
Excess of proceeds over cost from re-issuances of shares of delinquent shareholders (Note 12)	64,741,353	55,855,789
Other comprehensive income (Notes 7and 16)	3,074,513,342	3,074,513,342
Cumulative excess of expenses over revenues	(1,048,373,652)	(1,030,774,719)
Net Equity	4,571,295,801	4,579,808,430
	5,777,674,826	5,748,749,998

See accompanying Notes toFinancial Statements.

THE MANILA SOUTHWOODS GOLF AND COUNTRY CLUB, INC.
(A Nonprofit Corporation)

**STATEMENTS OF COMPREHENSIVE
INCOME**

	For the Period Ended September 30	
	2022	2021
	(Interim)	(Interim)
REVENUES		
Membership dues	87,634,507	88,749,919
Green fees and tourist fees	32,955,161	16,299,498
Membership fees	17,471,625	14,860,322
Transfer fees	16,200,000	13,800,000
Tournament fees	1,808,308	-
Sale of golf merchandise	9,786,885	3,142,679
Locker, golf cart and equipment rental	19,543,760	11,407,315
Annual playing rights fess	7,825,000	6,803,666
Concessionaires' fees	52,400	-
Others	1,424,990	922,286
	194,702,636	155,985,685
EXPENSES (INCOME)		
Cost and expenses (Note 14)	183,516,458	141,431,678
Re-allocation of restricted fund		(5,138,629)
Interest income (Note 15)	(1,998,274)	(2,589,878)
	181,518,184	133,703,171
EXCESS OF REVENUES OVER EXPENSES		
BEFORE DEPRECIATION	13,184,452	22,282,514
DEPRECIATION EXPENSE (Note 6)	30,783,386	30,964,525
EXCESS OF EXPENSES OVER REVENUES	(17,598,934)	(8,682,011)
CUMULATIVE EXCESS OF EXPENSES OVER REVENUES		
At beginning of year	(1,030,774,719)	(1,013,775,705)
At end of period	(1,048,373,653)	(1,022,457,716)
TOTAL WEIGHTED AVERAGE OUTSTANDING NUMBER OF SHARES	2,868	2,863
LOSS PER SHARE (Note 18.3)	(6,136)	(3,032)

See accompanying Notes to Financial Statements.

THE MANILA SOUTHWOODS GOLF AND COUNTRY CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF CHANGES IN EQUITY

	For the Period Ended September 30	
	2022	2021
	(Interim)	(Interim)
PROPRIETARY SHARES (Note 11)		
Excess (deficiency) of revenues over expenses		
Authorized		
Founders' – 11 shares		
Class A – 1,789 shares		
Class B – 1,200 shares		
Issued		
Founders' and Class A – 1,800 shares	P1,508,650,362	P1,508,650,362
Class B – 1,200 shares	1,005,100,242	1,005,100,242
	P2,513,750,604	P2,513,750,604
OTHER COMPREHENSIVE INCOME (Note 7, 16, 17)	3,074,513,342	2,868,732,794
SHARE OF DELINQUENT SHAREHOLDERS ACQUIRED THROUGH AUCTIONS (Note 12)	(33,335,846)	(35,229,761)
EXCESS OF PROCEEDS OVER COST FROM RE-ISSUANCE OF ACQUIRED SHARES OF DEL. SHARE- HOLDERS (Note 12)	64,741,353	52,798,964
CUMULATIVE EXCESS OF EXPENSES OVER REVENUES		
Balance at beginning of period	(1,030,774,719)	(1,013,775,705)
Excess of revenue over expenses during the quarter	(17,598,934)	(8,682,010)
Balance at end of period	(1,048,373,653)	(1,022,457,715)
	4,571,295,800	4,377,594,886

See accompanying Notes to Financial Statements.

THE MANILA SOUTHWOODS GOLF AND COUNTRY CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

	For the Period Ended September 30	
	2022	2021
	(Interim)	(Interim)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(17,598,934)	(8,682,011)
Adjustments for:		
Depreciation expense (Note 6)	30,783,386	30,964,526
Retirement benefit expense (Note 16)	1,804,140	1,889,008
Amortization of prepaid dues (Note 5)	905,060	900,000
Interest expense (Note 10)	1,019,929	909,466
Interest income (Note 15)	(1,998,273)	(2,589,878)
Operating income before working capital changes	14,915,308	23,391,111
Changes in working capital:		
Receivables	(10,218,152)	(13,123,063)
Inventories	(10,891,882)	406,202
Prepayments and other current assets	(3,374,964)	3,446,522
Other non-current assets	3,311,487	(1,836,718)
Accounts payable and other current liabilities	16,828,241	7,760,155
Unearned receipts	16,929,349	16,684,225
Net cash generated from operations	27,499,387	36,728,434
Interest received	1,998,273	2,589,878
Contribution to the retirement fund (Note 16)	(1,500,000)	(2,250,000)
Net cash provided by operating activities	27,997,660	37,068,312
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(17,036,572)	(3,833,064)
Investment to treasury bills & bonds Note 3.1)	(29,970,922)	
Net cash used in investing activities	(19,009,834)	(3,833,064)
CASH FLOWS FROM A FINANCING ACTIVITY		
Proceeds from re-issuance of shares of delinquent Shareholders (Note 12)	8,885,564	20,884,270
Principal and interest payment of lease liabilities (Note 10)	2,659,935	(4,744,004)
Payment of shares of delinquent shareholders acquired Through auctions (Note 12)	200,740	(38,214)
Net cash used in financing activities	11,746,239	16,102,052
NET INCREASE IN CASH AND CASH EQUIVALENTS	(7,263,595)	49,337,300
CASH AND CASH EQUIVALENTS		
At beginning of period	126,819,083	73,317,414
At end of period (Note 2)	119,555,488	122,654,714

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Notes to Financial Statements

As at September 30, 2022 and December 31, 2021 and for each of the three years in the period ended September 30, 2022.

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information

The Manila Southwoods Golf & Country Club, Inc. (the "Club") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 5, 1990. The Club is organized and operating exclusively for the promotion of social, recreational and athletic activities on a nonprofit basis among its shareholders and members, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The registered office address and principal place of business of the Club is Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite.

The audited financial statements for the period ended December 31, 2021 were approved and authorized for issuance by the Board of Directors (BOD) on March 25, 2022.

Impact of Coronavirus Disease 2019 ("COVID-19")

Subsequent to the outbreak of the COVID-19 in the first quarter of 2020, a series of measures to curb the pandemic have been and continues to be implemented in the Philippines. As a result of the implementation of the community quarantine, the Club is operating in a limited capacity in compliance with local regulations. Management continues to implement measures to mitigate and reduce any negative impact to its profitability or any other economic effects on its business. Measures have likewise been undertaken to preserve the health and safety of its employees and other stakeholders. Management is closely monitoring the status of the pandemic and its related impact on its business operations. As at the date of approval of these financial statements, management is continuously assessing the impact of the pandemic on the next financial year and deems that the Club will continue to operate as going concern within the next 12 months.

Note 2 - Cash and cash equivalents

Cash and cash equivalents as at September 30, 2022 and December 31, 2021 consist of:

	2022	2021
Cash on hand	642,343	642,343
Cash in banks	77,368,170	89,796,769
Cash equivalents	41,544,975	36,379,972
	119,555,488	126,819,084

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three 90 days depending on the immediate cash requirements of the Club and earn interest at 0.10% to 1.25% in 2021 (2020 - 0.10% to 2.75%). Interest income earned from cash and cash are disclosed in Note 15.

Note 3 - Receivables

Receivables as at September 30, 2022 and December 31, 2021 consist of:

	2022	2021
Receivables from members	16,515,151	12,673,798
Current portion of installment receivables	9,923,539	9,477,380
Advances to suppliers and contractors	8,655,748	3,856,487
Advances to officers and employees	3,679,611	2,828,853
Others	1,221,071	940,447
	39,995,120	29,776,965

Interest income earned from receivables from members and installment receivables are disclosed in Note 15.

Note 3.1 - Investments

Investment accounts as at September 30, 2022 and December 31, 2021 consist of:

	2022	2021
Investment in treasury bills/bonds	29,970,922	-
Noncurrent portion	14,971,167	-
	39,995,120	-

Club invested in treasury bills and treasury bonds with interest rates of 3.08% and 4.55%, respectively.

Note 4 - Inventories

Inventories at cost as at September 30, 2022 and December 31, 2021 consist of:

	2022	2021
Fertilizers, herbicides and chemicals	10,333,588	4,444,876
Supplies	6,397,009	4,118,214
Spare parts	4,107,999	3,433,769
Fuel and oil	804,712	452,974
Material and supplies	21,643,308	12,449,833
Inventories for sale	5,671,643	3,973,236
	27,314,951	16,423,069

The cost of materials and supplies and inventories for sale charged to expenses is disclosed in Note 14.

Note 5 - Prepayments other current assets

Prepayments and other current assets as at September 30, 2022 and December 31, 2021 consist of:

	2022	2021
Prepaid income tax	2,127,400	1,479,885
Current portion of prepaid dues	1,200,000	1,200,000
Prepayments	3,860,247	1,132,797
	7,187,647	3,812,682

Prepayments pertain to insurance premiums and real property taxes.

Prepaid dues

On behalf of Manila Southwoods Homeowners' Association (MSHA), the Club made prepayments for operating expenses of the sports club facilities, which at the time the payments were made, were principally being used by members of the Club. Over the years, members of the Club have continued using the Manila Southwoods Sports Club (the "Sports Club") and the Club made prepayments out of its own funds to partially defray the costs of the maintenance and continued operation of the Sports Club.

Pursuant to a BOD resolution dated October 29, 2003, the Club negotiated for the amortization of the prepayments. The negotiation includes the granting to all members of the Club playing rights or privilege to use the Sports Club facilities in exchange for a fee which shall be deducted from or offset against the prepayment until such advances are fully liquidated. In consideration for the use of the Sports Club facilities, effective May 31, 2006, the monthly fee shall be P100,000 or P1.2 million annually.

A supplement to the abovementioned agreement was made on November 12, 2007 in which the parties intend that all payments made or to be made by the Club for the operation and maintenance of Sports Club shall be considered as prepayment for all the monthly dues, which may be assessed for the use of the Sports Club's facilities.

On January 28, 2015, the BOD resolved that the amounts paid for the Sports Club starting in 2014 onwards shall be treated and booked as usage fees and not as advances pending the negotiations and until such time that a formal arrangement with MSHA is finalized with respect to the use of the Sports Club. The amortization of prepaid dues and any usage fees are reported as members' dues and other charges in Note 14.

Note 6 - Property and equipment, net

Details of and movements in property and equipment as at and for the periods ended September 30, 2022 and December 31, 2021 are as follows:

	Golf course developments	Buildings and improvements	Golf course maintenance and transportation equipment	Furniture, fixtures, and office equipment	Clubhouse equipment	Total
Cost						
January 1, 2021	1,131,652,029	240,822,599	158,894,702	35,569,322	7,814,351	1,575,643,257
Additions	-	-	5,359,950	683,418	-	6,043,368
Disposals	-	-	-	-	-	-
December 31, 2021	1,131,652,029	240,822,599	164,254,652	36,653,674	7,814,351	1,581,197,305
Additions	-	2,512,063	13,185,083	1,339,426	-	17,036,572
September 30, 2022	1,131,652,029	243,334,662	177,439,735	37,993,100	7,814,351	1,598,233,877
Accumulated depreciation						
January 1, 2021	931,673,847	191,867,888	138,559,322	34,869,775	7,799,765	1,304,770,597
Depreciation	24,506,036	5,041,435	10,660,083	830,203	14,487	41,052,244
Disposals	-	-	-	-	-	-
December 31, 2021	956,179,883	196,909,323	149,219,405	35,699,978	7,814,252	1,345,822,841
Depreciation	18,046,195	3,733,361	8,405,352	598,477	-	30,783,385
September 30, 2022	974,226,078	200,642,684	157,624,757	36,298,455	7,814,252	1,376,606,226
Net book value						
December 31, 2021	175,472,146	43,913,276	15,035,247	953,696	99	235,374,464
September 30, 2022	157,425,951	42,691,978	19,814,978	1,694,645	99	221,627,651

Additions to cost and depreciation of property and equipment in 2020 amounted to P3.8 million and P46.7 million, respectively.

Prior to the adoption of Philippine Financial Reporting Standard (PFRS) 16, Leases, the Club recognized leased assets and leased liabilities in relation to leases that were classified as finance leases. These

lease/right-of-use assets are presented together with the owned assets of the same class under golf course maintenance and transportation equipment.

Details of and movements in the lease/right-of-use assets as at and for the periods ended September 30, 2022 and December 31, 2021 are as follows:

	Note	2022	2021
Cost			
At January 1		24,544,076	32,731,268
Additions	10	12,814,101	5,062,808
Transfers		(7,787,518)	(13,250,000)
At September 30, 2022 and December 31, 2021		29,570,659	24,544,076
Accumulated depreciation			
At January 1		11,726,392	14,006,109
Amortization		6,058,584	7,704,754
Transfers		(4,877,352)	(9,984,470)
At September 30, 2022 and December 31, 2021		12,907,624	11,726,393
Net book value		16,663,034	12,817,683

Transfers pertain to change from right-of-use assets to Club-owned assets in the same asset class.

Note 7 - Land

Details of and movements in land as at September 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Cost	1,204,630,653	1,204,630,653
Accumulated revaluation		
At January 1	4,100,477,347	4,100,477,347
Revaluation gain in other comprehensive income	-	-
At September 30, 2022 and December 31, 2021	4,100,477,347	4,100,477,347
	5,305,108,000	5,305,108,000

Land titles covering about 123 hectares out of the total land area actually covered by Golf Course Project of approximately 136 hectares have already been transferred and registered in the name of the Club on the basis of a tax-free exchange ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue (BIR). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free exchange ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name Club. The Club's management and legal counsel believed that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares or are there any adverse claims by third parties to the aforesaid 13 hectares of land.

As at September 30, 2022 and December 31, 2021, the parcels of land are stated at revalued amount under Level 3 fair value category based on the appraisal report by an independent appraiser. The fair value of land has been derived using the sales comparison approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. Sales prices of comparable land in close proximity are adjusted for differences in key attributes or internal factors such as property size, location, and improvement. The most significant input into this valuation is price per square meter. The land is currently used as a recreational development (golf course) which is the highest and best

use of the land.

Note 8 - Other non-current assets

Other non-current assets as at September 30, 2022 and December 31, 2021 consist of:

	Note	2022	2021
Prepaid dues, net of current portion		18,208,946	19,108,946
Installment receivables, net of current portion	18	7,320,111	9,714,959
Investment in bonds	3.1	14,971,167	-
Deferred input VAT		871,456	1,793,154
Others		421,877	421,877
		41,793,557	31,038,936

Interest income earned from installment receivables are disclosed in Note 15.

Note 9 - Accounts payable and other current liabilities

Accounts payable and other current liabilities as at September 30, 2022 and December 31, 2021 consist of:

	2022	2021
Trade payables to third parties	40,396,112	33,656,784
Deferred liabilities	13,030,561	10,096,632
Deposits from members	10,404,169	8,684,056
Accrued expenses:		
Statutory liabilities	7,019,855	7,133,683
Withholding taxes	874,337	547,982
Payroll	3,139,345	68,270
Others	2,026,112	1,330,755
Tournament fund	1,555,595	2,052,657
Sinking fund	27,470	102,413
Others	4,544,814	2,516,894
	83,018,370	66,190,126

Note 10 - Leases

(a) Club as lessee

The Club leases various golf course maintenance equipment, rental equipment and service vehicles as disclosed in Note 6. Details of and movements in the related lease liabilities as at September 30, 2022 and December 31, 2021 are as follows:

	Notes	2022	2021
At January 1		9,250,833	14,108,540
Cash changes:			
Principal and interest payments		(8,843,465)	(11,090,554)
Non-cash changes			
Principal additions	6	11,481,434	5,062,808
Interest expense	14	1,041,896	1,170,039
At September 30, 2022 and December 31, 2021		12,930,698	9,250,833

Principal and interest payments above represent the total cash outflow for leases. There were no short-term leases, low-value assets that are short-term leases and variable lease payments not included in lease liabilities for the each of the three years in the period ended September 30, 2022 and December 31, 2021.

Principal and interest payments, and interest expense in September 30, 2020 amounted to ₱1.6 million and ₱ 0.2 million, respectively.

The lease payments are discounted using the interest rate implicit in the lease. The future annual minimum lease payments under the lease agreements, together with the present value of the minimum lease payments as at September 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Within one year	7,137,586	6,753,856
After one year but more than five years	7,169,536	3,680,814
Total minimum lease payments	14,307,122	10,434,670
Less: Amounts representing interests	1,376,424	1,183,837
Present value of minimum lease payments	12,930,698	9,250,833
Less: Current portion	6,198,824	6,814,842
Non-current portion	6,731,874	2,435,991

(b) Club as lessor

Income from the following agreements are reported as concessionaires' fees under revenue from club operations in the statements of total comprehensive income.

(i) Food and beverage (F&B)

On July 28, 2015, the Club executed a concessionaire agreement with a third party which started its operations in April 2016. Similarly, the lessee agreed to become the exclusive concessionaire of the Club's food outlets and shall maintain consistent, continuous and uninterrupted food and beverage operations that meet the Club's standards. In consideration for the lessee's provision of service, all sales arising from F&B operations shall be booked by lessee. For sales arising from non-club functions regarding F&B operations, the lessee will be charged 10% of its gross sales. No space rental shall be charged to lessee, provided that it shall shoulder all taxes, fees and all costs related to the food and beverage operations including but not limited to salaries and benefits of the employees, supplies and utilities.

(ii) Pro-shop

The Club entered into a lease agreement for a period of four years beginning September 16, 2014. The lessee shall operate a golf pro-shop within the club. The lessee shall pay monthly fixed lease rentals of ₱75,000 subject to 10% escalation rate per annum commencing on the third year. The contract was not renewed by both parties in 2019. The Club took over the pro-shop operations in 2019.

Note 11 - Proprietary certificates

The Club has a permit from the SEC to offer its securities for sale to the public effective October 23, 1991 at issue/offer prices of ₱0.8 to ₱1.0 million per share for Class "A" shares and ₱1.0 million per share for Class "B" shares. Details of these securities as at September 30, 2022 and December 31, 2021 are as follows:

Type of common shares	Number of securities registered	Number of securities issued and outstanding*	Number of holders of securities	Amount
2022				
Class "A" with no par value**	1,800	1,721	1,408	1,508,650,362
Class "B" with no par value	1,200	1,147	629	1,005,100,242
	3,000	2,868	2,037	2,513,750,604
2021				

Class "A" with no par value**	1,800	1,722	1,397	1,508,650,362
Class "B" with no par value	1,200	1,143	618	1,005,100,242
	3,000	2,865	2,015	2,513,750,604

*Number of securities registered minus number of shares of delinquent shareholders acquired through auctions

**Inclusive of 11 Founders' shares

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which 60% of the voting power is owned or controlled by citizens of the Philippines. Class "B" shares may be sold to any parties, irrespective of their nationality or citizenship.

Note 12 - Shares of delinquent shareholders acquired through auctions

Class A and Class B shares of delinquent shareholders were acquired by the Club through auctions pursuant to the Club By-laws as settlement for their long outstanding accounts. A shareholder is considered delinquent when the receivables from the said shareholder have become 60 days overdue.

In 2021 and 2020, the Club acquired through auction the shares of delinquent shareholders amounting to P0.8 million and P0.2 million, respectively. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as at the date of auction plus costs incurred during auction.

In 2022, the Club entered into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. The selling price and the related acquisition cost amounted to P9.0 million and P0.3 million (2021 – P25.6 million and P1.7 million; 2020 – P6.9 million and P1.1 million), respectively. The outstanding balance are recognized as installment receivables in Notes 3 and 8.

Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price. The installment receivables from such sales are disclosed in Notes 3 and 8.

Movement in the issued, treasury, and outstanding shares as at and for the years ended September 30, 2022 and December 31, 2021 and 2020 are as follows:

	2022		2021		2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Proprietary shares (issued)						
Class "A"						
At January 1 and December 31	1,800	1,508,650,362	1,800	1,508,650,362	1,800	1,508,650,362
Class "B"						
At January 1, Dec 31 & Sept 30	1,200	1,005,100,242	1,200	1,005,100,242	1,200	1,005,100,242
	3,000	2,513,750,604	3,000	2,513,750,604	3,000	2,513,750,604
Shares of delinquent shareholders acquired through auctions (treasury)						
Class "A"						
At January 1	78	16,525,486	89	15,289,404	94	16,415,936
Purchase	1	157,673	3	1,236,082	2	214,392
Re-issuance	-	-	(14)	(1,340,924)	(7)	(1,050,137)
At Sept. 30 & Dec 31	79	16,683,159	78	15,525,486	89	16,630,328
Class "B"						
At January 1	57	17,011,100	56	16,507,412	56	18,637,647
Purchase	-	82,318	7	503,688	-	-
Re-issuance	(4)	(282,561)	(6)	(2,130,235)	-	-
At Dec 31 & Sept 30	53	16,810,857	57	17,011,100	56	18,637,647
	132	33,494,016	135	33,536,586	145	35,267,975

Outstanding						
Class "A"	1,721	1,491,967,204	1,722	1,492,124,876	1,711	1,492,020,034
Class "B"	1,147	988,289,385	1,143	988,089,142	1,144	986,462,595
	2,868	2,480,256,589	2,865	2,480,214,018	2,855	2,478,482,629

Note 13 - Related party transactions and balances

The transactions and outstanding balances with related parties as at and for the periods ended September 30, 2022 and December 31, 2021 are as follows:

Related party	Transactions		Outstanding balances		Terms and conditions
	2022	2021	2022	2021	
Key management personnel					
Salaries and wages	12,881,507	18,923,655	-	-	Payable in cash every month based on contract.
Retirement benefits	1,804,140	1,889,008	16,667,330	16,667,330	Refer to Note 16.
Retirement plan					
Contributions	1,500,000	3,000,000		-	Refer to Note 16.

Note 14 - Cost and expenses

Cost and expenses for the periods ended September 30 are as follows:

	Notes	2022	2021	2020
Salaries and wages		47,366,238	38,924,075	32,199,463
Repairs and maintenance		32,801,475	25,885,640	14,637,771
Materials and supplies		14,118,108	12,346,016	11,517,620
Security and janitorial		11,915,426	11,028,468	11,346,088
Light and water		14,146,926	11,007,031	11,705,556
Other employee benefits		10,906,075	9,721,621	10,690,603
Input VAT expense		8,700,453	5,037,127	5,317,450
Fuel and oil		7,668,780	4,808,108	3,279,591
Real property taxes		7,070,474	4,046,815	4,076,801
Cost of sales of inventories		6,563,368	1,582,921	2,404,854
Professional fees		2,764,077	2,123,076	1,705,090
Retirement benefit expense	16	1,804,140	1,889,008	1,837,271
Communications		1,635,657	1,612,910	1,689,355
Taxes and licenses		1,670,124	1,570,175	2,188,343
Meetings and conferences		1,669,267	1,133,860	670,235
Members' dues and other charges		905,060	900,000	900,000
Interest expense	10	1,019,929	909,466	1,409,899
Contracted services		953,737	797,626	1,289,754
Others		9,837,144	6,107,735	6,215,456
		183,516,458	141,431,678	125,081,200

Note 15 - Interest income

The following are the sources of Club's interest income for the periods ended September 30:

	Note	2022	2021	2020
Receivables	3	1,751,679	2,449,571	1,292,021
Cash and cash equivalents	2	246,594	140,307	609,525
		1,998,273	2,589,878	1,901,546

Note 16 - Retirement benefits

The Club maintains a funded and non-contributory defined benefit retirement plan covering all of its regular and permanent employees. The plan provides for a payment of benefits in lump sum upon attainment of normal retirement age of 60 and completion of at least 5 years of continuous service with the Club in line with Republic Act No. 7641, known as The Retirement Law. Benefits provided in the plan are based on the years of credited service and compensation of employees. Annual contribution to the retirement plan consists of retirement costs covering the current service costs for the year plus payments toward funding the accrued retirement benefit costs. The latest actuarial valuation report prepared by the independent actuary for the year ended December 31, 2021 using the projected unit credit method.

The retirement benefit (asset) liability as at December 31 consist of:

	2021	2020
Present value of defined benefit obligation (PVDBO)	33,744,317	33,844,248
Fair value of plan assets (FVPA)	(34,141,115)	(33,003,043)
Retirement benefit liability (asset)	(396,798)	841,205

Movements in the retirement benefit liability (asset) for the years ended December 31 are as follows:

	2021	2020
At January 1	841,205	(1,045,611)
Retirement benefits expense	2,518,678	2,449,694
Remeasurement (gain) loss	(756,681)	723,396
Contribution	(3,000,000)	(1,286,274)
At December 31	(396,798)	841,205

Movements in the PVDBO for the years ended December 31 are as follows:

	2021	2020
At January 1	33,844,248	33,006,657
Current service cost	2,488,983	2,499,361
Interest cost	1,194,702	1,567,816
Benefits paid	(1,906,464)	(2,811,515)
Actuarial gain	(1,877,152)	(418,071)
At December 31	33,744,317	33,844,248

Movements in the FVPA for the years ended December 31 are as follows:

	2021	2020
At January 1	33,003,043	34,052,268
Interest income	1,165,007	1,617,483
Contributions	3,000,000	1,286,274
Benefits paid	(1,906,464)	(2,811,515)
Actuarial loss	(1,120,471)	(1,141,467)
At December 31	34,141,115	33,003,043

The plan is administered by a firm of investment fund managers who are authorized to invest the funds as it deems proper. The actual returns on plan assets amounted to P44,536 for the year ended December 31, 2021 (2020 - P476,016).

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

As at December 31, the carrying amount of the plan asset is the same with its fair value. The allocation of the plan assets as at December 31 are as follows:

	2021	2020
Cash in banks	16.86%	12.54%
Interest receivables	0.09%	0.12%
Investments in equity securities	83.05%	87.35%

Descriptions of each category are as follows:

- Cash in banks consist of current account, savings deposit and special savings deposit;
- Receivables consist of interest receivables; and
- Investments in equity securities consist of short-term equity investments and time certificates of deposit.

The plan's investments do not have any concentration risk.

The Club is expected contribute P3 million to the plan assets in 2022.

Retirement benefit expense for the years ended December 31 are as follows:

	2021	2020	2019
Current service cost	2,488,983	2,499,361	2,644,035
Net interest	29,695	(49,667)	221,428
	2,518,678	2,449,694	2,865,463

Movements in the remeasurement gain (loss) on retirement benefits under other comprehensive income for the years ended December 31 are as follows:

	2021	2020	2019
At January 1	(1,601,349)	(877,953)	(1,295,835)
Actuarial gain (loss)	756,681	(723,396)	417,882
At December 31	(844,668)	(1,601,349)	(877,953)

The principal actuarial assumptions used to determine retirement benefits are as follows:

	2021	2020
Discount rate	4.91%	3.51%
Salary increase rate	4.00%	3.00%

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

The weighted average duration of the defined benefit obligation is 13 years in 2021 (2020 - 14 years).

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the PVDBO as at December 31, assuming all other assumptions are held constant:

	Change in basis points	Increase (Decrease) in PVDBO	
		2021	2020
Discount rate	+100	(3,070,304)	(3,293,517)
	-100	3,587,382	3,869,582
Salary increase rate	+100	3,583,378	3,842,995
	-100	(3,140,038)	(3,363,575)

The maturity profiles of the undiscounted benefit payments as at December 31 are as follows:

	2021	2020
Within five years	9,674,154	10,942,863
Between six to 10 years	27,430,888	17,262,805
Between 11 to 15 years	26,409,515	25,167,163
Between 16 to 20 years	19,169,968	23,400,265
More than 20 years	43,140,685	30,839,684

Note 17 - Income taxes

The Club's deferred income tax liabilities as at December 31, 2021 pertain to the 25% (2020 -30%) income tax effects of its revaluation gain of land in 2020 as disclosed in Note 7. The Club recognized income tax benefit amounting to P205.0 million in other comprehensive income due to the change in income tax rate for the year ended December 31, 2021 (2020 - P122.4 million expense from revaluation gain in land; 2019 - nil) (Note 7).

Deferred income tax assets, net on the following temporary differences as at December 31 have not been recognized since management believes that the Club may not have sufficient future taxable income for these deferred income tax assets to be able to utilize:

	2021	2020
Retirement benefit (asset) liability, net	(396,798)	841,205
Unamortized past service costs	7,611,983	8,934,314
Amount charged to other comprehensive income	(844,668)	(1,601,349)
Provision for retirement benefits	6,370,517	8,174,170
Net operating loss carry-over (NOLCO)	115,817,794	115,212,075
Other provisions	6,785,185	794,214
Subtotal	128,973,496	124,180,459
Multiply: Income tax rate	25%	30%
Tax effect	32,243,374	37,254,138
Minimum corporate income tax (MCIT)	614,965	2,018,732
Unrecognized deferred income tax assets, net	32,858,339	39,272,870

On June 26, 2019, the Supreme Court declared through General Register 228539 that membership fees, assessment dues, and fees of similar nature collected by clubs which are organized and operated exclusively for the pleasure, recreation, and other non-profit purposes are not subject to income tax and VAT.

Under the National Internal Revenue Code of 1997, NOLCO and MCIT can be applied as deduction from taxable income and tax due, respectively, over the next three (3) years immediately following the year of such loss.

On September 11, 2020, Republic Act (R.A.) No. 11494, otherwise known as "Bayanihan to Recover as One Act", was passed into law to strengthen the government's efforts in mitigating the effects of COVID-19 pandemic. Under R.A. No. 11494, NOLCO for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

R.A. No. 11534, known as the CREATE Act, was signed into law on March 26, 2021. The signing into law of the CREATE Act is a non-adjusting subsequent event as at December 31, 2020. The salient provisions of CREATE that are relevant to the Company are the lowering of the regular corporate income tax rate (RCIT) from 30% to 20% or 25%, depending on the level of the Company's total assets and net taxable income, and MCIT from 2% to 1%, starting July 1, 2020. For financial reporting purposes, the Company was subject to 25% RCIT and 1% MCIT as at December 31, 2021 (2020 - 30% RCIT and 2% MCIT).

Details of NOLCO and MCIT as at December 31 are as follows:

Year incurred	Year of expiry	2021		2020	
		NOLCO	MCIT	NOLCO	MCIT
2017	2020	-	-	29,498,158	1,096,964
2018	2021	2,396,830	1,495,602	2,396,830	1,495,602
2019	2022	106,903,015	349,682	106,903,015	349,682
2020	2023	-	130,086	-	173,448
2020	2025	5,912,230	-	5,912,230	-
2021	2024	-	135,197	-	-
2021	2026	3,002,549	-	-	-
Subtotal		118,214,624	2,110,567	144,710,233	3,115,696
Expired		(2,396,830)	(1,495,602)	(29,498,158)	(1,096,964)
		115,817,794	614,965	115,212,075	2,018,732

Income tax expense (benefit) for the years ended December 31, 2021 pertain to MCIT amounting to P135,197 (2020 - P173,448; 2019 - P302,673).

Reconciliations between the income tax computed at statutory income tax rate and the effective income tax expense shown in the statements of total comprehensive income for the years ended December 31 are as follows:

	2021	2020	2019
Income tax at statutory income tax rates	(4,215,955)	(7,372,861)	(8,503,660)
Adjust for income tax effects of:			
Non-deductible expenses	44,046,017	51,231,879	53,811,132
Impact of CREATE Act	6,209,023	-	-
Interest income subjected to final tax	(44,647)	(192,561)	(266,320)
Changes in unrecognized deferred income tax assets	(4,276,359)	1,966,944	3,641,376
Non-taxable income	(41,582,882)	(45,459,953)	(48,379,855)
Effective income tax expense	135,197	173,448	302,673

Note 18 - Financial risk and capital management

18.1 Financial risk factors

The main risks arising from the Club's financial instruments are credit and liquidity risks. The members and the BOD review and approve the policies of managing each of the risks which are summarized below.

(a) Credit risk

Credit risk arises when a customer or counterparty fails to discharge an obligation and cause the Club to incur a financial loss.

The Club's receivables are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. The Club ensures that applicant for membership shall undergo a series of verifications to determine the individual or company financial capability and credit history. In case of delinquency, the Club's by-laws provide clear cut measures and sanctions against members with unpaid accounts. In addition, the Club has first lien on every proprietary certificate to ensure debts of members arising from unpaid membership dues and other club charges are recovered. Sales of products and services to non-members, i.e., members' guests are on cash basis. In the case of membership dues, advance payments promotions are launched each year with incentives on early annual payments to reduce receivables from member. These minimize the credit risk exposure any margin loss from possible default in the payment of

receivables.

The table below shows the maximum exposure from credit risk for the Club's financial assets at amortized cost without taking account of any collateral and other credit enhancements as at September 30, 2022 and December 31, 2021:

	Notes	2022	2021
Cash and cash equivalents*	2	118,913,145	126,176,741
Receivables**	3	27,659,762	23,091,625
Investments	3.1	29,970,922	-
Installment receivables, net of current portion	8	7,320,111	9,714,959
		183,863,940	158,983,325

*Excludes cash on hand

**Excludes advances to suppliers and advances to officers and employees

The Club uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below:

- *Grade A* - This applies to highly rated financial obligors and strong counterparties with whom the Club has excellent collection experience, i.e., collections are made even before maturity date.
- *Grade B* - This applies to financial assets that are performing as expected or where counterparty pays on due dates.
- *Grade C* - This applies to accounts that are past due but are not impaired since are subsequently collected within 90 days from reporting date.
- Accounts not within Grades A, B and C are considered long outstanding and subject to expected credit loss allowance.

(i) Cash and cash equivalents

The Club's policy on counterparty risk management is to work with a select group of relationship banks which are licensed commercial and universal banks as defined by the Philippine Banking System. Credit risk exposure is low since commercial and universal banks represent the largest single group, resource-wise, of financial institutions in the country. Cash and cash equivalents are also deposited among the top ten banks in the Philippines, hence, considered Grade A.

(ii) Receivables, including non-current installment receivables

Credit rating of receivables, including non-current installment receivables, as at September 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Grade A	24,485,708	28,084,300
Grade B	10,493,875	11,407,624
	34,979,583	39,491,924

(b) Liquidity risk

Liquidity risk arises from the possibility that the Club may encounter collection problem that will lead to difficulties in raising funds to meet or settle its obligations and to finance its activities.

The Club monitors its liquidity risk to a shortage of funds through monitoring of collections and projected cash flows from operations. The Club maintains sufficient cash to finance operations. Any excess fund is invested in cash equivalents to augment income generation. The Club's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least

possible cost. The Club also maintains a financial strategy that the scheduled payment of payables is well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities at amortized cost subject to liquidity risk based on contractual undiscounted payments as at September 30, 2022 and December 31, 2021:

	Notes	On demand	Less than 3 months	Between 3 to 6 months	Between 6 to 12 months	Over 1 year	Total
2021							
Accounts and other current liabilities*	9	34,020,466	6,920,437	1,640,939	3,674,819	-	46,256,759
Lease liabilities**	10	-	1,908,999	2,107,314	2,060,581	4,357,776	10,434,670
		34,020,466	8,829,436	3,748,253	5,735,498	4,357,776	56,691,429
2022							
Accounts and other current liabilities*	9	44,985,577	11,810,807	17,870	3,653,263	-	60,467,516
Lease liabilities**	10	-	2,222,682	1,670,046	3,244,858	7,169,536	14,307,122
		44,985,577	14,033,489	1,687,916	6,898,121	7,169,536	74,774,638

*Excludes deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund

**Based on minimum lease payments

18.2 Fair value of financial instruments

The carrying values of the Club's financial instruments as at reporting dates approximate their fair values due to their short-term nature. For non-current installment receivables, the carrying amounts approximate their fair values since the impact of discounting is immaterial. For non-current lease liabilities, the carrying amounts approximate their fair values due to discounting.

18.3 Capital management

The primary objective of the Club's capital management is to ensure the Club's ability to continue as a going concern so that it can continue provide service to its members and benefits for other stakeholders. The Club's capital pertains to Proprietary certificates, shares of delinquent shareholders acquired through auctions, excess of proceeds over cost from re-issuance of shares to delinquent shareholders, and deficit. There were no changes in the Club's capital management policies for the periods ended September 30, 2022 and December 31, 2021. There are no other externally imposed capital requirements on the Club.

The Club's basic and diluted loss per share for the period ended September 30 are as follows:

	2022	2021	2020
Net income (loss)	(17,598,934)	(8,682,011)	(16,361,521)
Dividend by: Weighted average number of shares*	2,868	2,863	2,851
Income (Loss) per share	(6,136)	(3,032)	(5,739)

*Takes into account the weighted average effect of changes in shares of delinquent shareholders acquired through auctions for the year

Note 19 - Critical accounting estimates, assumptions and judgments

The preparation of the Club's financial statements requires management to make judgment, estimates and assumptions that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment, estimates and assumptions used in arriving at the estimates to change. The effects of any change in judgment, estimates and assumptions are reflected in the financial statements as they become reasonably determinable.

19.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared.

(a) Expected credit losses (ECL) of financial assets at amortized cost

The Club applied the ECL model associated with its financial assets at amortized cost. The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Club uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For receivables, the Club uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of active members that have similar loss patterns. The provision matrix is initially based on the Club's historical observed default rates. The Club then calibrates the matrix to adjust the credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL 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 member's actual default in the future. Based on management's assessment, no impairment losses are required on financial assets at amortized cost as at September 30, 2022 and December 31, 2021 due to the low credit risk exposure as discussed in Note 18.1(a).

(b) Useful lives of property and equipment

The useful life of each of the Club's item of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of internal technical evaluation and experience with similar assets. The estimated useful life of each asset is 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 the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses and brought about by changes in the factors mentioned. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease the carrying value of property and equipment.

There were no changes in estimated useful lives of property and equipment in 2022 and 2021. The carrying values of property and equipment as at September 30, 2022 and December 31, 2021 are disclosed in Note 6.

(c) Fair value of land

The Club measures its land at revalued amount with changes in fair value being recognized in the other comprehensive income. The Club has established a process by which measurement of fair value of the land is in place for financial reporting purposes. This primarily involves the expertise of an independent valuer. The valuer considers certain unobservable inputs and valuation adjustments to provide a reasonable indication of fair value. Any significant changes to these inputs and adjustments could significantly affect the amount of the fair values.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements as at December 31, 2021 and 2020:

Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
External factor (asking price discount)	-10%	The higher the negative input, the lower the fair value
Internal factors (location, size and development)	-10%	

There were no significant interrelationships between unobservable inputs that materially affects fair values. Further information about the assumptions made in measuring the fair values is disclosed in Note 7.

(d) Retirement benefits

The cost of retirement benefits as well as the PVDBO is determined using actuarial valuations. The actuarial valuation involves making various assumptions including the determination of the discount rates, rate of increase in compensation, mortality rates 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 period.

In determining the appropriate discount rate, management considers the interest rates of Philippine government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates for the Philippines. Further information about the assumptions made in measuring the PVDBO and FVPA are disclosed in Note 16.

In determining the long-term rates of return, the Club considers the nature of the plans' investments, an expectation for the plans' investment strategies, historical rates of return and current economic forecasts. The Club evaluates the expected long-term rate of return annually and adjusts as necessary. The activities of the plan expose it to a variety of risks. The management of these risks and the overall investment policy and strategy of the retirement plan are based on the trustee bank's assessment in compliance with local regulations and practice. Responsibility for governance of the retirement plan, including investment decisions and contribution schedules, lies jointly with the Club and the trustee bank.

The Club's management ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt and equity securities, consisting of investments in government securities, mutual funds and unit investment trust fund, with maturities that match the benefit payments as they fall due. Assets are invested in different classes in order to maintain balance between risk and return. Investments are diversified to limit the financial effect of any individual investment.

19.2 Critical judgments in applying the Club's accounting policies

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as of reporting date.

(a) Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. Distribution of free green fee coupons, an incentive when a member pays one-year membership dues in advance, is a separately identifiable promise and is not combined with the obligation related to the membership dues since this is distinct within the context of the contract.

(b) Determining the timing of recognizing membership fees and assessments

The Club charges membership dues, membership fees and assignee fees. The Club has concluded that it incurs an obligation to provide services to the members for the fees received and such shall be recognized over time as the members receive substantially the benefits and privileges of being a member. Membership fees are recognized as earned over the average life stay of members which is determined to be four years based on the eight-year historical membership data of the Club.

(c) Income taxes

A certain degree of judgment is required in determining the provision for income taxes, as there are certain

transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred income tax assets is reviewed at each reporting date 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 income tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets as at December 31, 2021 and 2020 are disclosed in Note 17.

(d) Contingencies

The Club determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management's assessment is developed in consultation with the Club's legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable.

The Club is a respondent in cases arising from the normal course of business, the outcome of which cannot be presently determined. In the opinion of the Club's management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Club's financial statements.

Note 20 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

20.1 Basis of preparation

The financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee and International Financial Reporting Interpretations Committee which have been approved by the Financial Reporting Standards Council and adopted by the SEC.

The financial statements of the Club have been prepared under a historical cost basis, except for land and fair value of plan assets which are measured at fair value.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 19.

Changes in accounting policies and disclosures

There are no new standards, amendments to existing standards, and interpretations that are effective for the annual periods beginning on January 1, 2021, and issued but not yet effective as at December 31, 2021, which would have a significant impact or are considered relevant to the Club's financial statements.

20.2 Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisitions and that are subject to an insignificant risk of change in value. Other relevant policies are disclosed in Note 20.4.

20.3 Receivables

Receivables are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim of the Club is established. These are recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method. Other relevant policies are disclosed in Note 20.4, except for advances to suppliers and advances to officers and employees which are not considered financial assets.

Advances to suppliers represent initial payments for purchases while advances to officers and employees are cash advances which are subject to liquidation. These are reclassified to another asset account or expense when the service or goods is provided by or received from the supplier, or the advance is liquidated.

20.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. The Club recognizes a financial instrument in the statements of financial position, when and only when, the Club becomes a party to the contractual provisions of the instrument.

(a) *Financial assets*

(a) Classification

The Club classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Club has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Club reclassifies debt investments when and only when its business model for managing those assets changes. As at December 31, 2021 and 2020, the Club only has financial assets at amortized cost which consist of cash and cash equivalents and receivables (excluding advances to suppliers and advances to officers and employees).

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Club commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

(c) Subsequent measurement

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Club's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Club

classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expense) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of total comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income (expense). Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in other income (expense) and impairment expenses are presented as separate line item in the statements of total comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other income (expense) in the period in which it arises.

Equity instruments

The Club subsequently measures all equity investments at fair value. Where the Club's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Club's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income (expense) in the statements of total comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Club assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment loss is recognized in profit or loss and the carrying amount of the asset is reduced through the use of an allowance.

The general approach is applied. Under this approach, credit loss allowance is based on 12-month ECL if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and includes forward-looking information.

The Club considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realizing security (if any is held).

At each reporting date, the Club assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized as a separate line item in the statements of total comprehensive income. When an asset remains uncollectible after the Club has exerted all legal remedies, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against impairment losses in the statements of total comprehensive income.

(b) Financial liabilities

(a) Classification

The Club classifies its financial liabilities at initial recognition in the following categories: at FVPL (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. The Club only has financial liabilities at amortized cost as at September 30, 2022 and December 31, 2021 which consists of accounts payable and other current liabilities (excluding deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund) and lease liabilities.

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Club having an obligation either to deliver cash or another financial asset to the holder.

(b) Recognition and derecognition

Financial liabilities are initially recognized at fair value of the consideration received plus directly attributable transaction costs. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(c) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

(c) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Club or the counterparty. As at September 30, 2022 and December 31, 2021, there are no financial assets and financial liabilities that were offset.

20.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost incurred (which significantly pertains to purchase cost) in bringing each asset to its present location and condition is determined using the specific identification method. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The carrying amount of inventories is directly written off from the inventory account. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognized as reduction in the amount of inventories recognized as expense in the period in which the reversal occurs. Net realizable value is the current replacement cost (for material and supplies) or the estimated selling price in the ordinary course of business less applicable variable selling expenses (for inventories for sale).

Inventories are derecognized when they are sold or consumed, or there are no future benefits to the Club. The carrying amount of those inventories is recognized, reported as part of cost and expenses in profit or loss in the period incurred (for material and supplies) or in which the related revenue is recognized (for inventories for sale).

20.6 Prepayments and other assets

Prepayments are expenses paid in cash and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments expire and are recognized as expense either with the passage of time or through use or consumption.

Input VAT arising from purchases of goods and services, is measured at cost and presented net of applicable output VAT, or vice versa, whichever is higher as at reporting date, under current assets or liabilities. These may either be applied against future output tax liabilities or claimed for tax credit or refund.

Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

20.7 Property and equipment, and land

Property and equipment are stated at cost, excluding cost of day-to-day servicing, less accumulated depreciation and any impairment in value.

The cost of property and equipment consists of its purchase price and any costs directly attributable to bringing the property and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of replacing a part of an item of property and equipment is included in the carrying amount of such an item if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Asset class	Estimated useful life in years
Golf course developments	15 - 40
Buildings and improvements	3 - 35
Golf course maintenance and transportation	1 - 5
Furniture, fixtures and office equipment	1 - 5
Clubhouse equipment	3 - 5

The property and equipment's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 20.8).

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 on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statements of total comprehensive income in the year the item is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Land is subject to similar policies with property and equipment but is not subject to depreciation and is subsequently measured at fair value.

Changes in the fair value of land are recognized in other comprehensive income unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it is recognized in profit or loss.

Revaluation gains are not reclassified to profit or loss in the subsequent period. A revaluation loss is recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation gain relating to the same asset.

20.8 Impairment of non-financial assets

The carrying values of land and property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units (CGU) are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of its fair value less cost of disposal and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses, if any, are recognized in profit or loss, except for land. For land impairment losses are first charged to other comprehensive income. Any excess of the impairment losses over the revaluation gain is recognized in profit or loss in the statements of total comprehensive income.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the asset no longer exist or have decreased. The reversal is recorded as income in profit or loss, except for land. For land, reversal of impairment losses is credited to other comprehensive income unless the amount pertains to a reversal of impairment losses previously recognized in profit or loss, in which case, such amount is credited to profit loss. However, the increased amount of an asset due to a reversal of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined had no impairment been recognized for that asset in prior years.

20.9 Accounts payable and other current liabilities

Accounts payable and other current liabilities are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim against the Club is established. This is recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method which is normally equal to its nominal amount. Other relevant policies are disclosed in Note 20.4, except for deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund.

Deferred liabilities represent payments received from membership applicants. These are recognized as income when the application is approved; otherwise, the payments received by the Club are refunded.

Statutory liabilities and accrued expenses for withholding tax are not considered financial liabilities and not subject to discounting but are derecognized similarly.

Sinking fund and tournament fund are payments received from members for a specific purpose. These are derecognized when expenditures for the specific purpose is incurred. Any excess fund at the end of the specific purpose will be charged directly to cumulative excess of costs and expenses over receipts.

20.10 Leases

(a) Club as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Club:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs
- restoration costs

Right-of-use asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Club is reasonably certain to exercise a purchase option, the right-of-use asset is

depreciated over the underlying asset's useful life.

(iii) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Club becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Residual value guarantees

The Club initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability.

(v) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the capitalization threshold.

(b) Club as lessor

Leases in which the Club does not transfer substantially all the risk and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and derecognized over the lease term on the same bases as lease income.

Operating lease payments are recognized as an income or expense in the statements of total comprehensive income on a straight-line basis over the lease term. Variable lease payments are recognized as income or expense when incurred.

20.11 Income taxes

Income tax expense comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at 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, carry-forward of unused tax losses (NOLCO) and unused tax credits (excess MCIT), to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can

be utilized. The Club reassess at each reporting date the need to derecognize a previously recognized deferred income tax asset or vice versa.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the taxable entity where there is an intention to settle the balances on a net basis. Deferred income tax assets and liabilities are derecognized when relevant temporary differences have been realized.

20.12 Equity

Proprietary certificates are shares of stock have no par value and recorded equal to the proceeds and/or fair value of considerations received. Incremental costs incurred directly attributable to the issuance of new shares are shown as a deduction from proceeds, net of tax.

Shares of delinquent shareholders acquired through auctions represents the Club's proprietary certificates which are reacquired by the Club and deducted from equity. No gain or loss is recognized in the statements of total comprehensive income on the purchase, sale, issue or cancellation of the Club's own equity instruments. Excess of proceeds over cost from re-issuance of shares of delinquent shareholders is presented as another line item under equity.

Other comprehensive income represents the accumulated revaluation gain of land, net of tax, and remeasurement of retirement benefits.

Deficit represents the net losses accumulated over the years from the Club's operations. Deficit may also include effect of changes in accounting policy as may be required by the respective standard's transitional provisions.

20.13 Loss per share

Loss per share is determined by dividing net loss for the year by the weighted average number of shares issued and outstanding during year. Weighted average share outstanding is calculated by multiplying an outstanding number of shares after considering issuance and buybacks of shares in each reporting period with its time-weighted portion and thereafter summing up the total for each reporting period in a year.

20.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Club classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets that may be held by the Club and included in Level 1 is the current bid price.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

As at September 30, 2022 and December 31, 2021, the Club has no assets and liabilities measured at fair value, except for land and FVPA at Level 3 and Level 1 fair value categories, respectively.

20.15 Receipts

(a) Membership fees and assessments

These represents fees received from members as part of Club privileges. These are recognized as follows:

- Membership dues are annual dues from existing members. These are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Membership fees are one-time joining fees for members which are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Transfer fees are charged on the transfer of golf shares from an existing member to another buyer. These are recognized when such transfer is completed.
- Annual playing rights are recognized upon transfer of playing rights to the assignee. These are recognized when such transfer is completed.
- Special assessments are recognized upon receipt of the fee collected for a specific purpose or project.

(b) Revenues from club operations

The Club recognizes revenue as control is passed, either (i) over time when the customer simultaneously receives and consumes all of the benefits provided by the Club as the Club performs; or (ii) at a point in time when control is passed at a certain point in time as described below.

- Green fees and tourist fees, tournament fees, and club events represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.
- Sales of golf merchandise are recognized at a point in time when the goods are delivered to the buyer.
- Locker, golf cart and equipment rental fees, and concessionaires' fees represent rental income which are recognized in line with Note 20.9.
- Other income are recognized when earned.

(c) Interest income

Interest income, which is presented net of applicable tax withheld, is recognized on a time-proportion basis using the effective interest method.

20.16 Costs and expenses

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

Interest expense is recognized on a time-proportion basis using the effective interest method.

20.17 Employee benefits

(a) Short-term employee benefits

The Club recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves, and bonuses. Bonuses are based on a formula that takes into consideration the employee's salary, length of service and performance evaluation. The Club recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

(b) Retirement benefits

The Club has a funded and noncontributory defined benefit retirement plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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, 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.

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 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.

Defined benefit costs comprise the following:

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

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as part of costs and expenses in the statements of total comprehensive 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.

Service costs and net interest on the net defined benefit liability or asset are recognized in profit or loss.

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.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Club before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Club recognizes termination benefits at the earlier of the following dates: (a) when the Club can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

20.18 Contingencies and provisions

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Provisions are recognized when the Club has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are derecognized when the obligation is settled, cancelled or expired.

20.19 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, 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 enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or their partners. In considering each possible related party relationship, attention is

directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged.

20.20 Foreign currency transactions and translation

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

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of total comprehensive income.

20.21 Events after reporting period

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

Note 21 - Supplementary information required by the BIR

The following information required by Revenue Regulations No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared for the period ended September 30, 2022 and the receipts upon which the same were based consist of:

	Gross Receipts	Output VAT
Taxable receipts	71,444,536	8,573,344
Exempt receipts	105,954,186	-
	177,398,722	8,573,344

Receipts subject to VAT are based on gross receipts, less actual discounts, if any, while receipts in the statement of total comprehensive income are measured in accordance with the policies in Note 20.15.

(b) Input VAT

Details of input VAT as at and for the period ended September 30, 2022 are as follows:

	Amount
Balance at beginning of year	1,793,154
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	6,193,991
Capital goods subject to amortization	1,503,899
Capital goods not exceeding 1 million	204,863
Importation of goods other than capital goods	71,378
Services lodged under cost and expenses	4,596,672
Claims for tax credit/refund and other adjustments*	(13,402,633)
Balance of deferred input tax to be amortized	-
Balance at end of year	961,324

*Pertains to total input VAT claimed against output VAT, and expensed due to allocation to exempt receipts

(c) Importations

The Club made importations amounting to Php523,764 and paid corresponding import and customs duties and tariff fees amounted to Php92,740 as of September 30, 2022.

(d) Excise tax

The Club had no transactions subject to excise tax as at September 30, 2022.

(e) Documentary stamp tax

The Club paid documentary stamp taxes amounting to ₱320,820 from the insurance and additional finance leases for the period ended September 30, 2022.

(f) Other taxes and licenses

All other taxes and licenses for the period ended September 30, 2022 are as follows:

	Amount
Local taxes	
Real property taxes	7,089,234
Business permit	979,483
Community tax certificate	10,500
Other national taxes	
Registration to other government agencies	224,852
Annual water charges	15,122
BIR registration fee	500
Tax settlement with BIR	100,794
Others	338,873
	8,759,358

The amounts above and documentary stamp taxes paid in (e) are lodged in the taxes and licenses and real property taxes accounts under costs and expenses section in the Club's statement of total comprehensive income for the period ended September 30, 2022.

(g) Withholding taxes

Withholding taxes paid and accrued by the Club as at and for the period ended September 30, 2022 are as follows:

	Paid	Accrued	Total
Withholding tax on compensation	2,367,609	373,103	2,740,712
Expanded withholding taxes	1,963,511	308,120	2,271,631
	4,331,120	681,223	5,012,343

(h) Tax assessments and cases

The Club had no pending tax assessments with the BIR, cases, litigation and/or prosecution in courts or bodies outside the BIR as at September 30, 2022.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at September 30, 2022
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income received and accrued
Financial assets at amortized cost				
Cash and cash equivalents	-	119,555,488	119,555,488	246,594
Receivables, net, including non-current portion of installment receivables	-	47,315,232	47,315,232	1,751,679
Investments, including non-current portion	30,000,000	29,970,922	29,970,922	-
	30,000,000	196,841,642	196,841,642	1,998,273

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at September 30, 2022
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non- current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corp. Secretary	182,451	44,246	(211,192)	-	8,513	6,992	15,505
Robert John L. Sobrepeña, Chairman	289	79,002	(67,607)	-	3,331	8,353	11,684
Daniel C. Samaniego, Director	10,518	75,140	(57,062)	-	8,344	20,252	28,596
Francisco C. Gonzalez, Director	1,639	18,654	(27,000)	-	(6,707)	-	(6,707)
Rafael Perez de Tagle Jr., Treasurer	404	129,402	(103,110)	-	26,696	-	26,696
Alfredo M. Mendoza, Director	36,538	64,148	(27,000)	-	70,621	3,065	73,686
	231,839	410,592	(492,971)	-	110,798	38,662	149,460

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the consolidation of financial statements
As at September 30, 2022
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non-current	Ending balance
			Amount collected	Amount written-off			
Not applicable							

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at September 30, 2022
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related balance sheet	Amount shown under caption “Long-term debt” in related balance sheet
Obligation under finance lease	12,930,698	6,198,824	6,731,874

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule E - Indebtedness to Related Parties
As at September 30, 2022
(All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at September 30, 2022
(All amounts in Philippine Peso)

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

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at September 30, 2022
(All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversions , and other rights	Number of shares held by		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,721	-	-	13	1,708
Class "B" common shares	1,200	1,147	-	-	4	1,143
	3,000	2,868	-		17	2,851

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Schedule of Financial Soundness Indicators

As at September 30, 2022 and December 31, 2021

(With comparative figures as at December 31, 2020)

Ratio	Formula	2022	2021	2020
A. Current and liquidity ratios				
Current ratio	Total current assets Divided by: Total current liabilities Current ratio	1.37:1.00	1.52:1.00	1.18:1.00
Acid test ratio	Total current assets Less: Other current assets Quick assets Divided by: Total current liabilities Acid test ratio	1.32:1.00	1.48:1.00	1.09:1.00
B. Solvency ratio	Total net income after tax Add: Depreciation and amortization Divided by: Total liabilities Solvency ratio	0.01:1.00	0.02:1.00	0.02:1.00
C. Debt-to-equity ratio	Total liabilities Divided by: Total equity Debt-to-equity ratio	0.26:1.00	0.26:1.00	0.31:1.00
D. Asset-to-equity ratio	Total assets Divided by: Total equity Asset-to-equity ratio	1.26:1.00	1.25:1.00	1.31:1.00
E. Debt ratio	Total liabilities Divided by: Total assets Debt ratio	0.21:1.00	0.20:1.00	0.24:1.00
F. Profitability ratios				
Return on assets (%)	Net income Divided by: Total assets Return on assets (%)	-0.30%	-0.30%	-0.43%
Return on equity (%)	Net income Divided by: Total equity Return on equity (%)	-0.38%	-0.37%	-0.57%
Net profit margin (%)	Net income Divided by: Total revenues Net profit margin (%)	-8.95%	-7.68%	-12.65%

CERTIFICATION OF INDEPENDENT DIRECTOR

I, DANIEL C. SAMANIEGO, Filipino, of legal age, and a resident of 18 Hidalgo St., San Lorenzo Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a Nominee for Independent Director of Manila Southwoods Golf & Country Club and have been its Independent Director since 2005 to 2007 and March 2012 to present;
2. I am affiliated with the following companies, associations and organizations:

COMPANY-ASSN-ORG	POSITION-RELATIONSHIP	PERIOD OF SERVICE
Daniel Samaniego Dental Clinic	Private practice in Dentistry	1982 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila Southwoods Golf & Country Club as provided for in Section 38 of the Securities and Regulation Code, its implementing Rules and Regulations and other SEC issuances.
4. I am related to the following Director, Officer and/or substantial Shareholder of N/A other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director, Officer or substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal and/or administrative investigation or proceeding (as the case may be):

Offense Charged or Investigated	Tribunal or Agency Involved	Status
N/A	N/A	N/A

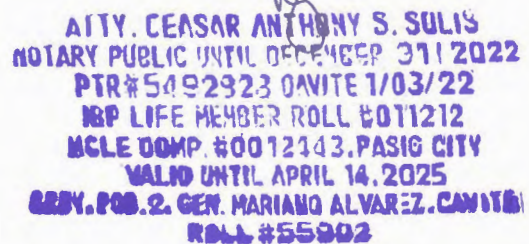
6. (For those in government service/affiliates with a government agency or GOCC) I have the required written permission or consent for the (head of the agency/department) to be an independent director in Manila Southwoods Golf & Country Club, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Manila Southwoods Golf & Country Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this 17th day of October 2022 in Makati City.


DANIEL C. SAMANIEGO
 Affiant

SUBSCRIBED and SWORN to before me this 02 NOV 2022 day of _____, 2022
 at _____, affiant personally appeared before me and exhibited to me his
 Philippine Passport issued on June 19, 2021 at DFA Manila.

Doc. No. 296;
 Page No. 56;
 Book No. 12;
 Series of 2022.


ATTY. CESAR ANTHONY S. SULIS
 NOTARY PUBLIC UNTIL DECEMBER 31, 2022
 PTR#5492923 DAVITE 1/03/22
 IBP LIFE MEMBER ROLL #011212
 MCLE DUMP #0012143 PASIG CITY
 VALID UNTIL APRIL 14, 2025
 ASBY. P.O.B. 2. GEN. MARIANO ALVAREZ, CAVITE
 ROLL #55902

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ALFREDO M. MENDOZA, Filipino, of legal age, and a resident of 122 Champaca St., Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a Nominee for Independent Director of Manila Southwoods Golf & Country Club and have been its Independent Director since 1999 to 2003 and 2006 to present;
2. I am affiliated with the following companies, associations and organizations:

COMPANY-ASSN-ORG	POSITION-RELATIONSHIP	PERIOD OF SERVICE
Cargoaire Freight Forwarders, Inc.	President	1982 to present
Cargoaire Maritime Corporation	President	1982 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Manila Southwoods Golf & Country Club as provided for in Section 38 of the Securities and Regulation Code, its implementing Rules and Regulations and other SEC issuances.
4. I am related to the following Director, Officer and/or substantial Shareholder of N/A other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director, Officer or substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal and/or administrative investigation or proceeding (as the case may be):

Offense Charged or Investigated	Tribunal or Agency Involved	Status
N/A	N/A	N/A

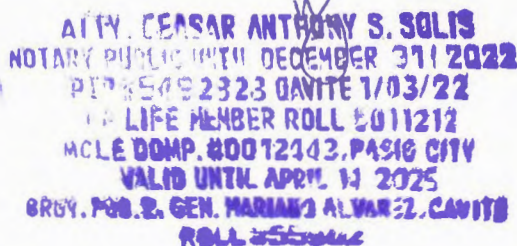
6. (For those in government service/affiliates with a government agency or GOCC) I have the required written permission or consent for the (head of the agency/department) to be an independent director in Manila Southwoods Golf & Country Club, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Manila Southwoods Golf & Country Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this 18th day of October 2022 in Muntinlupa City.


ALFREDO M. MENDOZA
Affiant

SUBSCRIBED and SWORN to before me this 02 NOV 2022 day of _____, 2022
at _____, affiant personally appeared before me and exhibited to me his Senior
Citizen ID issued on June 15, 2017 at Muntinlupa City.

Doc. No. 277 ;
Page No. 54 ;
Book No. 12 ;
Series of 2022.


ATTY. CESAR ANTHONY S. SOLIS
NOTARY PUBLIC UNTIL DECEMBER 31, 2022
PID# 5492323 DAVITE 1/03/22
LIFE MEMBER ROLL 8011212
MCLE DOMP. #0012443, PASIG CITY
VALID UNTIL APRIL 11, 2025
GRUY. PMS. 2. GEN. MARIANO ALVARO, CAVITE
ROLL #550442

NOMINATIONS, CURRICULUM VITAE AND GENERAL PLAN

	CANDIDATES	Pages
1.	Avanceña, Alberto Q.	1 - 3
2.	Campos III, Federico P.	4 - 7
3.	Dy, Edward E.	8 - 10
4.	Gamboa, Rhais M.	11 - 13
5.	Gonzalez, Francisco C.	14 - 18
6.	Lirio, Renato E.	19 - 22
7.	Mendoza, Alfredo M.	23 - 27
8.	Perez de Tagle, Jr., Rafael R.	28 - 32
9.	Samaniego, Daniel C.	33 - 34
10.	Santos, Ferdinand T.	35 -37
11.	Sobrepeña, Robert John L.	38 - 42

NOMINATION FORM

I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. ALBERTO Q. AVANCEÑA as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

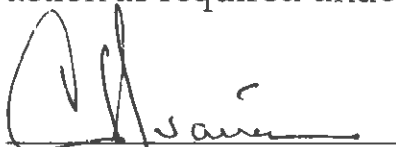
of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.



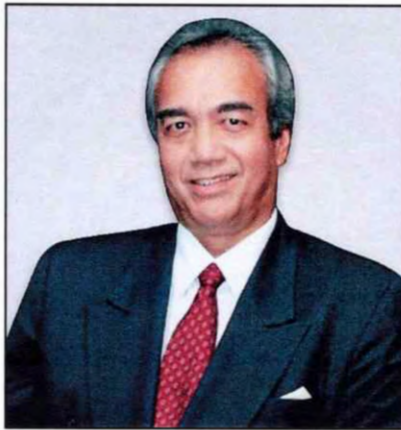
Stockholder
FRUMENCIO DEGUITO

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee





BRIEF PERSONAL BACKGROUNDER

ALBERTO Q. AVANCEÑA

He is the President and Chief Operating Officer (COO) of Club Leisure Management Corporation, an organization with expertise in the planning, development, and operations of leisure-related establishments, i.e., hotels, condotels, resorts, golf clubs, sports clubs, and other leisure facilities.

He previously served as General Manager of Manila Southwoods Golf & Country Club for a total of thirteen years from 1994 to 2006 and 2009. When not involved in actual club operations, he has always served as consultant as he still does presently. He was also consultant for the Forest Hills and Sherwood Hills Golf Clubs in their respective developmental, pre-opening, and opening phases.

He worked with the Hyatt International chain of hotels for more than ten (10) years, assigned to Hyatt Terraces Baguio and Hyatt Regency Manila and assigned to do specific duties in other Hyatt hotels in the Asia Pacific Region.

He was the opening manager of the Montemar Beach Club in Bagac, Bataan during its developmental, pre-opening, and opening phases.

He studied Hotel and Restaurant Management in Tegernsee, Germany at the Hotelberuffachschule D. Speiser and in San Diego, California at the United States International University (USIU).

General Plan of Alberto Q. Avanceña

To share my expertise and experience in golf and country club operations and to act as a bridge between policy and implementation.

To assist club operations in the strict implementation of Health and Safety Covid-19 Protocols as they pertain to the club's employees, staff, and members and their guests.

To liaison between the Operations Management Team and the Club Chairman and his Board.

To continue active participation as a member of the House, Finance, and Grounds committees where prospective Club policies are discussed and formulated for the Board's approval.

To continue to work closely with the Chairman in the development of Club facilities as deemed necessary.

NOMINATION FORM

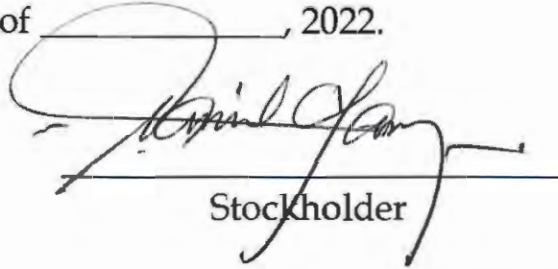
I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. FEDERICO P. CAMPOS III as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

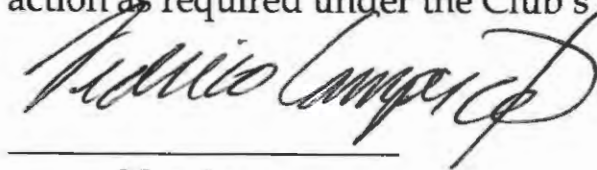
of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.



Stockholder

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee



FEDERICO PINEDA CAMPOS III



PERSONAL INFORMATION

Date of Birth: May 06, 1954

Place of Birth: Manila, Philippines

Married to Eloisa Lim Campos

Name of Children: Marie Annelle Regina L. Campos

Federico Miguel Gerardo L. Campos

EDUCATION

1984: Business Administration

Minor in International Business and Communication

Lindenwood Colleges, Missouri

1972: Twelfth Grade (4th year High School)

International School, Makati

1968: Grades 1 to 7 (Elementary Level)

De La Salle College, Greenhills & Taft

Business involved in up to present:

ATEBABA HOLDINGS, a property holding company engaged in property leasing

BAYVIEW HOLDINGS AND REALTY CORPORATION, a holding company and investment firm involved in diverse projects.

BETONVAL READY CONCRETE INC., a company engaged in the production of ready mix concrete, and quarrying of aggregates.

CASALI PROPERTIES INC. a property holding company engaged in property leasing.

LAGUNA MANAGEMENT & SERVICE CORPORATION, a company engaged in the management of water distribution systems, with a franchise from the National Water Resources Council, servicing a portion of Laguna

LA PAZ HOUSING AND DEVELOPMENT CORPORATION, a privately held company that pioneered in large scale housing development.

MACARIA DEVELOPMENT CORPORATION, a company engaged in housing development.

MACARIA PROPERTIES, INC., a company engaged in property development.

PLAZA PACITA, INC., a commercial shopping center in San Pedro, Laguna.

SUNKIS'D RESORT AND LEISURE GROUP, INC., a company operating a Beach Resort in Laiya, Batangas.

TAGKAWAYAN PROPERTIES, a property holding company.

CLUB MEMBERSHIPS

MEMBER: Calatagan Golf, Malarayat Golf, The Manila Southwoods Golf, & Wack Wack Golf & Country Club

Served in **THE MANILA SOUTHWOODS GOLF AND COUNTRY CLUB** as Director from October 2003 to May 2008

Served in **WACK WACK GOLF AND COUNTRY CLUB**

- June 2010 – May 2012 – Vice President of the Board of Directors
Chairman of Membership Committee
Chairman of Grounds Committee
- June 2012 – May 2014 - Vice President of the Board of Directors
Chairman of Membership Committee
Chairman of Grounds Committee
- June 2014 – May 2016 – Member of the Board of Directors

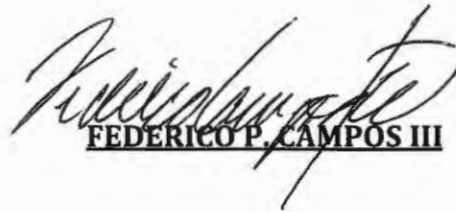
Others

1990 to 1992 Member of the Board of Governor's Subdivision & Housing Developers Association of the Philippines


FEDERICO P. CAMPOSIN

**General Plans
Federico Campos III
As A Candidate for The Board of Directors of
Manila Southwoods Golf & Country Club
For The Years 2022-2023**

1. Ensure that the Club is rational and transparent when creating and spending Capital and Operational Budgets, and sustainability is always considered;
2. Pursue the reimbursement of funds advanced by our Club for third parties in the past, if these funds have not yet been returned at this time;
3. Arbitrate and resolve the issue of undelivered certificates of Members who have fully paid their golf shares since these are due them, and resolution of this issue will have a positive effect on the value of our shares, if it is not too late;
4. Work on further improving the market value of Manila Southwoods Golf and Country Club golf shares;


FEDERICO P. CAMPOS III

NOMINATION FORM

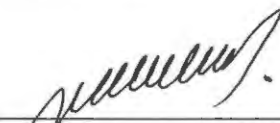
I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. EDWARD E. DY as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.

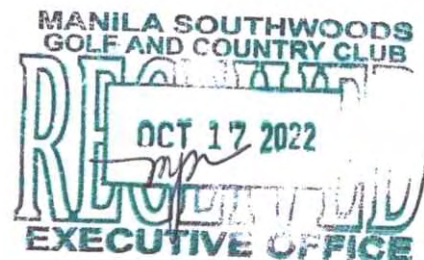


Stockholder
Rafael Perez de Tagle

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee



RESUME OF
EDWARD E. DY



Personal Circumstances:

Nationality : Filipino
Birth Date : June 18, 1948
Birth Place : Manila, Philippines
Civil Status : Married
Address : 7/F Renaissance Tower D
Meralco Avenue
Pasig City

Educational Attainment:

Course	School	Year Graduated
Elementary	Ateneo de Manila	1961
High School	Ateneo de Manila	1965
College	Ateneo de Manila AB-BSC	1970

Work Experience:

1961 to Present	Timeplus Commercial	Director
1970 to Present	Seiko Service Center, Inc.	Director
1988 to Present	DBH Development Corporation	Chairman
1989 to Present	Megaventures Realty Corporation	Chairman
1989 to Present	Sunrise Properties Corporation	Chairman
	Grandview Properties & Ventures, Inc.	Chairman

I hereby certify that the above information is true and correct to the best of my knowledge and belief.

EDWARD E. DY

**PLATFORM
OF
EDWARD E. DY**

1. Continue the upgrade of golf course maintenance equipment.
2. Resolved the tripartite agreement between Golf, Homeowners and Developer for the Sports Club.
3. Resolved the unissued stock certificate.
4. Continue the irrigation and bunker rehabilitation program.


EDWARD E. DY

NOMINATION FORM

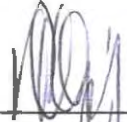
I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. RHAIS GAMBOA as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

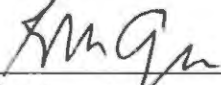
of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.



Stockholder
Francisco C. Gonzalez

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee





BRIEF PERSONAL BACKGROUNDER

RHAIS M. GAMBOA

Rhais Gamboa is presently the Chief Operating Officer of Mt. Grace Hospitals, Inc., a company investing in hospitals. He also sits as board member in several private, tertiary hospitals.

Mr. Gamboa's other work experience: Vice – President of United Laboratories Inc.; President of Aetna Healthcare, Inc.; Undersecretary of Health; Vice Chairman of the Philippines Medical Care Commission (now transformed as the Philippines Health Insurance Corporation).

Mr. Gamboa obtained his B.S. Management Engineering degree from Ateneo de Manila University.

GENERAL PLAN OF ACTION

General Objective

To help make Southwoods the best golf & country club in the Philippines where members, their dependents and guests can enjoy the amenities at reasonable costs in an environment where the appropriate health and safety protocols are in place.

General Plan of Action

- Continue with the improvement of club facilities without unduly burdening members financially through efficient operations and revenue optimization initiatives.
- Foster transparency in Club operations via (i) regular feedback to members of key Board and Committee actions and (ii) adoption of policies and measures to avoid conflict of interest situations involving Board and Committee members.
- Continue obtaining members' feedback as basis for service improvement.
- Contribute to the formulation of appropriate health and safety policies of the Club given the Covid situation and other infectious diseases that may arise.

NOMINATION FORM

I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. FRANCISCO C. GONZALEZ as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.



Stockholder
Jose R. Cecio

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee





Francisco Chacarrategui Gonzalez

225 Socorro Fernandez Street
Addition Hills, Mandaluyong City
City Mobile: (+63) 918-91116290
Landline: (02)5330099/ (02)5315963 to 70
feg@romago.com

Bachelor of Science in Electrical Engineering
Professional Electrical Engineer
PRC# 982

Professional Electrical Engineer

Considered long years of experience in the business and contracting most of skyline projects in Metro Manila and has engineered development projects for nation building. Used to direct and manage the affairs of the organization towards enhancing business prosperity and corporate accountability. A sincere and dedicated individual who is committed to deliver the best results and provide vision to any organization.

AREAS OF EXPERTISE

- Corporate governance
- Leadership
- Team Management
- Project Management
- Quality Support

PROVEN METHODOLOGY:

- Executed business plans through aggressive, innovative & sound strategies that resulted in increased product awareness & subsequently revenue growth.

- Nurture relationships with key consumer suppliers & third party contractors.
- Build, nurture and maintain all key corporate/government relationship.
- Identify, establish and manage strategic relationships with third tier channels to leverage significant long term business opportunities.
- Verify action plans, milestones and performance measurement based on organizational goals.
- Negotiate deals and contracts effectively and ensure deliverables are met & exceeded to customer end & stake holder.
- Based discussion about performance and work habits on behavior rather than on personalities and attitudes.
- Involve team members in goal setting, problem solving and decision-making.
- Promote corporate fairness, transparency and accountability

Present Position in Affiliated Company

- Romago Incorporated : Chairman of the Board
- Fabriduct & Metal Systems Inc : Chairman of the Board
- Electro-Mechanical Products Inc : Chairman of the Board

Qualifications

- Professional Electrical Engineer with PRC No. 982
- Manager and Entrepreneur
- Engineer, Contractor, Designer & Businessman

SKILLS:

- Problem-Solving and Decision-Making Skills
- Payment Handling Management
- Systems Knowledge/Implementation Skills
- Oral/Written Communication Skills
- People Management Skills

List of Membership and Association

- Asean Federation of Electrical Engineering Contractor (AFEEC) : Honorary Chairman
- Society of Philippine Electrical Contractors & Suppliers (SPECS) : Honorary Lifetime Chairman

- Architectural Center Club Inc : Past President
- Institute of Integrated Electrical Engineers of the Philippines (IIEE) : Life Member
- Rotary Club of Mandaluyong : Past President
- Membership Committee MSWGCC : Chairman
- Manila Southwoods Golf & Country Club : Director
- Camp John Hay Golf & Country Club : Director
- Manila Yacht Club : Member
- Subic Yacht Club : Member
- Mandaluyong Chamber of Commerce & Industry : Member
- Club Filipino : Member

Awards and Accomplishments

- Most Outstanding Electrical Engineer of the Philippines
(Professional Regulation Commission 1985)
- Most Outstanding Engineers Award
(Society of the Philippine Electrical Contractor)
- Paul Harris Fellow
(Rotary Club of Mandaluyong)

Various Community Service Awards

Personal Information

Date of Birth	:	March 10, 1944	
Place of Birth	:	Manila	
Nationality	:	Filipino	
Civil Status	:	Married to Aurora Balanga Gonzalez	
Children	:	Ma. Elena G. Elizalde	Married to Santiago Elizalde
		Ma. Angeles G. Hager	Married to Peter Hager
		Ma. Del Cielo G. Rocha	Married to Carlos Rocha
		Francisco B. Gonzalez Jr.	Married to Francine Kahn-Gonzalez
		Martin Francisco B. Gonzalez	Married to Kathleen Moynihan-Gonzalez

GENERAL PLAN
OF
FRANCISCO C. GONZALEZ

- ❖ *Being that we are a Club whose membership has 78 nationalities. It has always been my intention to ensure that all Southwoods Members are treated equally and with respect regardless of rank, race, color or creed.*
- ❖ *To continue to improve policies and programs that are beneficial to the Club and each Member at all times.*
- ❖ *To make sure that all expenses are controlled and check thoroughly.*



FRANCISCO C. GONZALEZ

NOMINATION FORM

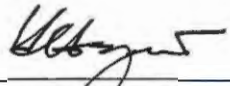
I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. RENATO LIRIO as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.



Stockholder
FRUMENCIO Degurto

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee



**RESUME
OF
MR. RENATO E. LIRIO**



Residence: B133 Alexandra Condo., 29 Meralco Ave. Pasig City
Telephone No.: (632) 6320861
Mobile Phone No.: 0917-8393203
E-Mail Address: relirio@yahoo.com
Place of Birth: Tanauan, Batangas, Philippines
Birth Date: September 27, 1938
Nationality: Filipino
Religion: Roman Catholic

EDUCATIONAL ATTAINEMENT

University of the Philippines, Quezon City

B.S. in Business Administration (Economics), 1963

Philippine Military Academy, Baguio City

Attended the PMA as a Cadet from 1959 to 1961. Resigned due to health & physical problems. Returned to the University of the Philippines to complete the BSBA Degree

Ateneo de Manila University, Manila

Master in Business Management, 1967

Asian Institute of Management, Makati City

Top Management Program, 1975

WORK EXPERIENCE

Joined United Laboratories, Inc. in December 1961. Has remained with the UNILAB Group under various assignments until retirement in December 2005.

- A. With United Laboratories, Inc. Mandaluyong City, Philippines
From 1962 to 1971. Last position held, Director, Marketing Dev. Group.

- B. From mid-1971 until retirement in 2005, served as Member of the Board and Chief Operating Officer of Greenfield Development Corporation and Southern Heights Land Development Corporation (Land Holding & Dev.).

PRESENT BUSINESS ACTIVITIES

Chairman & President, Lima Property Holdings, Inc.
Chairman & President, Makiling Resources, Inc.
Chairman & President, Hill Creek Gardens Tagaytay, Inc.
Director, Pallas Homes, Inc.
Director, Manila Southwoods Golf & Country Club

CIVIC & PROFESSIONAL ORGANIZATIONS

Management Association of the Philippines (Life Member)
International Council of Shopping Centers
Rotary Club of Greenmeadows, RI District 3780 (Past President)
Christian Family Movement, Christ the King Parish Church, Quezon City
UP Vanguard, Inc.
UP Beta Sigma Fraternity
Lt. Colonel, Philippines Army Reserve

GENERAL PLAN

Statement of general plan of action in compliance with the Club's Electoral Code, as a requirement for candidacy as a regular director of the Manila Southwoods Golf & Country Club.

It will be my goal to work for reforms in the Club's Management System to be achieved through transparency in all club activities, particularly in its financial transactions. As before, I will maintain my policy not to engage in any business transactions with the Club.

NOMINATION FORM

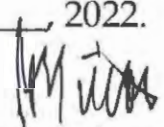
I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. ALFREDO M. MENDOZA as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

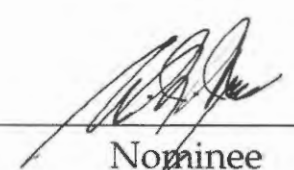
of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.


Roberto Inigo

Stockholder

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee



Bio-Data
of
ALFREDO M. MENDOZA



Born : 15 October 1949
Place : Manila
Residence : 122 Champaca Street, Ayala Alabang Village, Muntinlupa City
Telephone : 842-6498 / 842-5298 / 275-8891
Civil Status : Married to Ma. Linda G. Fuentebella
Children : Juan Miguel Mendoza
 : Alfredo Mendoza Jr.
 : Carlo Lorenzo Mendoza

EDUCATIONAL ATTAINMENT:

Elementary	: ATENEO DE DAVAO	1962
Hingh School	: ATENEO DE DAVAO	1966
College	: DE LA SALLE COLLEGE	1971 (LIA – COM)

HONORS & AWARDS:

1957	Salutatorian – Kindergarten Class
1960	Spelling Bee Champion – Primary Division
1962	Mathematics Champion - Intermediate Division
1964	National Science & Dev't. Board Awardee – Biology
1966	Debating Award Medal – Ateneo De Davao High School
1971	Thesis – Study of the Philippine Airline Industry

MANAGING DIRECTOR & PRESIDENT – 1982 TO PRESENT

1. CARGOIRE FREIGHT FORWARDERS, INC.
2. CARGOIRE MARITIME CORPORATION
3. CYCLO AIR SYSTEMS TECHNOLOGIES, INC.

HOBBIES:

Sports : GOLF, BASKETBALL
Reading : TECHNICAL BOOKS
Travelling

PAST WORK EXPERIENCES:

1972-1974

MANAGEMENT TRAINEE

Ayala Corporation detailed at Filipina Life Assurance Company

1975-1978

ACCOUNT EXECUTIVE

MARKETING MANAGER

Flying Tiger Lines (Los Angeles, U.S.A.) based in Manila. Had Marketing Training and Regular Airport Operations Training in Flying Tigers Headquarters in Los Angeles.

1979-1982

EXECUTIVE DIRECTOR

Concord Express Freight Forwarders, Inc.

PROFESSIONAL & CIVIC AFFILIATIONS AND AWARDS:

SENATOR – Junior Chamber International (JAYCEES)

PAST PRESIDENT 1987 – Manila Junior Chamber of Commerce (Manila Jaycees)

1987 – MOST OUTSTANDING CHAPTER PRESIDENT

1. Metro Manila Jaycees
2. Philippine Jaycees
3. Asia – Pacific Jaycees

HONORABLE MENTION:

MOST OUTSTANDING CHAPTER PRESIDENT of the World at the 1987 Junior Chamber Congress – Amsterdam

MEMBER: BOARD OF DIRECTORS 1986-1998

Republic of the Philippines Golf Association (RPGA)

PAST EVP

PAST VP

PAST TREASURER

PAST DIRECTOR FOR MINDANAO

CHAIRMAN: ORGANIZING COMMITTEE

1993 Philippine Golf Open – Manila Southwoods Golf Club

1994 Philippine Golf Open – Manila Southwoods Golf Club

COMMISSIONER – PHILIPPINE SPORTS COMMISSION 1990-1992

CHEF DE MISSION – PHILIPPINE CONTINGENT

1991 South East Asian Games

CAPTAIN – 1992 PHILIPPINE AMATEUR GOLF TEAM

World Amateur Team Championship, Vancouver B.C. , Canada

BOARD OF DIRECTORS & CHAIRMAN – HOUSE COMMITTEE

Manila Southwoods Golf & Country Club

BOARD OF GOVERNORS 2010-Present

Camp John Hay Golf Club



ALFREDO M. MENDOZA

GENERAL PLAN

2022 HOUSE PROJECTS

Completed

1. Installation of additional Fire Detection & Alarm System at the Rental Golf Cart Shed
2. Rehabilitation & Rewiring of Fire Detection & Alarm System at the Legends Clubhouse and Main Clubhouse
3. Waterproofing works on exterior walls, jambs & sills at the Main Clubhouse
4. Rewiring of Service Entrance at the Maintenance Building
5. Replacement and repainting of ceiling at Bridgeway
6. Replacement of carpet at the Boardroom and Admin Offices
7. Supply & installation of Trophy Cabinet at Main Clubhouse Lobby
8. Supply & installation of stainless louver door for fertilizer & chemical room

In-Progress

1. Air-conditioning and ventilation system at fine dining & mulligan bar, men's & ladies locker, admin offices and function rooms
2. Replacement of carpet at the bridgeway

2023 PROPOSED HOUSE PROJECTS

1. Renovation of Mulligan Bar and Fine Dining area
2. Renovation of Men's & Ladies Locker, and Function rooms
3. Repainting of Main Clubhouse Exterior Walls, Foyer, Verandah ceiling, walls and columns
4. Replacement of roof at the Maintenance Building – Phase 1 & 2



ALFREDO M. MENDOZA

NOMINATION FORM

I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. RAFAEL PEREZ DE TAGLE, JR. as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.

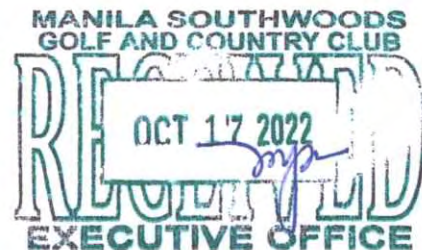


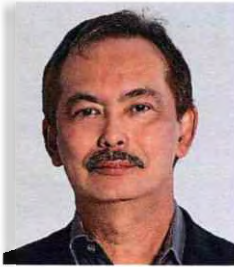
Stockholder
Jose R. Ceco

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee





2021-2023 PROGRAM FOR SOUTHWOODS

RAFAEL R. PEREZ DE TAGLE, JR.

No. 5 Acropolis Drive, Acropolis Subd., Quezon City
Metro Manila, Philippines 1100

CURRICULUM VITAE

Education:

Degree: BA-Economics
Year: 1976
School: De La Salle University, Manila, Philippines

Work Experience:

1996 - Present	Board Director & Consultant – Metro Rail Transit Dev. Corp.
2002 - Present	Board Director – Metro Rail Transit Corp. (MRT3)
2002 – Present	Board Director – Metro Global Holdings Corp.
2001 - 2014	Board Director – Ecocentrum Corp (COO until 2005)
1998 - Present	Board Director – Camp John Hay Development Corp.
1998 - Present	Board Director & President – Club Leisure Mgt. Corp.
2013 - Present	Chairman – Metro Countrywide Corp.
2014 - Present	Board Director - Smart Probe Inc.
2015 - Present	Vice-Chair – Metro Solar Power Solutions
2019 – Present	Vice-Chair – Metro Global Renewable Energy Corp.

PROFESSIONAL & SOCIAL ORGANIZATIONS I BELONG TO, OR HAVE WORKED WITH

1. Management Association of the Philippines (MAP) – Committee Chairman
2. Junior Achievement of the Philippines (JAPI) - Trustee
3. Business Processing Association of the Philippines (BPA/P)
4. Financial Executives Institute of the Philippines (FINEX)
5. International Council of Shopping Centers (ICSC, New York)
6. Rotary Club of Greenmeadows (Quezon City, Metro Manila)
7. Real Estate Brokers Association of the Philippines (REBAP, Former National Board Member)
8. National Golf Association of the Phils. (NGAP) – Board Member
9. Golf Course Superintendents Association of America (GCSAA, USA)
10. La Salle Greenhills Alumni Association (LSGHAA) - Former Board of Trustees

RAFAEL R. PEREZ DE TAGLE, JR.
PROGRAM FOR MANILA SOUTHWOODS GOLF & COUNTRY CLUB
2022-2023

Finance Committee Chairman and a Member of the Board of Manila Southwoods Golf & Country Club. My mission and area of focus is to ensure the professional & sustainable management of Manila Southwoods Golf & Country Club and for the Club to continue as the standard in the Philippines and within the Asia-Pacific region. And **during these Pandemic times, to promote a safe and healthy environment** for Members, Guests, Staff and Caddies within the Club

Some achievements of the Finance Committee are:

1. Three (3) ISO Certifications

- 1.1 **ISO 9001 Certification** – Secured to guarantee Quality Management & Reporting systems.
- 1.2 **ISO 14001 Certification** – Secured to ensure compliance to Environmental Management System.
- 1.3 **ISO 18001 Certification** – Secured to sustain Occupational Health & Safety Systems.

Your Club is the 1st & only Golf Club in Asia Pacific to have all these three ISO Certifications. Southwoods has been ISO Certified since July 1, 2005 (17 years to date).

2. Integrity and transparency in Financial Reporting – Southwoods has set the standard for financial reporting and auditing in the golf industry. Our external auditor, Isla Lipana /PriceWaterhouseCoopers (PwC) is a world-class auditor which allows us to have our reports be the standard for transparent and comprehensive reporting that other Golf Clubs now follow.

3. Improved the value of your Shares – Initiated the acquisition by auction of problematic and delinquent shares to improve the value of your shares through the years. This also created a liquidity buffer of golf shares owned by your Club valued at over Php 400 Million. This buffer helps to:

- 3.1. keep our Monthly Dues at a very reasonable level;
- 3.2. to cushion the costs of damage that may be caused by natural calamities and also,
- 3.3. to help fund further improvements of your golf course.

Your Club now has one of the lowest levels of Member delinquency in the country.

4. Annual Savings on Real Property Taxes – The Club obtained significant savings in real property taxes by correcting the classification of the Club's properties. Your Club successfully negotiated for the 1st ever '*Golf Course*' property tax classification which carries a lower assessment level. Your Club is the first Club to gain this type of property classification.

5. Responsible Environmental Awareness - Initiated the participation into the Audubon Cooperative Sanctuary Program. Your Club is **the first fully-certified Cooperative Sanctuary Program Member in the Philippines and in the Asia-Pacific region** of Audubon International (<http://www.auduboninternational.org/acsp-golf-certified>).

Being a fully-certified Program Member takes years of dedication & perseverance to prepare, and requires continuing compliance to strict standards to maintain year after year. This program encompasses, among others, the following:

- a. Comprehensive Environmental Planning
- b. Wildlife and Habitat Management
- c. Chemical Use Reduction and Safety
- d. Water Conservation
- e. Water Quality Management
- f. Community Outreach and Education

It is the true test of being environmentally-friendly. Your Club has been '*green*' long before all the other Golf Clubs in the Asia-Pacific region

. Southwoods is the 1st Golf Club in Asia-Pacific to achieve this feat. Your Club has been a fully certified member of the Cooperative since April 9, 1999.

6. Best Practices – Since 2010, Southwoods initiated benchmarking of Golf Club financial performance using SEC-submitted Annual Financial Statements of various golf clubs. Your Club has consistently been among the best financial performers among 36-hole golf courses, and even over some 18-hole courses (including the lowest daily operating cost and the highest net income to gross revenue ratio). This was made possible through vigorous yearly programs of conscious cost-cutting measures and prudent spending.

Moving forward, I will strive to achieve the following, aside from maintaining the above standards:

A. Improve the cash position of Your Club – Specially with the uncertainties of the current Pandemic situation, prudent cash flow management is absolutely essential to ensure the long term health of the Club. Coupled with this are the Restricted Funds set up and dedicated to cover projected repairs and developments in the Club over the years to consistently improve the value of your Club. Now that insurance companies do not cover most of the risks for the grounds of the golf course due to natural calamities around the locally world, a cash buffer becomes even more important.

B. Improve the Club's IT Systems for more efficient operations and to minimize the handling of cash and any possible fraud. This will also improve the delivery of services to our Members and keep them updated and connected.

C. Participate and support the Health & Safety Committee in our never-ending quest to keep the Members, Staff and Caddies safe during these trying post-Pandemic times.

D. Embark on renewable energy solutions for the Club's requirements with the end in view of reducing power costs and our carbon footprint using renewable energy;

E. Continue the long-term turf equipment modernization and golf course upgrading program so that all Members and their Guests can enjoy a truly world-class golf facility and so your Shares will improve in value.

My joy is in seeing the Club run professionally as a world-class facility, and for the Members to enjoy the Club for what it is. It's a great Club that only gets better with age.

NOMINATION FORM

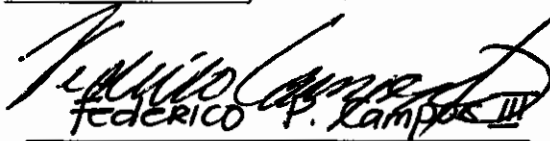
I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate DR. DANIEL SAMANIEGO as

[Please check the appropriate box]

- ☐ Regular Director
☐ Independent Director

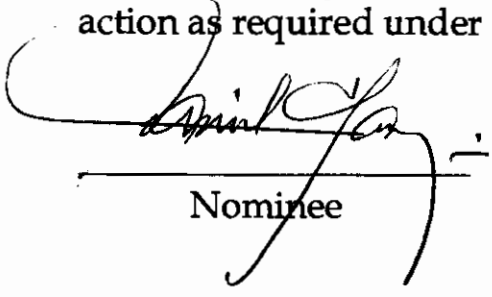
of the Club for the term 2022 - 2023.

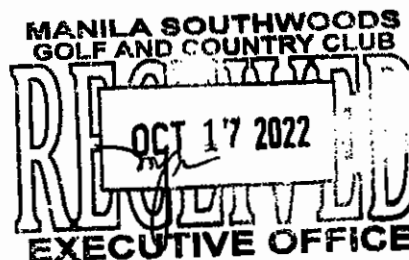
Done this _____ day of _____, 2022.


FEDERICO P. CAMPOS III

Stockholder

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code


Nominee





Daniel C. Samaniego, D.M.D.

University of the Philippines, Doctor of Dental Medicine, 1982

New York University, Postgraduate Training in Implant Dentistry, 1994-1996

Member, Board of Directors, Manila Southwoods Golf & Country Club

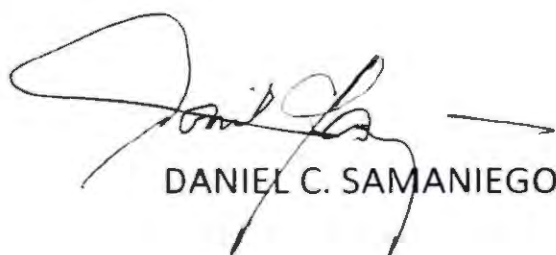
Chairman, Sports and Games Committee, MSGCC

Member, Health and Safety Committee, MSGCC

Member, Grounds Committee, MSGCC

OBJECTIVE

To ensure, that in spite of the varying health- and economically-related issues foisted on us all by this global pandemic, we shall strive to collectively preserve the Club's positive golfing experience, which all of us members have been enjoying through the past several years, keeping it dependable, consistent, and sustainable.


DANIEL C. SAMANIEGO

NOMINATION FORM

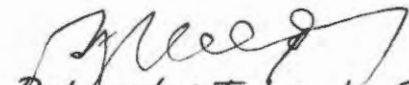
I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate ATTY. FERDINAND T. SANTOS as

[Please check the appropriate box]

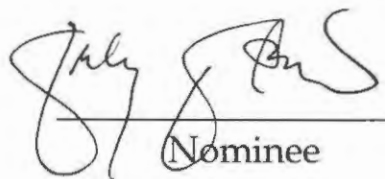
- ☒ Regular Director
☐ Independent Director

of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.


✓ Robert John L. Sobrepeña
Stockholder

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee





FERDINAND T. SANTOS

He is currently the President of Fil-Estate Management, Inc. Fil-Estate Development, Inc., Metro Global Holdings Inc., MRT Development Corporation, St. Benedict Realty & Development, Inc., Royal Jade Memorial, Inc., Serenity View Resort Property, Inc. (Escala Tagaytay Hotel), St. Escriva Development, Inc. and Mt. Zion Memorial, Inc. He also serves as Director of Global Estate Resorts, Inc. (formerly Fil-Estate Land, Inc.) and Manila Southwoods Golf & Country Club, Inc. and President of Camp John Hay Golf Club, Inc. He graduated from Arellano University with Bachelor of Arts degree in 1970 and took his Bachelor of Laws at San Beda College of Law where he graduated Valedictorian - Magna Cum Laude in 1974. He was a topnotcher in the 1974 Philippine Bar (2nd Place).

GENERAL PLAN

ATTY. FERDINAND T. SANTOS

My general plan as a candidate for directorship of Manila Southwoods Golf & Country Club is to dedicate my time and effort in maintaining the World Class level of our Golf Club, help promote Good Corporate Governance and endeavor to bring peace, camaraderie and fellowship to our Club.

NOMINATION FORM

I, a stockholder of The Manila Southwoods Golf & Country Club, Inc. (the "Club"), do hereby nominate MR. ROBERT JOHN L. SOBREPENÑA as

[Please check the appropriate box]

- ☐ Regular Director
- ☐ Independent Director

of the Club for the term 2022 - 2023.

Done this _____ day of _____, 2022.



Stockholder
Rafael Perez de Tagle

I hereby conform to my above nomination. In connection therewith, enclosed are my *curriculum vitae*, photograph and one-page general plan of action as required under the Club's Electoral Code



Nominee



BIOGRAPHICAL DATA OF:

ROBERT JOHN L. SOBREPEÑA



I. PERSONAL

1. Name : Robert John L. Sobrepeña
2. Citizenship : Filipino
3. Date of Birth : December 27, 1954
4. Place of Birth : Kamuning, Quezon City
5. Civil Status : Married
6. Name of Spouse : Melissa Louise L. Sobrepeña
7. Name of Children : Roseline Julia L. Sobrepeña
Angela Louise L. Sobrepeña
Andrea Isabelle L. Sobrepeña
Martha Laura L. Sobrepeña
Robert John L. Sobrepeña, Jr.
Catherine Joyce L. Sobrepeña
John Philip L. Sobrepeña
8. Residence Address : Penthouse (Unit 2601)
Renaissance 3000 Condominium
Renaissance Centre, Meralco Avenue,
Ortigas Center, Pasig City
9. Business Address : 1/F Renaissance Towers
Meralco Avenue, Ortigas Center, Pasig City
10. Telephone : (632) 8634-2227
(632) 8633-6235 loc. 119

II. EDUCATION & TRAINING

COLLEGE OR UNIVERSITY EDUCATION

<u>Degree/Course</u>	<u>School Attended</u>	<u>Year Graduated</u>
Bachelor of Arts in Psychology/ Marketing	De La Salle University	1978

III.1. WORK EXPERIENCE

<u>Name of Office</u>	<u>Position</u>
1. Holding Companies	
- Fil-Estate Management, Inc.	Chairman of the Board
- Summit Estate Realty & Development Corp.	Chairman of the Board
- Metro Rail Transit Holding, Inc.	Chairman of the Board
2. Publicly Listed Companies	
- Metro Global Holdings Corporation	Chairman of the Board
- Metro Solar Power Solutions, Inc.	Chairman of the Board
- Metro Global Renewable Energy Corp.	Chairman of the Board
- Metro Transit Corporation	Chairman of the Board
3. Mass Transportation	
- Metro Rail Transit Corporation	Chairman & CEO
- Monumento Rail Transit Corporation	Chairman & CEO
- Metro Rail Transit & Development Corp.	Chairman & CEO
4. Real Estate Marketing	
- Fil-Estate Realty Corporation	Chairman of the Board
- Fil-Estate Marketing & Associates, Inc.	Chairman of the Board
- Fil-Estate Network, Inc.	Chairman of the Board

III.2. WORK EXPERIENCE

<u>Name of Office</u>	<u>Position</u>
5. Developer: Golf Communities & Country Clubs	
- Camp John Hay Development Corp.	Chairman of the Board
- Camp John Hay Hotel Corporation	Chairman of the Board
- Camp John Hay Water Corporation	Chairman of the Board
- Sherwood Hills Development, Inc.	Chairman of the Board
- Forest Hills Development Corporation	Vice-Chairman
6. Operations: Golf, Country Clubs and Leisure Developments	
- Club Leisure Management, Inc.	Chairman of the Board
- Manila Southwoods Golf & Country Club	Chairman of the Board
- Sherwood Hills Golf Club, Inc.	Chairman of the Board
- Camp John Hay Golf Club, Inc.	Chairman of the Board
7. Management: Homeowners Association	
- Renaissance Condominium Homeowners Association, Inc. (RCHAI)	Chairman of the Board
- Renaissance 3000 Homeowners Association	Chairman of the Board and President

8. Management Companies

- | | |
|---------------------------------|-----------------------|
| - Bramante Management, Inc. | Chairman of the Board |
| - Club Leisure Management, Inc. | Chairman of the Board |
| - CJH Leisure Management, Inc. | Chairman of the Board |

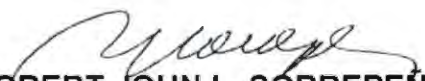
III.3. WORK EXPERIENCE

<u>Name of Office</u>	<u>Position</u>
9. Real Estate Acquisition, Development and Management	
- Fil-Estate Development, Inc.	Vice-Chairman
- Nasubgu Properties, Inc.	Chairman
10. Commercial Development and Leasing	
- Belvedere Tower Condominium Corporation	Chairman of the Board
- Metro Rail Transit & Development Corp.	Chairman of the Board
11. Construction & Project Management	
- International Project Management, Inc.	Chairman of the Board
- Global Shelter, Inc.	Chairman of the Board
- Magna Ready Mix Corporation	Chairman of the Board
- Multi-Global Construction Corporation	Chairman of the Board
- Golforce, Inc.	Chairman of the Board
12. Insurance	
- CAP General Insurance, Inc.	Director
- CAP Insurance Company	Director
- CAP Educational Plans	Vice Chairman
- CAP Pension Corporation	Director
- CAP Philippines, Inc.	Director

III.4 WORK EXPERIENCE

<u>Name of Office</u>	<u>Position</u>
13. Information Technology & Data Processing	
- Smart Probe, Inc.	Chairman
- Techno Probes International Technologies Holdings, Inc.	Chairman

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.


ROBERT JOHN L. SOBREPENÁ

As of October 21, 2022

GENERAL PLAN

We are now celebrating our 30th anniversary which also means our clubhouse building will need a complete renovation and upgrade in keeping with the times and the lofty standards with which Southwoods started 30 years ago.

My current plan is to renovate and upgrade the main Masters clubhouse. We will start the immediate renovation of the Mulligan Bar and convert it to a modern Sports Bar complete with new Bar, new TV Monitors, new flooring and ceiling, plus wallpaper, VRF air conditioning, and new furniture. The result will be a modern look while maintaining the classic ambiance of our Mulligan Bar.

Likewise, the entire Men's and Women's Locker room facility will undergo renovation. We are installing a brand new air-conditioning system utilizing the latest VRF technology complete with AC and Ventilation system that will strictly comply with IATF standards for the safety and well-being of our members. Also, we will be installing new flooring, ceiling, and wall painting. Furthermore, new shower fittings and tile repairs will be implemented. This will give our locker a new, upgraded finish.

The next renovation program will focus on the second-floor facilities such as the Ballroom, function rooms, comfort rooms, and administration offices. Again the objective is to give these facilities an upgraded and new look.

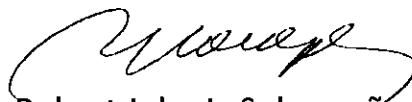
Lastly, we plan to repair and upgrade the Veranda area. New furniture will be introduced while some of the old furniture will be repaired and re-finished.

While all these renovation programs are designed to improve, modernize, and upgrade the entire clubhouse, we shall ensure that the high standards Southwoods is known for shall be achieved.

All these with the aim of providing our members a better, safer, more comfortable environment while raising the standards of our Clubhouse facility.

Most importantly, we will do all of these using club financial resources without burdening our members with the cost of the construction and renovation of all these programs.

The result will be a new, upgraded Masters clubhouse facility that shall serve our members and guests for another 30 years.


Robert John L. Sobrepeña

SEC Number **181069**

File Number

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.**

(Company's Full Name)

**Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite**

(Company's Address)

(046) 419-8190

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A Annual Report

Form Type

Amendment Designation (If applicable)

December 31, 2021

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2021
2. SEC Identification Number 181069
3. BIR Tax Identification No. 000-645-256
4. Exact name of registrant as specified in its charter
The Manila Southwoods Golf & Country Club, Inc.
5. Cavite, Philippines
Province, Country or other jurisdiction of
Incorporation or organization
6.  (SEC Use Only)
Industry Classification Code
7. Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite
Address of principal office
- 4116
Postal Code
8. (046) 419-8190
Registrant's telephone number, including area code
9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec.4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt Outstanding
Class A	1,800 shares	₱1,508,650,362
Class B	<u>1,200</u> shares	<u>1,005,100,242</u>
Total	<u>3,000</u> shares	<u>₱2,513,750,604</u>

11. Are any or all of these securities listed on the Philippine Stock Exchange

Yes [] No [x]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Not Applicable

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. If a determination as to whether a particular person or entity is as affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

<u>No. of shares</u>	<u>Average Market Price per Share</u>	<u>Market Value</u>
2,106	₱1,587,963	₱3,344,250,078

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.
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PART I BUSINESS AND GENERAL INFORMATION

ITEM 1. Business

The Manila Southwoods Golf & Country Club, Inc. (the Club) was incorporated on September 5, 1990 and started full operations on January 2, 1995. Its securities were registered with the Securities and Exchange Commission for sale to the public on October 23, 1991.

The Club was organized and operates exclusively for the promotion of the social, recreational and athletic activities on a non-profit basis among its shareholders, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The Club has not been subject to any bankruptcy, receivership or similar proceedings. Neither has the Club been subject to any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

As a nonprofit entity, the Club generates revenues in the form of membership and other fees in order to meet the expenses for its general operations, maintenance and improvements of the premises and facilities. The major source of revenue from club operations and receipts from members and their corresponding contribution to total receipts are as follows: membership dues, 54%; membership and transfer fees, 17%; and green fees and tourist fees, 13%. Total receipts and income of the Club for 2021 registered an increase of ₱25.9 million or 13% because of the improvement on COVID-19 situation with minimal temporary closures of golf operations although some club facilities and activities remained closed and suspended during the year such as the tournaments, hosting of events, use of locker rooms, and other services as part of the Club's health and safety protocols to prevent the spread of the virus. The percentage of contribution of other receipts and revenues during the year is almost the same of the preceding year. Other services offered by the Club to the members and their guests are golf tournament management, banqueting functions and golf cart rentals.

The Club has no sales or revenues and net income contributed by foreign sales.

All Club products and services are delivered within the premises of the Club to visiting members and their guests. There are no elaborate distribution methods of products and services.

There is no publicly-announced new product or service of the Club.

The golf industry caters to upper and middle class individuals and families who have available disposable income to be able to own a proprietary share of stock or rent a share for playing rights. Located to the south of Metro Manila or the CALABARZON area, the Club is in direct competition with other golf courses such as The Orchard Golf & Country Club, Riviera Golf & Country Club, Eagle Ridge Golf & Country Club, Tagaytay Highlands, Tagaytay Midlands and Sherwood Hills Golf Club, all located within the province of Cavite. Further down south are Sta. Elena Golf & Country Club, The Country Club, Canlubang Golf Club and Ayala Greenfields, all in Laguna province and Mt. Malarayat Golf & Country Club in Lipa City, Batangas.

Principal methods of competition in the golf industry consist of quality of facilities, amenities and services, pricing and accessibility. The Club enjoys higher patronage as compared to its competitors due to its accessibility from major thoroughfares. It is the first golf course a golfer would reach south of Metro Manila

via South Luzon Expressway. It is only about 10-minute drive from Alabang, Muntinlupa and 40 minutes from the Makati financial district. This fact, coupled with the quality of its 36-hole golf course and leisure facilities, which are being maintained all year round at the highest level, in turn gives more value for money. Further, the Club maintains superior member-guest relations and services as compared to its competitors. With these factors, the Club has always been considered as one of the leaders in the industry to which others measure and gauge their own performance.

The Club is not dependent on any particular supplier or group of suppliers for various supplies needed in the operation and maintenance of its facilities. Major parts of its requirements are readily available in the local market from various manufacturers and traders. Specialized requirements such as imported spare parts for turf equipment, irrigation and pump systems and a number of fertilizers and herbicides grades are available through local authorized distributors or directly from the foreign manufacturers. The Club has no existing major supply contracts.

The Club is not dependent upon a single customer or a few customers. It currently has 2,200+ active members, all can use the facilities and services of the Club together with their guests subject to existing house rules, regulations and procedures. In the normal Club operations, it is also open to member-sponsored golf tournaments and to a limited extent, and tourists program at premium rates. However, since the COVID-19 pandemic had started sometime in March 2020, golf tournaments and tourist program remained suspended in 2021 to avoid congestion and the possible source of spread of the virus. There is no customer that accounts for at least twenty percent (20%) of the Club's revenues and there are no existing major sales contracts.

In the normal course of business, there were transactions involving expense allocations for key management personnel and outstanding balances for the retirement benefits and contributions which were specifically discussed in the related party transactions and balances of this report. The Club is not dependent on any related party.

The Club has no patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements to which its operations depend on or is expected to depend.

There is no need for any government approval of principal products or services being offered by the Club to its members and their guests.

The Club is still in the process of rectifying and securing certain permits from the Department of Environment and Natural Resources (DENR) and Laguna Lake Development Authority (LLDA) for golf operations. A group of consultants were commissioned by the Club to attend and administer the process of securing the necessary permits and the funding requirement has been allocated. The documentation process have slowed down due to the impact of COVID-19 pandemic. The expected completion of the project is within the current year.

The Club has not spent on research and development activities during the three last years.

Since April 9, 1999, the Club has been fully certified by the Audubon Cooperative Sanctuary Program, a leading non-governmental, internationally-recognized environmental organization based in the United States. The objective of the program is to educate people to become environmental stewards and motivate them to take action and enhance their habitats and, conserve natural resources and improve the environment and the surrounding communities. The Club has the distinction of being the first golf club to receive this Audubon Certification in the Asia-Pacific region. The Club had since been recertified on a bi-annual basis and expects to be continuously recertified again in the succeeding years.

The Club obtained its Integrated Management System (IMS) certification in 2005 from TUV Philippines to become the first golf club in the Philippines that successfully established, implemented, and maintained the three governing IMS standards, namely, the ISO 9001, ISO 14001 and ISO 45001 for Golf Club Operations. The Club is the first of its kind to be certified individually on Quality Management System (ISO 9001), Environmental Management Systems (ISO 14001), and Occupational Health and Safety (ISO 45001). The certification is generally awarded to companies that continually improve the quality of their products and services while paying careful attention to the impact on the environment and the well-being of their members and employees. The IMS certification involves achieving all members' requirements, the health and safety of members and employees, as well as prevention of pollution in and around the club venue and golf course. The Club has successfully maintained its re-certification since 2005.

From 2014 to 2020, the Club was awarded as Philippine Best Golf Course (Masters Course) by World Golf Awards for six (6) times in seven (7) years. Other previous awards received by the Club are Golf Course of the Year (Masters Course) by Business Mirror (2016 & 2017), One of the Top Ten Golf Courses in Asia by Destination of the World Awards (2016), Titled as One of the Best Golf Course in the Philippines (Masters Course) by Business Mirror (2015), and Host Venue of the Year (Legends Course) by Philippine Golf Tour (2014). The Club was the venue of the prestigious Asian Tour, the Resorts World Manila Masters for five (5) consecutive years from 2013 to 2017 with prize money of US\$1 million, the highest prize money ever offered in the Philippines.

The Club was also declared as champion in the previous years in various inter-club and national tournaments, namely, Champion for four (4) consecutive years in the Mens Regular Founders Division of PAL Interclub Tournament (68th, 69th, 70th & 71st PAL Interclub). In 2019, Champions (Founders Division) in the PAL Seniors Interclub Golf Tournament, Champions (Championship Division 1) in the PAL-JGFP Junior Interclub Golf Championship, Champions in the PGT Delimondo National Pro-am, Champion in the Junior World Championship, Champions (Fil Championship Division) in 70th Fil-Am Invitational Golf Tournament, Champions (Am Championship Division). There were no inter-club tournaments held in 2020 and 2021 due to the COVID-19 pandemic.

As of December 31, 2021, the Club has 226 employees working full-time. This figure consisted of 192 employees involved in operations (i.e., golf operations, grounds maintenance, engineering, purchasing and materials management, security and housekeeping) and 34 employees involved in office/administrative functions (i.e., personnel, training, executive office and accounting). A total of 175 employees as of December 31, 2021 are covered by the existing CBA which will expire on December 31, 2022. The labor group and the Club management has established and maintained a good and harmonious working relationship ever since. The Club has never experienced any dispute, strike or disturbance from employees and the local union since its formation in 1998. Supplemental benefits given by the Club to its employees include salary adjustment, duty meal and allowances, partial cash conversion of unused sick leave benefit, provision of uniforms, loyalty awards, retirement benefits, bereavement financial assistance, birthday gift, emergency loans, life and medical insurance, among others.

The major risk involved in the operations of the Club is mainly the stoppage or hampering of operations which may be brought about by natural calamities, fire, and other causes such as COVID-19 pandemic. The Club is normally open 365 days a year especially on holidays where patronage or player traffic is high. In the industry itself, premium is given to all year-round playability and the clubs are always open. Several years back, the Club had suffered flooding incidents that resulted to series of repair works and temporary closure of the areas affected by floodwater and silts. The last flooding incident that had temporarily paralyzed portion of the facilities while undergoing clean-up and rehabilitation. The Club had been continuously doing the clean-up program of all river channels going through its property to minimize the

risk of water overflowing during rainy months. In 2020 and 2021, the Club had to stop temporarily its operations in several occasions due to Taal Volcano eruption and the implementation of enhanced community quarantine (ECQ) by the national government to prevent the spread of corona virus disease (COVID-19) that hit world-wide on the early part of 2020. Club operations had been on on-and-off situation for quite a while because of the recurrence of the virus while some of the club facilities and sports events had to remain suspended throughout the year in compliance to the ordinances and directives of the government.

ITEM 2. Properties

The Golf Course, a project of Fil-Estate Golf and Development, Inc. (Developer) is a result of a Development Agreement between the developer and other realty and development companies which originally owned the land where the Golf Course Project is located. The Developer was originally a joint venture company between Fil-Estate Properties, Inc. and Dyna Land Development Corporation. Upon completion of the Club, Dyna Land sold its shares to FEGDI in whole.

The Club's Golf Course and Clubhouse Development Works is located at Carmona, Cavite with an aggregate land area of 136 hectares more or less. As of December 31, 2021, land titles covering about 123 hectares, out of the total land area actually covered by the Golf Course Project of approximately 136 hectares, have already been transferred and registered in the name of the Club on the basis of a "tax-free exchange" ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue ("BIR"). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club has obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name of the Club. The Club's management and legal counsel believe that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares nor are there any adverse claims by third parties to the aforesaid 13 hectares of land. The Club has two clubhouses, a maintenance facility, four tee houses, a driving range, two starter houses, a halfway house and several storm huts. The golf course and other properties are in good condition and undergo regular preventive maintenance and major renovation whenever the need arise.

A series of Compromise Agreements (for Block 74, Lots 1 & 3 and Block 66, Lot 2) were executed on August 18, 2004 between The Manila Southwoods Golf & Country Club, Inc. (the "Club") and National Transmission Commission ("Transco"), a government owned and controlled corporation. The Club, in consideration of just compensation (received in December 2005), agreed for the latter to expropriate a portion of a parcel of land, covered by Transfer Certificate of Title (TCT) No. T-93297 of the Registry of Deeds (the "affected property"), intended for the site of a new steel tower of the Dasmariñas – Biñan 230 kV Transmission Line Project (the "Project"), for the broader interest of public welfare. The Order of Expropriation was annotated at the back of TCT No. T-593297.

Further, the agreement provided that in the event Transco, or its successors-in-interest, retires the transmission line or alters the use or specific purpose for which the affected property was expropriated and condemned, the Club reserves the right to acquire the affected property at a price equivalent to the current Bureau of Internal Revenue's zonal valuation.

In addition, Right of Way Agreements (Block 74, Lot 2 and Block 66, Lot 3) were also executed on the same date. Transco, in order to meet the target completion date of the Project which was considered vital to the distribution of electricity of the Luzon Grid System, offered to pay the Club an easement fee for a right of way over that portion of the parcel of land. That in the event Transco, or its successors-in-interest, retires the transmission line or alters the use or specific purpose for which the affected property was expropriated and condemned, the Agreements will be rendered null and void and all the rights of possession and ownership over the affected property will be assumed by the Club.

There are no mortgages, lien, or encumbrance over the properties of the Club nor are there any limitations on ownership or usage over the same. The Club does not lease any major property essential to its operation.

The Club had been in operation for nearly 30 years now and its facilities and equipment require refurbishment or replacement due to wear and tear. In line with the Club's commitment to provide its members with first class facilities and the best playing conditions, the Club through its different Committees is identifying on a yearly basis the portion of the golf facilities including operating equipment that require rehabilitation or replacement for budget allocation and immediate implementation based on identified level of priorities. For the year 2022, the club is projecting to spend over Php30 million for various rehabilitation projects and capital expenditures based on its projected annual budget and available of funds.

ITEM 3. Legal Proceedings

Although the Club is a respondent in several legal cases arising from the normal course of business, there are no material pending legal proceedings that would have material impact on the financial conditions or results of operations of the Club.

ITEM 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

PART II OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. Market Price of Registrant's Common Equity and Related Stockholder Matters

Market Information

As of January 2, 1995 all the 3,000 authorized no-par shares have been issued to the developer and its land owner partners in exchange for the two (2) 18-hole golf courses, buildings and facilities and the land where the Club now stands. The Club itself does not engage in any trading activities of its own shares except as provided for in its By-Laws with regards to the auctioning of shares of delinquent members to settle their outstanding liabilities to the Club. As of December 31, 2021, the Club has a total of one hundred thirty-five (135) delinquent shares acquired at the public auctions. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as of the date of auction plus costs incurred in the auction. There is no public trading market for the Club's shares. These are available only from the developer, its landowner partners and existing individual/corporate owners at a price agreed upon by both parties concerned, subject to the exercise of the Club of its right to first refusal over the shares.

Buyers of the Registrant's golf shares are expected to be from the upper and middle income class bracket, the Metropolitan Manila based golfers (and surrounding cities and municipalities) and present and future residents of the Manila Southwoods Residential Estates. The Registrant's golf shares are not traded in any Stock Exchange. The primary golf shares issued to the Developer and its landowner partners are sold to individuals and corporations through the marketing arm of the Developer while secondary shares are usually traded through individual transactions and brokers of club shares. In 2021, there were 85 transfer fees earned by the Club for the transfer of share ownership.

SHARE PRICES (Millions)

		2021		2020		2019	
		High	Low	High	Low	High	Low
First Quarter	A	1.35	1.35	1.20	1.20	1.20	1.20
	B	1.50	1.50	1.70	1.70	1.60	1.50
Second Quarter	A	1.35	1.30	1.20	1.20	1.20	1.20
	B	1.70	1.60	1.70	1.70	1.60	1.60
Third Quarter	A	1.70	1.50	1.30	1.10	1.30	1.20
	B	1.80	1.70	1.85	1.80	1.70	1.70
Fourth Quarter	A	2.00	2.20	1.35	1.20	1.30	1.10
	B	2.20	1.80	1.50	1.50	1.50	1.50

Holders

Top 20 shareholders as of December 31, 2021 are as follows (for practical presentation, only those shareholders holding 3 shares and above were included in the list):

Class A:

Name	No. of Shares Held	% to Total
1. Southern Heights Land Development Corp.	55	3.19%
2. Grandview Properties and Ventures, Inc.	49	2.85%
3. La Paz Housing Dev. Corporation	42	2.44%
4. Fil-Estate Land, Inc.	32	1.86%
5. College Assurance Plan	21	1.22%
6. Carmona Realty & Development Corp.	16	0.93%
Greenfield Development Corp.	16	0.93%
Fareast Bank & Trust Co.	16	0.93%
7. Fil-Estate Management, Inc.	13	0.75%
8. Homerson Development Corporation	7	0.41%
9. Fil-Estate Golf Development, Inc.	6	0.35%
10. Chuateco Romeo Sy	4	0.23%
Buenafortuna, Inc.	4	0.23%
Ignacio Co	4	0.23%
Travellers Intl. Hotel Group, Inc.	4	0.23%
Carino, Noel	4	0.23%
Development Bank of the Phils.	4	0.23%
11. Mitsubishi Motors Phils. Corp.	3	0.17%

Caltex Philippines, Inc	3	0.17%
Advanced Medical System, Inc.	3	0.17%
Diamond Motors Corporation	3	0.17%
Francisco Gonazalez	3	0.17%
Looyuko Alberto T.	3	0.17%
Petron Corp	3	0.17%
Summit Estate Realty and Dev. Corp.	3	0.17%
Castillo Erlinda Flor	3	0.17%
Integrated Microelectronics, Inc.	3	0.17%
Nestle Philippines, Inc.	3	0.17%
Brent International School	3	0.17%
San Miguel Corporation	3	0.17%
Foscon Express Shipping Corp.	3	0.17%

Class B:

Name	No. of Shares Held	% to Total
1. Southern Heights Land Development Corporation	171	14.96%
2. Fil-Estate Golf & Development Inc.	156	13.65%
3. La Paz Housing & Development Corp.	85	7.44%
4. Grandview Properties and Ventures, Inc.	31	2.71%
5. Greenfield Development Corporation	21	1.84%
6. College Assurance Plan	20	1.75%
7. Southcoast Real Estate Development Corp.	18	1.57%
8. Carmona Realty & Development Corp.	11	0.96%
9. Caltex Philippines, Inc.	4	0.35%
Fil-Estate Management, Inc.	4	0.35%
Po Chi Chang and Fu Shu Shi	4	0.35%
Wan-Chu Chen	4	0.35%
Mitsui & Co., Ltd.	4	0.35%
10. Tan Caysing/Czarnita	3	0.26%
Benito R. Araneta	3	0.26%
The Coca-Cola Export Corp.	3	0.26%
Mitsubishi Corporation	3	0.26%

Founders' and Class "A" and Class "B" shares outstanding as of December 31, 2021 were 1,722 and 1,143 shares, respectively, based on the Club's stock and transfer books. Out of the 135 delinquent shares acquired by the Club, 68 shares were actually transferred in the name of the Club while the transfer of the remaining 67 shares are still being processed.

Dividends

Being a non-profit organization, there are no cash dividends declared or will be declared at any time in the future as provided in the Articles of Incorporation. Stockholders are entitled only to a pro rata share of the assets of the Corporation at the time of dissolution or liquidation.

Recent Sales of Unregistered Securities or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

Within the past three (3) years there are no sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction under the Code including sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities resulting from the modification of outstanding securities.

ITEM 6. (A) Management's Discussion and Analysis or Plan of Operation

Fiscal Year 2021 and 2020

Balance Sheet

Total assets of the club as of December 31, 2021 and 2020 is ₱5.75 billion and ₱5.73 billion, respectively, or increased by ₱23.6 million or 0.41%. Balance sheet accounts with significant movements from the previous year are as follows:

Cash and cash equivalent. Cash account increased by ₱53.5 million or 73.0%, from ₱73.3 million to ₱126.8 million, due to the improvement in operations as the COVID-19 pandemic eases in the latter part of 2021.

Receivables. Receivable increased by ₱9.0 million or 43.4%, from ₱20.8 million to ₱29.8 million, due to re-issuance of club acquired delinquent shares on installment basis and various down payments to suppliers and contractors in relation to the on-going rehabilitation projects of the Club.

Inventories. Decreased by ₱1.4 million or 7.8%, from ₱17.8 million to ₱16.4 million, which is attributed to the increased consumption of various maintenance supplies with the improvements on Club operations.

Prepayments and other current assets. Decreased by ₱4.9 million or 56.4%, from ₱8.7 million to ₱3.8 million, due to the deferred payment of real property taxes for 2022 pending the resolution of the Club's appeal on the new land valuation for the golf courses imposed by the local government.

Property and equipment. Decreased by ₱35.0 million or 12.9%, from ₱270.4 million to ₱235.4 million, mainly due to the depreciation expense for the year.

Retirement benefit assets. Registered a balance of ₱0.4 million as compared to nil in the previous year representing the excess payment of retirement contribution based on the latest actuarial valuation conducted by an independent contractor.

Other noncurrent assets. Increased by ₱2.0 million or 7.1%, from ₱29.0 million to ₱31.0 million, due to the additional non-current portion of installment receivable from the re-issuance of club acquired delinquent shares.

Unearned receipts. Increased by ₱17.3 million or 34.0%, from ₱51.0 million to ₱68.3 million, representing the advance payment of monthly dues by the members, and additional membership fees collected by the Club which are being amortized over an average length of membership of four (4) years, in compliance to PFRS#15.

Lease liabilities. Decreased by ₱4.9 million or 34.4%, from ₱14.1 million to ₱9.2 million, due to payment of lease amortizations for the year.

Retirement benefit liability. Registered a nil balance as compared to ₱0.8 million from previous year due to the payment of retirement contributions for the year.

Deferred income tax liabilities. Decreased by ₱205.0 million or 16.7%, from ₱1.23 billion to ₱1.03 billion, due to the impact of CREATE law from the appraisal of land in 2020.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱23.9 million or 75.0%, from ₱31.9 million to ₱55.8 million, due to the re-issuance of various class “A” and class “B” shares during the year with prices ranging from ₱1.5 million to ₱2.5 million.

Result of Operations

The Club registered an excess of receipts over costs and expenses before depreciation and income tax amounting to ₱24.2 million for the current year as compared to ₱22.2 million of the previous year or an increase of ₱2.0 million or 9.2% due to the improvement on club operations..

Revenues from club operations and receipts from members. Total revenue from club operations and receipts from the members for the year is ₱221.5 million as compared to ₱195.6 million of the previous year, or increased by ₱25.9 million or 13.2%. Revenue items with an increase/decrease of 5% and above are as follows:

Membership dues – increased by ₱6.8 million or 6.0%, from of ₱112.1 million to ₱118.9 million, due to reactivation of club membership of some shareholders who have been inactive for several years.

Membership fees – increased by ₱2.8 million or 15.4%, from of ₱18.4 million to ₱21.2 million, due to the accumulation of new member applicants from 2020 but were only completed in 2021 brought by the surge of COVID-19 pandemic.

Transfer fees – increased by ₱6.0 million or 54.5%, from of ₱11.0 million to ₱17.0 million, as some shareholders sold their golf shares due to the pandemic.

Annual playing rights fees – decreased by ₱0.8 million or 8.4%, from of ₱10.0 million to ₱9.2 million, as some playing right holders bought their own golf shares instead of renting.

Operating revenues increased by ₱10.6 million or 25.7% because of the improved playability with the following details:

Green fees and tourist fees - increased by ₱8.0 million or 36.9%, from of ₱21.8 million to ₱29.8 million,

Locker, golf cart and equipment rental fees – increased by ₱2.6 million or 19.8%, from of ₱13.2 million to ₱15.8 million. Locker room remained closed for use until end of the year.

Sale of golf merchandise – increased by ₱0.4 million or 9.2%, from of ₱4.7 million to ₱5.1 million.

Tournament fees – nil in 2021 as compared to ₱0.6 million in 2020 because of the suspension of the tournaments due to COVID-19 pandemic.

Others – increased by ₱0.3 million or 23.8%, from of ₱1.0 million to ₱1.3 million.

Interest income - increased by ₱0.4 million or 16.4%, from of ₱2.7 million to ₱3.1 million

Costs and Expenses. Operating expenses of the Club likewise increased by ₱23.9 million or 13.8%, from ₱173.4 million to ₱197.3 million. Expense items with significant movements from the previous year are the following:

Salaries and wages - increased by ₱6.0 million or 13.0%, from ₱46.2 million last year to ₱52.2 million this year, as the employees and other service personnel have already reported for work regularly.

Repairs and maintenance – increased by ₱13.9 million or 56.0%, from ₱24.8 million last year to ₱38.7 million this year, as there were more repairs and renovation projects completed during the year.

Materials and supplies – increased by ₱1.7 million or 10.5%, from ₱16.4 million to ₱18.1 million, brought by higher consumption of operating supplies due to improved club operations.

Other employee benefits – increased by ₱0.7 million or 5.5%, from ₱13.2 million to ₱13.9 million, in relation to the higher payroll costs in 2021 as compared from previous year.

Fuel and oil – increased by ₱1.8 million or 37.7% brought by higher consumption of fuel as the club is back to normal operation.

Professional fees – increased by ₱0.5 million or 25.0%, from ₱2.3 million to ₱2.8 million, representing various legal services of the Club's legal counsel which were accrued from the previous year.

Taxes and licenses - decreased by ₱0.9 million or 32.2% due to lower business tax assessment as a result of lower revenues generated by the Club from the preceding year.

Meetings and conferences – increased by ₱0.6 million or 62.3%, from ₱0.9 million to ₱1.5 million, due to the resumption of interviews for the new membership applicants and the holding of cocktails for the new members.

Interest expense - decreased by ₱0.6 million or 34.8% due to reduced finance lease balances brought by monthly amortizations.

Contracted services – decreased by ₱0.5 million or 33.4% due to continuous suspension of janitorial and laundry service contractors since the start of the COVID-19 pandemic.

Others – increased by ₱0.7 million or 8.8%, from ₱8.0 million to ₱8.7 million.

Interest income. Increased by ₱0.4 million or 16.5% brought by collection of late payment charges from the members during the year.

Fiscal Year 2020 and 2019

Balance Sheet

Total assets of the club as of December 31, 2020 and 2019 is ₱5.7 billion and ₱5.4 billion, respectively. Balance sheet accounts with significant movements from the previous year are as follow:

Cash and cash equivalent. Cash account increased by ₱8.4 million or 13.0%, from ₱64.9 million to ₱73.3 million, due to re-issuance of club acquired delinquent shares, collection of receivables and other prepayments.

Receivables. Receivable decreased by ₱0.8 million or 3.5%, from ₱21.5 million to ₱20.7 million, due to liquidation of various advance payment to suppliers & contractors brought by completed renovation projects during the year.

Inventories. Decreased by ₱0.8 million or 4.2%, from ₱18.6 million to ₱17.8 million, which is attributed to the consumption of various maintenance supplies during the period particularly the fertilizers, chemicals and herbicides, equipment parts and fuel supplies.

Prepayments and other current assets. Decreased by ₱1.7 million or 16.5%, from ₱10.4 million to ₱8.7 million, due to the reduction in prepaid VAT and the amortization of prepaid expenses during the year.

Property and equipment. Decreased by ₱43.0 million or 13.7%, from ₱313.3 million to ₱270.3 million, mainly due to net effect of depreciation expense during the year.

Land. Increased by ₱408.0 million or 8.3%, from ₱4.9 billion to ₱5.3 billion, representing the appraisal increment on the market value of the land based on the valuation conducted by an independent appraiser.

Retirement benefit assets. Decreased by ₱1.0 million or 100% after the recognition of additional accrued retirement cost based on the latest actuarial valuation conducted by an independent contractor as of December 31, 2020.

Other noncurrent assets. Decreased by ₱4.0 million or 12.2%, from ₱33.0 million to ₱29.0 million, due to the amortization of prepaid dues and the reduction on input VAT arising from non-recognition of input tax on certain expenditures funded by non-VATable revenues in relation to the nullification of RMC No. 35-2012.

Accounts payable and other current liabilities. Accounts payable and other current liabilities decreased by ₱5.9 million or 3.0%, from ₱69.5 million to ₱63.6 million, brought by full payment of various outstanding liabilities with the contractors/suppliers of completed renovation projects.

Unearned receipts. Decreased by ₱10.2 million or 16.7%, from ₱61.2 million to ₱51.0 million, representing the reduction on the number of new member applicants and other related receipts during the year as a result of the ECQ due to COVID-19 pandemic.

Lease liabilities. Decreased by ₱8.8 million or 38.4%, from ₱14.1 million to ₱22.9 million, due to payment of amortizations during the year.

Retirement benefit liability. Increased by ₱0.8 million or 100% representing the additional accrued retirement costs based on the actuarial valuation conducted by an independent contractor.

Deferred income tax liabilities. Increased by ₱122.4 million or 11.0%, from ₱1.1 billion to ₱1.2 billion, representing additional provision for income tax from the revaluation gain of land.

Excess of proceeds over cost from re-issuance of shares of delinquent shareholders. Increased by ₱5.8 million or 22.4%, from ₱26.0 million to ₱31.9 million, due to re-issuance of various class “A” and class “B” shares with prices ranging from ₱1.5 million to ₱2.0 million during the year.

Result of Operations

The Club registered an excess of receipts over expenses before depreciation and income tax amounting to ₱22.2 million for the current year as compared to ₱17.6 million of the previous year or an increase of ₱4.5 million or 25.6%, brought by the decrease in expenses with the following highlights.

Revenues from club operations and receipts from members. Total revenue from club operations and receipts from the members for the year is ₱195.6 million as compared to ₱246.0 million of the previous year, or decreased by ₱50.4 million or 20.5% due to the effect of the enhanced community quarantine (ECQ) brought by COVID-19 pandemic. Revenue items with an increase/decrease of 5% and above are as follow:

Membership Fees – increased by ₱1.6 million or 9.6%, from of ₱16.7 million to ₱18.3 million, due to the effect of higher revenue amortization from the previous year in relation to the adoption of PFRS 15.

Transfer Fees – decreased by ₱4.8 million or 30.5%, from of ₱15.8 million to ₱11.0 million, due to lower number of share transfers during the year which is attributed to the effect of several lock downs during the year brought by the pandemic.

Annual playing rights fees – increased by ₱3.4 million or 52.1%, from of ₱6.6 million to ₱10.0 million, as there were more numbers of playing right holders who opted to rent a share instead of buying their own shares during the year.

Special Assessment – decreased by ₱5.8 million or 99.5% which is mainly due to the completion of a two-year assessment to the general membership on March 2019.

Operating revenues that registered significant decreases during the year due to the impact of the ECQ are the following:

Green fees and tourist fees - decreased by ₱23.8 million or 52.2%, from of ₱45.6 million to ₱21.8 million.

Locker, golf cart and equipment rental fees – decreased by ₱7.3 million or 35.7%, from of ₱20.5 million to ₱13.2 million. Locker room remained closed for use until end to the year.

Sale of golf merchandise – decreased by ₱3.3 million or 42.3%, from of ₱7.9 million to ₱4.6 million.

Tournament fees - decreased by ₱5.8 million or 89.7%, from of ₱6.4 million to ₱0.6 million. Tournament events remained suspended as imposed by the governing government agencies until end of the year.

Concessionaires' fee – decreased by ₱0.4 million or 96.7%, from ₱0.4 million to ₱12 thousand.

Others – decreased by ₱0.4 million or 25.5%, from of ₱1.4 million to ₱1.0 million.

Interest income - increased by ₱0.2 million or 7.8%, from of ₱2.5 million to ₱2.7 million

Costs and Expenses. Operating expenses of the Club likewise decreased by ₱55.0 million or 24.0%, from ₱228.4 million to ₱173.4 million, due to the effect of temporary closures and limited club operations during the year. Expense items with significant movements from the previous year are the following:

Salaries and wages - decreased by ₱10.4 million or 18.4%, from ₱56.5 million last year to ₱46.1 million due to imposition of no-work, no pay for employees with exhausted leave credits at the height of the lock downs due to ECQ. Extended closure of certain club facilities and services such as locker rooms, valet parking, and bag drop also contributed to the reduction on the payroll costs.

Repairs and maintenance – decreased by ₱20.9 million or 45.7%, from ₱45.7 million last year to ₱24.8 million this year, due to deferral of various repairs and renovation projects during the year.

Materials and supplies – decreased by ₱2.6 million or 13.6%, from ₱19.0 million to ₱16.4 million, brought by reduced consumption of operating supplies due to lock downs.

Security and janitorial – decreased by ₱4.4 million or 22.8% due to suspension of janitorial services from the start of the lock down and remained suspended until end of the year. Displaced regular employees from the closed facilities and services were utilized for janitorial functions.

Light and power – decreased by ₱6.6 million or 31.6%, from ₱21.0 million to ₱16.4 million, due to limited power consumption brought by the temporary closures and limited club operations.

Other employee benefits – decreased by ₱2.5 million or 16.1%, from ₱15.7 million to ₱13.2 million, in relation to the lower payroll costs and the suspension various employee activities.

Input tax expense – a new expense item in relation to the nullification of RMC 35-2012 exempting various club revenues from VAT and income Tax. Certain expenditures funded by a non-VATable collection cannot claim input VAT but recorded as a direct expense. Total input tax expense of the Club for the year is ₱7.0 million.

Fuel and oil – decreased by ₱2.4 million or 33.2% brought by reduced consumption of fuel during the year.

Cost of sales of inventories – decreased by ₱2.1 million or 41.8% due to reduced proshop sales during the year.

Taxes and licenses - decreased by ₱1.0 million or 26.4% due to the effect of nullification of RMC 35-2012 exempting various club revenues from taxes.

Retirement benefit expense - decreased by ₱0.4 million or 14.5% due to retirement and resignation of various employees during the year.

Professional fees – decreased by ₱1.4 million or 38.6%, from ₱3.7 million to ₱2.3 million.

Interest expense - increased by ₱0.6 million or 56.7% due to various new finance leases for maintenance equipment and additional rental golf cart purchased by the Club on the latter part of 2019.

Contracted services – decreased by ₱4.0 million or 73.2% due to suspension of manpower service contractor and laundry services during the year.

Meetings and conferences – decreased by ₱1.2 million or 55.6%, from ₱2.1 million to ₱0.9 million. The usual face-to-face meetings were replaced by virtual meetings via web-zoom.

Others – decreased by ₱2.7 million or 25.5%, from ₱10.8 million to ₱8.0 million.

Interest income. Decreased by ₱0.2 million or 7.8% brought by the significant decreases in the time deposit rates during the year.

Liquidity

The Club has a current ratio of 1.52:1.00 as of December 31, 2021 as compared to 1.18:1.00 as of December 31, 2020. With the Club's positive working capital, the management is confident that it has sufficient resources to sustain its day-to-day operation and pay-off financial obligations as they mature. The Club has available shares acquired from the delinquent shareholders over the years which can be re-issued anytime when there is a need to raise additional funds for its operation. During the year, the Club sold twelve (12) Class "A" shares at ₱1.75 million and ₱2.0 million and two (2) Class "B" shares for ₱2.5 million, for a combined total amount of ₱27.25 million. As of December 31, 2021, the Club has a total of 135 delinquent shares acquired through auctions. Further, the Club may also to impose special assessment to its general membership or increase the monthly dues when the need arises.

The Club is a respondent in other cases arising from the normal course of business. Any potential liability is likely to have a repayment period of more than a year and would probably be classified to noncurrent liabilities thereby the Club's current ratio will not be materially affected.

Except for the contingent liability discussed above, there are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

Top Five (5) Key Performance Indicators

The Club identifies its top five (5) key performance indicators as follows:

1. Net working capital (current assets less current liabilities)
2. Current ratio (current assets over current liabilities)
3. Base equity (members' equity over total liabilities)
4. Collection from membership dues and consumables
5. Earnings before depreciation (EBD)

Net working capital and current ratio measures the liquidity or short-term debt paying ability of the Club. Having a positive net working capital and current ratio of at least 1:1 is a fair indication of liquidity. The positive net working capital and 1.52:1.00 current ratio as of December 31, 2021 was discussed under the liquidity section above.

Base equity measures the dependence of the Club on its shareholders or creditors in meeting its financial obligations. A base equity of at least 25% is a good indication of a healthy capitalization. As of December 31, 2021, the Club has a base equity of 392% as compared to 321% in 2020. The increase was due to the reduction in deferred income tax liability from the impact of CREATE law from the land appraisal.

The benchmark average monthly collection from membership dues and consumables of about ₱9.3 million for 2021 and 2020 is based on the monthly dues of ₱4,000 for about 2,200+ members and unused consumables of ₱500 about 1,000+ members. An additional average monthly collection of about ₱8.0 million was also realized in 2021 from the membership fees of the new members, transfer fees and annual assignment fees. The average monthly collection of membership dues, unused consumables, and

other related joining fees is a good indication of the Club's ability to sustain its fixed revenue and collection target.

Having a positive EBD determines that the Club can sustain viable and normal operation being a non-profit organization. Club operations registered positive EBD of ₱24.2 million and ₱22.2 million for 2021 and 2020, respectively.

Others

Except for the items discussed under liquidity caption above, there are no other events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities or other persons created during the reporting period.

The Club is continually doing the renovation projects and improvement programs for its facilities to maintain its premier service to its members. Various projects that were completed in 2021 are masters greenside bunker rehabilitation, waterproofing works at the main clubhouse, rehabilitation of seven (7) deep wells, replacement of maintenance building roof (Phase 1), started the legends greenside bunker repair and application of divot sand at the fairways, among others. The club's budget allocation for 2022 for new special projects and capital expenditures to be funded by operation is ₱25.0 million.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

The club does not have any significant elements of income or loss that did not arise from continuing operations during the year.

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

Causes for material (5%) changes from period to period aside from those already discussed in the comparative analysis of full fiscal years above are as follow:

Balance Sheets

Receivables:

- **Receivable from members** – increased by ₱0.9 million or 7.9% which is attributed to lower number of members who have made an advance payment of dues.
- **Current portion of installment receivables** – increased by ₱4.9 million or 107.5% due to re-issuance of fourteen (14) delinquent shares acquired from auctions on installment payments during the year.
- **Advances to suppliers and contractors** - increased by ₱2.7 million or 224.5% brought by the down payments made to contractors in relation to the on-going renovation projects.
- **Advances to officers and employees** - increased by ₱0.4 million or 15.0% due to availment of company loans by the employees as provided for in the CBA.
- **Other receivables** – increased by ₱0.1 million or 18.0% attributed to advances to various suppliers and contractors subject to offsetting arrangement.

Materials and supplies:

- **Fertilizers, herbicides and chemicals** - increased by ₱0.8 million or 21.8% which is mainly attributed to the timing of stock replenishment and utilization for the maintenance of the golf courses.
- **Supplies** – decreased by ₱1.2 million or 23.2% due to consumption of supplies being used for club operations and facility maintenance.
- **Spare parts** - decreased by ₱0.7 million or 16.8% due to completion of repairs and maintenance of various turf maintenance equipment.
- **Inventories for sale** – decreased by ₱0.3 million or 7.1% due to increased sales of golf items at the pro shop during the year.

Prepayments and other current assets:

- **Prepaid income tax** – increased by ₱0.4 million or 42.9% arising from the non-taxability of various club collections per SC ruling on RMC 35-2012.
- **Prepayments** - decreased by ₱5.4 million or 82.6% due to deferred payment of real property taxes of the Club for 2022 pending resolution of the Club's appeal on the new land valuation used by the local government.

Other non-current assets:

- **Prepaid dues** - decreased by ₱1.2 million or 5.9% representing the amortization of ₱100 thousand monthly for the perpetual use of the sports club facilities by the club members.
- **Installment receivable, net of current portion** – increased by ₱4.4 million or 82.0% due to the additional finance lease loans availed by the Club during the period.
- **Deferred input VAT** – decreased by ₱0.6 million or 26.4% attributed to the amortization of input VAT on various capital expenditures from previous years.
- **Others** – decreased by ₱0.4 million or 52.6% attributed to the refunded tournament deposit.

Payables:

- **Trade payables to third parties** – increased by ₱4.8 million or 16.7% due to completion of various repair works and special projects which are due for payment in due course.
- **Deposit from members** - decreased by ₱1.5 million or 14.5% due to lower number of members who have paid in advance their consumable charges. .
- **Statutory liabilities** - increased by ₱4.2 million or 145.8% attributed to additional accrual of real property taxes.
- **Accrued payroll** - increased by ₱34 thousand or 99.4% which is attributed to unclaimed final pay of various employees who have resigned from the Club.
- **Sinking fund** - decreased by ₱3.9 million or 97.4% due to reclassification of accumulated funds for operations use particularly for rehabilitation projects of the Club.
- **Other payables** - decreased by ₱1.0 million or 27.8% due to settlement of amount due to security services.

Interim Financial Statements

Current assets of the Club increased by ₱38.7 million or 21.9% in the first quarter of 2022, from ₱176.8 million as of December 31, 2021 to ₱215.5 million as of March 31, 2022. The positive variance is attributed to the increase in cash and cash equivalent brought by the timing difference in the payment of outstanding payables, advance payment of monthly dues by the members, and re-issuance of club acquired delinquent shares.

Non-current assets likewise increased by ₱5.3 million or 0.09%, from ₱5.57 billion to ₱5.58 billion, due to the acquisition of new fleet of golf rental units and various turf maintenance equipment, and recognition of additional installment receivable from re-issuance of club acquired delinquent shares on installment basis payable in three (3) years.

Total Assets of the Club as of March 31, 2022 and December 31, 2021 is ₱5.79 billion and ₱5.74 billion, respectively.

Current liabilities of the Club increased by ₱28.5 million or 24.4%, from ₱116.6 million to ₱145.1 million, attributed to the accruals of completed renovation projects, advance payment of dues by the members, and the additional finance lease availed by the Club during the period.

Non-current liabilities as at March 31, 2022 and December 31, 2021 is ₱1.0 billion consisting of deferred tax liabilities on appraisal increment of land and unearned portion of receipts and the additional finance lease obligations of the Club.

The Club registered an excess of receipts over costs and expenses before depreciation expense amounted to ₱5.2 million for the first quarter of 2022 or ₱7.6 million or 59.6% lower than 2021 with an income of ₱12.8 million. Receipts and expenses with significant movements are discussed in the succeeding paragraphs.

Club revenues and receipts for the first quarter of 2022 is ₱61.8 million as compared to ₱57.6 million of the previous year or increased by ₱4.2 million or 7.3% with the following highlights:

Sale of golf merchandise – increased by ₱2.8 million or 240.1% from the previous year due to the giveaways supplied by the Pro Shop for the Southwoods Invitational tournament held in March 2022.

Green fees and tourist fees – increased by ₱1.9 million or 27.9% as the club is gradually going back to its normal operations with higher number of allowed guests to use the club facilities.

Locker, golf cart and equipment rental - increased by ₱1.0 million or 22.0% attributed to higher golf cart rental utilization and the reinstatement of locker rental fee effective March 1, 2022.

Tournament fee – registered a revenue of ₱0.2 million as compared to nil last year because of the reinstatement of members sponsored tournaments.

Transfer fees – decreased by ₱1.0 million or 20.2% due to the scarcity of available shares in the market with the increasing market value of club shares.

Annual playing rights fee - decreased by ₱0.5 million or 14.5% as more shareholders opted to use their shares instead of renting out to the playing rights holders.

Costs and expenses of the club for the first quarter increased by ₱11.8 million or 26.3%, from ₱44.9 million last year to ₱56.7 million this year with the following highlights:

Salaries and wages – increased by ₱1.4 million or 11.0%, from ₱12.8 million last year to ₱14.2 this year due to the reinstatement of full manning for both club operations and maintenance crew.

Repairs and maintenance – increased by ₱6.2 million or 96.0%, from ₱6.4 million last year to ₱12.6 million, attributed to the purchase of lithium batteries for the rental golf carts in lieu of ordinary batteries for longer

serviceability, completion of various major repair works of turf maintenance equipment, purchase of irrigation heads as replacement of broken ones, repair of legends greenside bunkers using silica sand, and sanding of fairways, among others.

Materials and supplies – increased by ₱0.5 million or 12.8%, from ₱4.1 million last year to ₱4.6 million this year, attributed to the consumption of supplies for the re-opening of the locker rooms and higher consumption of fuels due to the series of price increases.

Light and Water – increased by ₱1.6 million or 52.3% due to full operation of air conditioning units in the lockers and offices and other power consuming equipment and devices.

Input VAT expense - decreased by ₱0.4 million or 21.8% which is mainly attributed to the timing of expense recognition for various expenditures.

Fuel and oil - increased by ₱0.4 million or 25.9% due to full operation of operating equipment and the impact of series of price increases brought by price increases.

Cost of sales of inventories – increased by ₱2.4 million or 483.3.0% due to higher sales during the period.

Professional fees - increased by ₱0.4 million or 36.0% attributed to payment of legal services of the club's legal counsel which were accumulated from the previous year.

Taxes, licenses and permits - increased by ₱0.1 million or 22.4% due to higher local taxes brought by the higher revenues in 2021 as compared to 2020.

Interest expense – decreased by ₱0.2 million or 38.5% due to the declining outstanding balance of finance leases brought by amortizations.

Contracted services – decreased by ₱0.3 million or 56.8% representing payment of wage increase differential billing paid in 2021.

The Club identifies five (5) key performance indicators as follows: 1.) net working capital; 2.) current ratio; 3.) base equity; 4.) collection from membership dues and consumables; and 5.) earnings before depreciation (EBD).

Net working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or short-term debt paying ability of the Club. Having a positive working capital and a current ratio of at least 1:1 is a fair indication of liquidity. While base equity (member's equity over total liabilities) of at least 25% measures the level of dependence of the Club from its stockholders or creditors in meeting its financial obligation. A positive EBD determines that the Club can sustain its normal operation being a non-profit organization.

The Club has a net working capital of ₱70.4 million as of March 31, 2022 as compared to a net working capital of ₱69.2 million as of December 31, 2021. The increase of the Club's net working capital in a period of three (3) months is a significant indication that the Club has the ability to raise sufficient funds for its day-to-day operations and pay-off financial obligations as they mature. The potential liability is also likely to have a repayment period of more than a year and would probably be reclassified to noncurrent liabilities thereby improving further the Club's current ratio. The Club has also available shares acquired from its delinquent shareholders that can be sold anytime at the prevailing market prices when the need arises. The current ratio of the Club increased to ₱1.49 current asset for each peso of current liabilities as of March 31,

2022 as compared to ₱ 1.52 as of December 31, 2021. The Club has a base equity of 380% and 392% as of March 31, 2022 and December 31, 2021, respectively. The benchmark average monthly collection from membership dues and consumables of about ₱9 million monthly is based on the monthly dues of ₱4,000 and ₱500 monthly consumables. The average monthly collection is a good indication of the Club's ability to sustain its fixed revenue and collection targets. EBDA registered at ₱5.2 million and ₱12.8 million for the quarters ending March 31, 2022 and 2021.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Club's liquidity except for the possible resurgence of COVID-19 pandemic the could affect the business establishments nationwide.

Except for the possible resurgence of COVID-19 pandemic, there are no events that will trigger direct or contingent financial obligation that is material to the company, including default or acceleration of an obligation.

Except for the possible resurgence of COVID-19 pandemic, there are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

Except for the possible resurgence of COVID-10 pandemic, there are no known trends, events or uncertainties expected to have a material impact on sales, revenues and income from continuing operations.

There were no significant elements of income or loss that did not arise from the Club's continuing operations.

Except for the possible resurgence of COVID-19 pandemic, there are no seasonal aspects that had a material effect on the financial condition or results of operations.

(B) Information on Independent Accountant

External Audit Fees and Services

(a) Audit and Audit-Related Fees

The aggregate fees for each of the last two fiscal years' financial audit rendered by the external auditors, Isla Lipana & Co. amounted to ₱313,600 for 2021 and ₱323,211 for 2020, including out-of-pocket expenses and the VAT. The signing auditor of the Club's Audited Financial Statements (AFS) for the year ended December 31, 2021 is Mr. Pocholo C. Domondon, Partner in Charge of Isla Lipana & Co.

(b) Tax Fees

There was no tax compliance review conducted for the covering years 2021 and 2020.

(c) All Other Fees

The external auditors normally assist the Club in the canvassing of ballots in the annual election of its Board of Directors in an annual stockholders meeting. But since there were no annual stockholders' meetings carried out for the past several years due to lack of quorum, there were no other fees incurred by the Club with its external auditors.

(d) *The audit committee's approval on policies and procedures for the above services*

The above engagements of Isla Lipana & Co. as recommended by the management were deliberated upon and approved by the Audit Committee and the Board.

ITEM 7. Financial Statements

The financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 35) are filed as part of this Form 17-A (pages 37-47).

ITEM 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and disagreements with Accountants on accounting and Financial Disclosure.

PART III CONTROL AND COMPENSATION INFORMATION

ITEM 9. Directors and Executive Officers of the Issuer

Directors and Executive Officers

Name	Position	Age	Citizenship
Robert John L. Sobrepeña	Chairman of the Board	67	Filipino
Edward E. Dy	President	73	Filipino
Rafael Perez de Tagle, Jr.	Treasurer	67	Filipino
Alfredo Mendoza	Director	72	Filipino
Alberto Q. Avanceña	Director	69	Filipino
Rhais M. Gamboa	Director	70	Filipino
Renato Lirio	Director	83	Filipino
Ferdinand T. Santos	Director	71	Filipino
Daniel C. Samaniego	Director	63	Filipino
Francisco C. Gonzalez	Director	78	Filipino
Federico P. Campos III	Director	67	Filipino
Mark O. Watson	Gen. Manager & COO	71	Australian
Armando D. Sierra	Comptroller	58	Filipino
John R. Cope	Director of Grounds	57	American
Jerome U. Delariarte	Golf Director	43	Filipino
Charlie M. Panibe	Director or Engineering	48	Filipino
Atty. Delfin P. Angcao	Corporate Secretary	64	Filipino
Atty. Alvin O. Geli	Asst. Corporate Secretary	51	Filipino

The following are the independent directors of the Club:

1. Alfredo Mendoza
2. Daniel C. Samaniego

Robert John L. Sobrepeña

Mr. Robert John L. Sobrepeña conceptualized the Manila Southwoods project and has been the Chairman of the Board since 1992. He is also a founding Member of the Club. His current term of office as a Director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is also the Chairman of the Grounds Committee of the Club. He has been in the real estate business and a founder of the Fil-Estate Group of Companies. He is also the Chairman of the Metro Rail Transit Group, Camp John Hay Development Corporation, Camp John Hay Golf Club, Fil-Estate Ecocentrum Corporation, and Co-Chairman of Global-Estate Resort, Inc.

Edward E. Dy

Mr. Edward E. Dy, the President, has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is also the President of Grandview Properties & Ventures, Inc. and a director and Treasurer of DBH Development Corporation. He has been in the real estate business for over 28 years.

Rafael Perez de Tagle, Jr.

Mr. Rafael Perez de Tagle, the Treasurer and Finance Committee Chairman, has been a Director since 1999. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is Vice Chairman of Metro Solar Power Solutions, Inc. and also a Director of Camp John Hay Development Corp., Metro Rail Transit Corp. and MRT Development Corp. He is also a Director and Finance Committee Chairman of Camp John Hay Golf Club. He has been in the real estate business for over 25 years. He is a graduate of De La Salle University with a degree of Bachelor of Arts major in Economics.

Alfredo Mendoza

Mr. Alfredo Mendoza has been a Director of the Club from 1999 until 2003. He was also then the Chairman of the Sports and Games Committee. He was elected again as Director in July 2006. His current term of office as a director is for one (1) year or until his successor is elected during the annual stockholders' meeting. He is the Managing Director of Cargo Airfreight Forwarders, Inc. and the President of Syclo Air Systems Technology. He is also currently the Chairman of House Committee of the Club.

Alberto Q. Avancena

Mr. Alberto Q. Avancena is the President and Chief Operating Officer (COO) of Club Leisure Management Corporation, an organization with expertise in the planning, development, and operations of leisure-related establishments, i.e., hotels, condotels, resorts, golf clubs, sports clubs, and other leisure facilities. He previously served as General Manager of Manila Southwoods Golf & Country Club for a total of thirteen years from 1994 to 2006 and 2009. When not involved in actual club operations, he has always served as consultant as he still does presently. He was also consultant for the Forest Hills and Sherwood Hills Golf Clubs in their respective developmental, pre-opening, and opening phases. He worked with the Hyatt International chain of hotels for more than ten (10) years, assigned to Hyatt Terraces Baguio and Hyatt Regency Manila and assigned to do specific duties in other Hyatt hotels in the Asia Pacific Region. He was the opening manager of the Montemar Beach Club in Bagac, Bataan during its developmental, pre-opening, and opening phases. He studied Hotel and Restaurant Management in Tegernsee, Germany at the

Hotelberuffachschule D. Speiser and in San Diego, California at the United States International University (USIU).

Rhais M. Gamboa

Mr. Rhais M. Gamboa has been a Director since his appointment in October 2015. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is currently the President and a member of the Board of Directors of Medical Center Manila. He also sits in the Board of four (4) other private tertiary hospitals. He was formerly an Undersecretary in the Department of Health and Vice-Chairman of the Philippine Medical Care Commission (now Philippine Health Insurance Corporation). He obtained his B.S. Management Engineering degree from Ateneo de Manila University.

Renato E. Lirio

Mr. Renato E. Lirio has been a Director since 1992. He is also a founding member of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He was formerly the Senior Vice-president and General Manager of Greenfield Development Corporation. He has been in the real estate business for more than 30 years.

Ferdinand T. Santos

Atty. Ferdinand T. Santos has been a Director since his appointment in October 2015. He is also a founding member and was formerly the President of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is also the Chairman of the Club's Legal Committee. He is currently the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., Fairways & Bluewater Resort Golf & Country Club, Inc., Forest Hills Golf & Country Club, Inc., Fil-Estate Urban & Development, Inc., MRT Development Corporation, St. Benedict Realty & Development, Inc., Royal Jade Memorial, Inc. and Mt. Zion Memorial, Inc. He obtained his Bachelor of Arts degree, Cum Laude from Arellano University in 1970. He took his Bachelor of Laws in San Beda Collage graduating Magna Cum Laude and the class Valedictorian. He was admitted to the Philippine Bar in 1974 and coming in 2nd in rank.

Daniel C. Samaniego

Dr. Daniel C. Samaniego has been a Director since his appointment in March 2012. He is an Independent Director of the Club and his current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. Dr. Samaniego has been a Director of the Club from 2005 until 2006 and was also appointed as the Chairman of the Sports and Games Committee of the Club. He was reelected as Director in 2007 and also appointed as Chairman of Compensation and Remuneration Committee of the Club. He graduated from the University of the Philippines with a degree of Doctor of Dental Medicine in 1982 and got his postgraduate training (1994-1996) in Implant Dentistry in New York University. Since 1996, he has been practicing his profession in Surgical and Prosthetic Implant Dentistry.

Francisco C. Gonzalez

Engr. Francisco C. Gonzalez has been a Director since January 1998. He is currently the Membership Committee Chairman of the Club. His current term of office as a director is for one (1) year or until his successor is elected during the annual shareholders meeting. He is the President of Romago Incorporated, Asia Pacific Golf Corporation, Fabriduct & Metal Systems Inc., Electro Mechanical Products International

and G&P of Manila, Inc. He has been in the construction and engineering business for over 30 years. He is also a director and Membership Committee Chairman of Camp John Hay Golf Club and Forest Hills Golf Club.

Federico P. Campos III

Mr. Federico P. Campos III was appointed by the Board of Directors on October 26, 2016 as replacement of resigned Director Federico O. Campos. He is the President of Macaria Development Corp. and Macaria Properties, Inc., companies that he founded. Apart from these companies, he also founded Plaza Pacita, Inc., a company primarily engaged in commercial leases, and Sunkist'd Resort and Leisure Group, Inc., the owning company of Virgin Beach Resort in Laiya, San Juan, Batangas. He previously served as director of the Club from 2003 to 2008, and Chairman of the Sports and Games Committee, and member of the House Committee. He is a graduate of Lindenwood Colleges, St. Charles, Missouri with a degree of Bachelor of Business Administration.

Mark O. Watson

Mr. Mark O. Watson was appointed as the Club General Manager in June 2013. He took up multiple courses in Management, Sales and Marketing, received Diploma in Insurance, and has attended the Golf Rules qualifications. He has gained extensive knowledge and exposure in golf operations and golf club management. Among other golf clubs he has worked in the past are Sutera Harbour Golf & Country Club in Malaysia as Golf Operations Manager from 2011 to 2013, Raffles Golf Bali in Bali, Indonesia as Chairman & Club Captain from 2009 to 2011, Titirangi Golf Club in New Zealand as a Board Member and served on various Committees, and Auckland Golf Incorporated in New Zealand as Executive Committee Member. He was the founder of Rent Plus Limited in Auckland, New Zealand, from 1997 to 2008, an equipment lease financing company which was eventually sold after the transition period he resigned. He was also the founder and director of All Insurance Claims Pty Limited engaged in insurance claims assessing from 1984 to 1989. He also worked for the Government Insurance Office in Sydney, Australia from 1972 to 1984, and Edward Rushton Pty Limited as Public Loss Assessor from 1989 to 1996.

Armando D. Sierra

Mr. Armando D. Sierra became the Comptroller in March 2006. He is a Certified Public Accountant by profession. He has worked with the Club as Assistant Comptroller from 1995 to 2004 before he accepted the position of Chief Accountant in Ken Aqua Hotel & Resort in Saipan, USA. Among other companies that he has worked in the past are Zachry Saudi Arabian Contracting Co. Ltd. in Jeddah, KSA, as Chief Accountant, Philippine Health-Care Providers, Inc. (Maxicare) as Asst. Chief Accountant, and Ocean Terminal Services, Inc. as Internal Audit Head. He obtained his degree in Bachelor of Science in Commerce Major in Accounting at the Polytechnic University of the Philippines.

John R. Cope

Mr. John Cope has over 30 years of experience in the golf course industry. He was appointed as the Club's Director of Grounds effective January 1, 2014. Prior to this, he has worked with Jack Nicklaus Design for over 21 years as a Senior Designer. During that period he has been assigned in various parts of the world and has designed 37 golf courses. Mr. Cope finished his B. S. in Landscape Horticulture in Colorado State University in 1986. He has been a member of the American Society of Golf Course Architects since 2007 and Golf Course Superintendents of America since 1980. He is currently running his own company, the Cope Design Limited, with offices in Manila and Hongkong.

Jerome U. Delariarte

Mr. Jerome U. Delariarte has been in the golf industry for over 14 years and has worked with Camp John Hay Golf Club in Baguio City as Golf Director from August 8, 2012 to June 30, 2014 after which he transferred to the Manila Southwoods Golf and Country Club and was appointed as the Club's Golf Director effective July 2, 2014. He has been an amateur player in various teams starting 2000 to 2003. He has also joined various professional tournaments like Asian Tour from 2005 to 2010, Philippine Golf Tour from 2008-2012 and The Razon Invitational Champion in 2005. Mr. Delariarte attended the University of Tennessee at Chattanooga, USA for one and a half years starting August 2008 before deciding to focus on amateur and professional golf as a career and returned to the Philippines.

Charlie M. Panibe

Mr. Charlie Panibe has over 20 years of experience in electrical industry and extensive experience in property management engineering, building operation and maintenance, and electrical construction for medium and high-rise buildings. He is a licensed Registered Master Electrician by profession. Among other companies he has worked in the past are LGRM Engineering & Construction as Project In-Charge, ABS-CBN Broadcasting Corp. as Maintenance Shift Engineer, MDEC Corporation as Building Maintenance Supervisor, Paris Manila Technology Corporation, Excell Contractors and Developers, Inc., HTE Corporation, Kindea Phils. Corporation, and Romago, Inc.

Atty. Delfin P. Angcao

Atty. Delfin P. Angcao, is a Senior Partner a Castillo Laman Tan Pantaleon & San Jose Law Offices, and has been the Asst. Corporate Secretary of the Club from October 15, 2003 until he was appointed as the Corporate Secretary of the Club in 2014 upon the resignation of Atty. Paulino Petralba.

Atty. Alvin O. Geli

Atty. Alvin O. Geli is also a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. He earned his law degree in the University of the Philippines, College of Law and later on admitted to the Philippine Bar in 1995. He has been the Assistant Corporate Secretary of the Club since September 24, 2014.

There are no family relationships among the officers.

There is no person, other than the executive officers and directors, who is expected to make a significant contribution to the business.

There are no other events or legal proceedings occurring in the last past five years that are material to an evaluation of the ability or integrity of any director to become a director or executive officer of the Club. None of the Club's directors and executive officers, has in the past five years, been subject of:

- a. Any bankruptcy petition filed by or against any business of which such person was a general partner of executive officer either at the time of the bankruptcy or within two years prior to that time;
- b. Any conviction by final judgement, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- c. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 10. Executive Compensation

<u>Name and Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Other Accumulated Compensation</u>
Edward E. Dy - President & CEO	2022	None	None	₱88,000
	2021	None	None	88,000
	2020	None	None	64,667
Mark O. Watson – General Mgr. & COO	2022	₱2,932,737	None	None
	2021	2,932,737	None	None
	2020	3,022,737	None	None
Armando D. Sierra – Comptroller	2022	1,960,491	None	None
	2021	1,960,491	None	None
	2020	1,960,491	None	None
John R. Cope – Director of Grounds	2022	4,748,991	None	None
	2021	4,650,953	None	None
	2020	3,089,353	None	None
Jerome U. Delariarte – Golf Director	2022	975,351	None	300,000
	2021	975,351	None	300,000
	2020	975,351	None	300,000
Charlie M. Panibe – Director of Engineering	2022	838,591	None	120,000
	2021	838,591	None	120,000
	2020	838,591	None	120,000
All Officers and Directors as Group Unnamed	2022	₱11,546,161	None	₱508,000
	2021	₱11,358,123	None	₱508,000
	2020	₱9,886,523	None	₱484,667

All Club directors are not receiving any salary for their services to the Club. Their compensation is in the form of exemption from payment of monthly dues of ₱4,000.0 and locker rental, a monthly consumable of ₱3,333.00 for charges within the Club if they attend the monthly Board of Directors' meeting, 40 rounds of free green fee per year, and reserved parking.

There are no standard arrangements pursuant to which directors are compensated or are to be compensated, or is to be compensated for any services provided as director including committee participation or special assignments for the last completed year and the ensuing year.

There are neither other arrangements nor consulting contracts pursuant to which any director of the Club is compensated or is to be compensated directly or indirectly during the Club's completed fiscal year and the ensuing year for any service provided as a director.

There are no employment contracts between the Club and a named executive officer except for the standard arrangement for an employer-employee relationship. There are no compensatory plans or arrangements,

including payments to be received from the Club, with respect to a named executive officer which resulted or will result from the resignation, retirement, or any other termination of such executive officer's employment with the Club or from a change-in-control of the Club or a change in the named officer's responsibilities.

There are no outstanding warrants or options held by any of the Club's executive officers. Consequently, there were neither adjustments nor amendments to any exercise price of stock warrants or options previously awarded to any officers or directors of the Club.

ITEM 11. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Beneficial Owners

As of December 31, 2021, the Club knows of no one who beneficially owns in excess of 5% of each class of The Manila Southwoods Golf & Country Club, Inc.'s outstanding shares of stock except as set forth below:

Title of class	Name and address of owner	Number and nature of ownership	Percent of class
Class A & B	Southern Heights Land Development Corp. 750 Shaw Boulevard Mandaluyong City	226	7.89%
	Fil-Estate Golf & Development, Inc Renaissance Towers Meralco Avenue, Ortigas Center Pasig City	157	5.48%

Note: Fil-Estate Golf and Development, Inc. (FEGDI) is a wholly-owned subsidiary of Global-Estate Resorts, Inc. (GERI, formerly Fil-Estate Land, Inc.). The shares of stock of GERI are registered under the Revised Securities Act and listed with the Philippine Stock Exchange. Its top stockholders are Alliance Global Group, Inc. and Fil-Estate Management, Inc. (FEMI). For the scheduled annual stockholders' meeting on September 27, 2017, the person who had the right to vote the shares of FEGDI was Atty. Delfin Angcao. As to Southern Heights Land Development Corporation, the person who had the right to vote its shares was Mr. Renato Lirio and/or Mr. Rhais Gamboa.

(b) Security Ownership of Management

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership	Percent of Class
Class A	Robert John L. Sobrepeña	1 nominal	0.06%
Class A	Renato E. Lirio	2 nominal	0.12%
Class A	Rafael Perez de Tagle, Jr.	1 nominal	0.06%
Class A	Edward E. Dy	1 nominal	0.06%
Class A	Atty. Enrique A. Sobrepeña	1 nominal	0.06%
Class A	Rhais M. Gamboa	1 nominal	0.06%
Class B	Federico P. Campos III	1 nominal	0.09%
Class A	Ferdinand T. Santos	1 nominal	0.06%

Class A & B	Francisco C. Gonzalez	3 & 1 nominal	0.18% & 0.09%
Class A	Alfredo M. Mendoza	1 nominal	0.06%
Class A	Daniel C. Samaniego	1 nominal	0.06%
Class B	Mark O. Watson	1 nominal	0.09%

ITEM 12. Certain Relationships and Related Transactions

In the normal course of business, the Club transacts with companies which are considered related parties. The transactions and outstanding balances with related parties as at years ended December 31 are as follows:

Related party	Transactions		Outstanding receivables (payables)		Terms and conditions
	2021	2020	2021	2020	
Key management personnel Salaries and wages	18,923,655	17,151,943	-	-	Payable in cash every month based on contract.
Retirement benefits	1,174,755	778,204	16,667,330	15,767,810	Refer to Note 16.
Retirement plan Contributions	3,000,000	1,286,274	-	-	Refer to Note 16

PART IV - CORPORATE GOVERNANCE

ITEM 13. Corporate Governance

- (a) At present, the Club utilizes the Self Rating System on Corporate Governance being implemented by the SEC through its SEC Memorandum Circular No. 5, Series of 2003 to assess compliance with leading practices on good corporate governance. The Compliance Officer meets with the directors and top-level management from time to time evaluates compliance with the Manual on Corporate Governance.
- (b) The Club is in full compliance with its Manual on Corporate Governance. The Compliance Officer is present at all the regular meetings of the Board of Directors and closely coordinates with the Chairman of the Board to ensure full compliance with the adopted leading practices on good corporate governance. In addition, the Club encourages its directors and the top-level management to attend seminars on good corporate governance.
- (c) There are no deviations to date from the Club's Manual of Corporate Governance.
- (d) The Board has no immediate plans to adopt new policies to improve corporate governance.

PART V – EXHIBITS AND SCHEDULES

ITEM 14. Exhibits and schedules

(a) Exhibits

The exhibits required in this report are either not applicable to the Club or require no answer.

b) Reports on SEC Form 17-C

<i>Date of Report</i>	<i>Nature of Report</i>
March 4, 2021	The SEC was advised that at the meeting of the Board of Directors of The Manila Southwoods Golf & Country Club, Inc. held on March 24, 2021, the remaining directors who still constitute a quorum, elected Mr. Alberto Q. Avanceña as director to fill-up the vacancy left by Atty. Enrique A. Sobrepeña who has passed away.
July 28, 2021	The SEC was advised that the Board of Directors of The Manila Southwoods Golf & Country Club, Inc. (the “Club”) approved the holding of the Club’s annual stockholders’ meeting on October 20, 2021 by remote communication and/or <i>in absentia</i>, with August 31, 2021 as its record date. The following were appointed as members of the Nomination and Election Committee pursuant to the Club’s by-laws: 1. Renato Tobias (Chairman) 2. Gene D. Lim 3. Ranie Carlos 4. Conrado Potenciano 5. Jose Morales
October 20, 2021	The SEC was advised that the 2021 annual stockholders’ meeting of The Manila Southwoods Golf & Country Club, Inc. (the “Club”) that was scheduled to be held on October 20, 2018 failed to proceed for the transaction of business, including that for the election of directors due to the lack of quorum. The present directors, as well as the other officers and corporate governance committee members of the Club, remain the same. The Club will inform the SEC of the next annual stockholders’ meeting after the same is set by the board of directors of the Club.

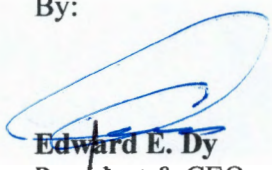
SIGNATURES

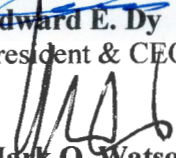
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of GMA. CAVITE on 12 MAY 2022, 2022.

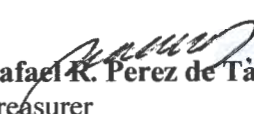
THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.

Issuer

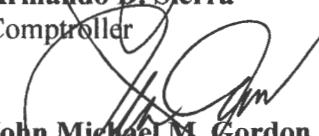
By:

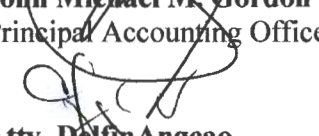

Edward E. Dy
 President & CEO


Mark O. Watson
 General Manager & COO


Rafael R. Perez de Tagle Jr.
 Treasurer


Armando D. Sierra
 Comptroller


John Michael M. Gordon
 Principal Accounting Officer


Atty. Delfin Angcao
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this 12 MAY 2022 day of _____, 2022, affiants exhibiting to me their Passport No./PRC No./Driver's License No., as follows:

Name	Passport/PRC ID/Senior Citizen ID	Date of Issue/Expiry Date and Place Issued
Edward E. Dy	Sr.Citizen Card#87574	July 17, 2008 – Quezon City
Mark O. Watson	Passport # PB4014838	May 31, 2031 - Australia
Rafael R. Perez de Tagle, Jr	Passport # P4819318B	Feb. 13, 2030 – Manila
Armando D. Sierra	PRC # 0068415	Aug. 03, 2023 – Manila
John Michael M. Gordon	PRC # 0128400	Jan. 04, 2024 – Manila
Atty. Delfin Angcao	Sr.Citizen Card#44196	Feb. 15, 2018 – San Pedro, Laguna

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 BOOK NO. 5
 SERIES OF 2022

ATTY. CEASAR ANTHONY S. SOLIS
 NOTARY PUBLIC - UNTIL DECEMBER 2022
 PTA 154983857/2011/03/22
 ID NO. 11212
 PTA 11388
 VALID UNTIL APRIL 14, 2022
 JLL 455902

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.**

SUPPLEMENTARY SCHEDULES
TO THE FINANCIAL STATEMENTS
REQUIRED BY THE SECURITIES AND EXCHANGE COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2021
AND AUDITORS' REPORT

Philippine Pesos

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.
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SEC FORM 17-A

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Statements of Financial Position as at December 31, 2021 and 2020	
Statements of Total Comprehensive Income for the years ended December 31, 2021, 2020 and 2019	
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THE MANILA SOUTHWOODS
GOLF AND COUNTRY CLUB

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

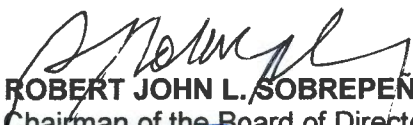
The Management of **THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.**, ("the Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2021 and 2020**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Isla Lipana & Co., the independent auditor, appointed by the Stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


ROBERT JOHN L. SOBREPEÑA
Chairman of the Board of Directors


EDWARD E. DY
President


RAFAEL PEREZ DE TAGLE, JR.
Treasurer

SUBSCRIBED AND SIGNED TO ME THIS 12 MAY 2022 DAY OF _____
AND ADMITTED TO ME HIS/HER _____

March 25, 2022

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PAGE NO. 72
BOOK NO. 5
SERIES OF 2022

GMA. CAVITE


ATTY. CESAR ANTHONY S. SOLIS
NOTARY PUBLIC - UNTIL DECEMBER 2022
PIR# 5498389 CAVITE 1/03/22
IBP LIFE MEMBER ROLL #011212
MCLE COMP.# VI-0011388
PASIG CITY, VALID UNTIL APRIL 14, 2022
ROLL #55902



Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. (the "Club") as at and for the year ended December 31, 2021 on which we have rendered the attached report dated March 25, 2022.

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary, the Club has three (3) shareholders owning one hundred (100) or more shares each as at December 31, 2021.

Isla Lipana & Co.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 6, 2022 at Makati City

SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
March 25, 2022

Isla Lipana & Co., 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph



Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
 (A non-profit organization)
 Southwoods Boulevard, Bo. Cabilang Baybay
 Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. as at and for the year ended December 31, 2021, on which we have rendered the attached report dated March 25, 2022. The supplementary information shown in Schedules A, B, C, D, E, F, and G, as additional components required by SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information have been prepared in accordance with SRC Rule 68.

Isla Lipana & Co.

Pocholo C. Domondon
 Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 6, 2022 at Makati City

SEC A.N. (individual) as general auditors 108839-SEC, Category A;
 valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
 valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
 March 25, 2022

Isla Lipana & Co., 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
 T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at December 31, 2021
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date***	Income received and accrued****
Financial assets at amortized cost				
Cash and cash equivalents		126,819,084	126,819,084	178,589
Receivables, net, including non-current portion of installment receivables		39,491,924	39,491,924	2,996,688
		166,311,008	166,311,008	3,175,277

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at December 31, 2021
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non- current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corporate Secretary	153,763	64,688	(36,000)	-	9,514	172,937	182,451
Robert John L. Sobrepena, Chairman	5,077	60,771	(65,559)	-	289	-	289
Daniel C. Samaniego, Director	(4,169)	57,484	(42,797)	-	3,340	7,178	10,518
Francisco C. Gonzalez, Director	(5,460)	49,517	(42,418)	-	1,639	-	1,639
Rafael Perez de Tagle Jr., Treasurer	(35)	46,835	(46,396)	-	404	-	404
Alfredo M. Mendoza, Director	(647)	73,185	(36,000)	-	-	36,538	36,538
	148,529	352,408	(269,170)	-	15,186	216,653	231,839

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at December 31, 2021
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related balance sheet	Amount shown under caption “Long-term debt” in related balance sheet
Obligation under finance lease	9,250,833	6,814,842	2,435,991

The Manila Southwoods Golf & Country Club, Inc.
 (A non-profit organization)

Schedule E - Indebtedness to Related Parties
 As at December 31, 2021
 (All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2021
(All amounts in Philippine Peso)

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

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at December 31, 2021
(All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversions , and other rights	Number of shares held by		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,722	-	-	13	1,709
Class "B" common shares	1,200	1,143	-	-	4	1,139
	3,000	2,865	-		17	2,848

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Schedule of Financial Soundness Indicators
As at December 31, 2021 and 2020
(With comparative figures as at December 31, 2019)

Ratio	Formula	2021	2020	2019
A. Current and liquidity ratios				
Current ratio	Total current assets			
	Divided by: Total current liabilities			
	Current ratio	1.52:1.00	1.18:1.00	0.99:1.00
Acid test ratio	Total current assets			
	Less: Other current assets			
	Quick assets			
	Divided by: Total current liabilities			
	Acid test ratio	1.48:1.00	1.09:1.00	0.90:1.00
B. Solvency ratio				
	Total net income after tax			
	Add: Depreciation and amortization			
	Divided by: Total liabilities	0.02:1.00	0.23:1.00	0.01:1.00
	Solvency ratio			
C. Debt-to-equity ratio				
	Total liabilities			
	Divided by: Total equity			
	Debt-to-equity ratio	0.26:1.00	0.31:1.00	0.31:1.00
D. Asset-to-equity ratio				
	Total assets			
	Divided by: Total equity			
	Asset-to-equity ratio	1.25:1.00	1.31:1.00	1.31:1.00
E. Debt ratio				
	Total liabilities			
	Divided by: Total assets			
	Debt ratio	0.20:1.00	0.24:1.00	0.24:1.00
F. Profitability ratios				
Return on assets (%)	Net income			
	Divided by: Total assets			
	Return on assets (%)	-0.30%	-0.43%	-0.53%
Return on equity (%)	Net income			
	Divided by: Total equity			
	Return on equity (%)	-0.37%	-0.57%	-0.69%
Net profit margin (%)	Net income			
	Divided by: Total revenues			
	Net profit margin (%)	-7.68%	-12.65%	-11.47%

COVER SHEET

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SEC Registration Number

T	H	E		M	A	N	I	L	A		S	O	U	T	H	W	O	O	D	S		G	O	L	F		&		C	O	U	N
T	R	Y		C	L	U	B	,		I	N	C	.		(	A	N	O	n	p	r	o	f	i	t		C	o	r	p	o	
r	a	t	i	o	n	)																										

(Company's Full Name)

S	o	u	t	h	w	o	o	d	s		B	o	u	l	e	v	a	r	d	,		B	O	.		C	a	b	i	l	a	n
g		B	a	y	b	a	y	,		C	a	r	m	o	n	a	,		C	a	v	i	T	e								

(Business Address: No. StreetCity/Town/Province)

Armando D. Sierra

(Contact Person)

(046) 419-8190

(Company Telephone Number)

1	2
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Month Day
(Fiscal Year)

3	1
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17	-	Q		
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(Form Type)

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Month

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Day

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

2,037

Total No. of Stockholders

-

Domestic

-

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document ID

Cashier

SEC Number 181069
File Number

**THE MANILA SOUTHWOODS GOLF
& COUNTRY CLUB, INC.**

(Company's Full Name)

**Southwoods Boulevard, Bo. Cabilang Baybay Carmona,
Cavite**

(Company's Address)

(046) 419-8190

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-Q

Form Type

Amendment Designation (If applicable)

June 30, 2022

Period Ended Date

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

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

1. For the quarterly period ended June 30, 2022

2. SEC identification number 181069

3. BIR Tax Identification No. 000-645-256

4. Exact name of issuer as specified in its charter

THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.

5. Province, country or other jurisdiction of incorporation or organization

Cavite, Philippines

6. Industry Classification Code:

7. Address of principal office

Postal Code

Southwoods Blvd., Cabilang Baybay, Carmona, Cavite, Philippines 4116

8. Issuer's telephone number, including area code

(046) 419-8190

9. Former name, former address and former fiscal year, if changed since last report

Not applicable

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

	<u>No. of shares</u>	<u>Amount</u>
CLASS A	1,800	₱1,508,650,362
CLASS B	<u>1,200</u>	<u>1,005,100,242</u>
Total	<u>3,000</u>	<u>₱2,513,750,604</u>

11. Are any or all of your securities listed on a Stock Exchange?

Yes [] No [/]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Not applicable

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [/] No []

- (b) has been subject to such filing requirements for the past 90 days.

Yes [/] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are attached as Exhibits:

1. Unaudited statements of financial position as at June 30, 2022 and audited statements of financial position as at December 31, 2021;
2. Unaudited statements of total comprehensive income for the 6-month period ended June 30, 2022, 2021 and 2020;
3. Unaudited statements of changes in members' equity for the 6-month period ended June 30, 2022, 2021 and 2020;
4. Unaudited statements of cash flows for the 6-month period ended June 30, 2022, 2021 and 2020.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

Current assets of the Club increased by ₱44.5 million or 25.2% in the first half of 2022, from ₱176.8 million as of December 31, 2021 to ₱221.3 million as of June 30, 2022. The positive variance is attributed to the increase in cash and cash equivalent brought by the result of operations and advance payment of dues by the members, re-issuance of club acquired delinquent shares during the period, and deferred payment of outstanding payables of the Club.

Non-current assets on the other hand decreased by ₱9.1 million or 0.16%, from ₱5.57 billion to ₱5.56 billion, due to depreciation expense, amortization of prepaid dues, and utilization of prepaid VAT.

Total Assets of the Club as of June 30, 2022 and December 31, 2021 is ₱5.78 billion and ₱5.75 billion, respectively.

Current liabilities of the Club increased by ₱22.2 million or 19.0%, from ₱116.6 million to ₱138.8 million, attributed to various accruals pertaining to renovation projects, unearned receipts from the members, and the recognition of various statutory liabilities.

Non-current liabilities as at June 30, 2022 and December 31, 2021 is ₱1.0 billion consisting of deferred tax liabilities on appraisal increment of land, unearned portion of receipts, and the recognition of additional finance lease obligations of the Club.

The Club registered an excess of receipts over costs and expenses before depreciation expense amounted to ₱19.4 million for the first half of 2022 which is ₱3.8 million or 24.0% higher than 2021 with an income of ₱15.6 million. Receipts and expenses with significant movements are discussed in the succeeding paragraphs.

Club revenues and receipts for the first half of 2022 is ₱136.5 million as compared to ₱108.9 million of the previous year or increased by ₱26.7 million or 24.3% with the following highlights:

Green fees and tourist fees – increased by ₱11.7 million or 128.6% due to the increase of golf rates effective May 1, 2022 and the increase in number of players as the Club is back to its normal operations.

Locker, golf cart and equipment rental - increased by ₱5.4 million or 74.7% attributed to the additional 20 units golf cart rental purchased by the Club, reinstatement of ₱600.00 rental fee for the single users, increase on the monthly golf cart storage fee, and the reinstatement of locker rental fee effective March 1, 2022.

Sale of golf merchandise – increased by ₱5.0 million or 265.8% from the previous year due to the increase in the number of players and utilization of pro shop items as giveaways and raffle prize for club events such as Southwoods Invitational tournament and members’ monthly tournament.

Membership fee – increased by ₱1.5 million or 10.6% due to the increase of membership fee rate from Php200,000 to Php250,000 effective May 1, 2022.

Annual playing rights fee - increased by ₱1.3 million or 20.5% due to the increase of annual assignment fee from Php100,000 to Php150,000 effective May 1, 2022.

Transfer fees – increased by ₱1.3 million or 13.3% due to the increase of transfer fee rate from Php200,000 to Php250,000 effective May 1, 2022.

Tournament fee – registered a revenue of ₱0.8 million as compared to nil last year due to reinstatement of members sponsored tournaments this year.

Interest income – decreased by ₱0.6 million or 30.7% due to the significant reduction on members’ accounts with overdue balances as the Club has returned to its normal operations.

Costs and expenses of the club for the first half of the year likewise increased by ₱22.9 million or 24.3%, from ₱94.2 million last year to ₱117.1 million this year, with the following highlights:

Salaries and wages – increased by ₱6.1 million or 23.6%, from ₱25.9 million last year to ₱32.0 million this year due to reinstatement of full manning deployment, and the impact of salary adjustment per collective bargaining agreement (CBA) and the salary increase for Supervisors and Department Heads.

Cost of sales of inventories – increased by ₱3.9 million or 411.90% brought by higher sales during the period.

Light and Water – increased by ₱3.0 million or 41.9% as a result of full operation of air conditioning units and other power consuming equipment in the Club.

Repairs and maintenance – increased by ₱2.0 million or 12.3%, from ₱16.8 million last year to ₱18.8 million this year, attributed to the purchase of lithium batteries for the rental golf carts in lieu of the ordinary batteries for longer serviceability, and purchase of irrigation heads as replacement of broken ones, among others.

Fuel and oil - increased by ₱1.8 million or 62.0% due to full operation of all operating equipment and the impact of series of price increases of petroleum products.

Input VAT expense - increased by ₱2.1 million or 53.0% which is attributed to the booking of various repair works and recognition of the corresponding input VAT expense.

Other employee benefits – increased by ₱0.7 million or 10.9%, from ₱6.4 million last year to ₱7.1 million this year, in relation to the increase of payroll expense as discussed under salaries and wages account.

Real property taxes - increased by ₱0.5 million or 20.2% due to unavailed discounts on early payment of tax due pending resolution of the Club’s appeal to the government for a fair and reasonable land valuation.

Professional fees - decreased by ₱0.4 million or 24.2% which is mainly attributed to the timing of submission of billing charges of the Club’s legal counsel.

Meetings and conferences - increased by ₱0.2 million or 36.1% with the holding of regular of Committee meetings as compared to limited meetings last year.

Others – increased by ₱2.2 million or 53.4% attributed to club events such as SW Invitational Tournament, SW Pro-Am Tournament, and the food and beverage consumption of SW Team Players as they resumed to a regular practice at the Club's facility.

The Club identifies five (5) key performance indicators as follows: 1.) net working capital; 2.) current ratio; 3.) base equity; 4.) collection from membership dues and consumables; and 5.) earnings before depreciation (EBD).

Net working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or short-term debt paying ability of the Club. Having a positive working capital and a current ratio of at least 1:1 is a fair indication of liquidity. While base equity (member's equity over total liabilities) of at least 25% measures the level of dependence of the Club from its stockholders or creditors in meeting its financial obligation. A positive EBD determines that the Club can sustain its normal operation being a non-profit organization.

The Club has a net working capital of ₱82.4 million as of June 30, 2022 as compared to a net working capital of ₱60.2 million as of December 31, 2021. The increase of the Club's net working capital in a period of six (6) months is a significant indication that the Club has the ability to raise sufficient funds for its day-to-day operations and pay-off financial obligations as they mature. The potential liability is also likely to have a repayment period of more than a year and would probably be reclassified to noncurrent liabilities thereby improving further the Club's current ratio. The Club has also available shares acquired from its delinquent shareholders that can be sold anytime at the prevailing market prices when the need arises. The current ratio of the Club increased to ₱1.59 current asset for each peso of current liabilities as of June 30, 2022 as compared to ₱ 1.52 as of December 31, 2021. The Club has a base equity of 384% and 392% as of June 30, 2022 and December 31, 2021, respectively. The benchmark average monthly collection from membership dues and consumables of about ₱9 million monthly is based on the monthly dues of ₱4,000 and ₱500 monthly consumables. The average monthly collection is a good indication of the Club's ability to sustain its fixed revenue and collection targets. EBDA registered at ₱19.4 million and ₱15.6 million for the periods ending June 30, 2022 and 2021.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Club's liquidity except for the possible resurgence of COVID-19 pandemic the could affect the business establishments nationwide.

Except for the possible resurgence of COVID-19 pandemic, there are no events that will trigger direct or contingent financial obligation that is material to the company, including default or acceleration of an obligation.

Except for the possible resurgence of COVID-19 pandemic, there are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

Except for the possible resurgence of COVID-19 pandemic, there are no known trends, events or uncertainties expected to have a material impact on sales, revenues and income from continuing operations.

There were no significant elements of income or loss that did not arise from the Club's continuing operations.

Except for the possible resurgence of COVID-19 pandemic, there are no seasonal aspects that had a material effect on the financial condition or results of operations.

PART II – OTHER INFORMATION

There are no other information which need to be reported under this part of Form 17-C.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: The Manila Southwoods Golf & Country Club, Inc.

Signature and Title: Mr. Mark O. Watson – General Manager

Date: August 12, 2022

Principal Financial/Accounting Officer/Controller: Mr. Armando D. Sierra - Comptroller

Date: August 12, 2022

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Statements of Financial Position

As at June 30, 2022 and December 31, 2021

	Notes	June 30, 2022	Dec. 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	2	152,751,792	126,819,084
Receivables	3	38,946,467	29,776,965
Inventories	4	23,052,150	16,423,069
Prepayments and other current assets	5	6,575,912	3,812,682
Total Current assets		221,326,321	176,831,800
Non-current assets			
Property and equipment, net	6	228,686,098	235,374,464
Land	7	5,305,108,000	5,305,108,000
Retirement benefit asset	16	-	396,798
Other non-current assets	8	29,013,980	31,038,936
Total non-current Assets		5,562,808,078	5,571,918,198
Total assets		5,784,134,399	5,748,749,998
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	9	79,158,673	66,190,126
Current portion of unearned receipts		52,085,033	43,630,966
Current portion of lease liabilities	10	7,596,684	6,814,842
		138,840,390	116,635,934
Noncurrent Liabilities			
Unearned receipts, net of current portion		23,723,739	24,750,306
Lease liabilities, net of current portion	10	8,125,353	2,435,991
Retirement benefit liability	16	55,962	-
Deferred income tax liability	17	1,025,119,337	1,025,119,337
Total non-current liabilities		1,057,024,391	1,052,305,634
Total liabilities		1,195,864,781	1,168,941,568
Equity			
Proprietary shares	11	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	12	(33,494,015)	(33,536,586)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	12	65,407,591	55,855,789
Other comprehensive income	7, 16	3,074,513,342	3,074,513,342
Cumulative excess of costs and expenses over receipts		(1,031,907,904)	(1,030,774,719)
Total Equity		4,588,269,618	4,579,808,430
Total liabilities and equity		5,784,134,399	5,748,749,998

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Statements of Total Comprehensive Income
For the periods ended June 30, 2022, 2021 and 2020

		Quarter Ended June 30			Six-Month Ended June 30		
	Notes	2022	2021	2020	2022	2021	2020
Membership fees and assessments							
Membership dues		29,257,025	29,468,213	27,248,000	58,479,666	58,661,964	55,909,565
Membership fees		9,817,634	8,521,922	2,200,000	16,137,705	14,587,993	7,132,366
Transfer fees		6,500,000	4,200,000	1,200,000	10,650,000	9,400,000	5,400,000
Annual playing rights fees		4,800,000	2,928,667	1,900,000	7,900,000	6,553,667	4,300,000
		50,374,659	45,118,802	32,548,000	93,167,371	89,203,624	72,741,931
Revenues from club operations							
Green fees and tourist fees		20,833,741	2,453,417	587,994	20,833,741	9,113,339	11,936,060
Locker, golf cart and equipment rental		12,562,075	2,776,155	1,225,981	12,562,075	7,189,003	6,164,073
Sale of golf merchandise		6,989,727	731,515	268,635	6,989,727	1,910,982	2,876,016
Tournament fees		797,058	-	-	797,058	-	799,241
Concessionaires' fees		-	-	-	-	-	12,616
Others		877,129	165,185	67,648	877,129	576,912	555,408
		42,059,730	6,126,272	2,150,258	42,059,730	18,790,236	22,343,414
Other income							
Interest income	15	661,860	923,245	331,170	1,269,643	1,833,56	1,364,877
Receipts		73,971,095	51,245,074	34,698,258	136,496,744	109,827,420	96,450,222
Costs and expenses	14	60,416,268	49,324,302	33,654,010	117,116,725	94,206,455	83,905,079
Excess of receipts over costs and expenses before depreciation		14,216,686	2,844,016	1,375,418	19,380,019	15,620,965	12,545,143
Depreciation expense	6	10,553,895	10,116,626	11,797,163	20,513,204	20,682,819	23,863,662
Net income (loss)		3,662,792	(7,272,610)	(10,412,744)	(1,133,185)	(5,061,854)	(11,318,519)
Basic and diluted income (loss) per share	18.3	1,278	(2,541)	(3,655)	(395)	(1,769)	(3,970)

See accompanying Notes to Financial Statements.

Explanatory Notes:

- a) The following are transactions that may affect the assets, equity and cash flows of the Club:
 - 1). Re-issuance of club acquired delinquent shares at premium prices;*
 - 2). Renovation projects to upgrade the club facility and capital expenditures;*
 - 3). Imposition of special assessment to the general membership to raise funds.**
- b) Except for the possible impact of resurgence of COVID-19, there are no seasonal aspects that had material effect on financial condition or result of interim operations of the club.*
- c) Except for the effect of the possible resurgence of COVID-19, there are no changes in estimates of amounts that had material effect on the current interim period.*
- d) The Club had no issuances, repurchases and repayment of debt and equity securities during the interim period.*
- e) There are no changes in the composition of the Club for the covering interim period.*
- f) There are no material changes in contingent liabilities or assets of the Club from the last annual balance sheet date.*
- g) Except for the impact of possible resurgence of COVID-19, there are no events that will trigger direct or contingent financial obligation that is material to the Club, including default or acceleration of an obligation.*

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Statements of Changes in Equity
For the periods ended June 30, 2022, 2021 and 2020

	Proprietary Shares (Note 11)	Shares of delinquent shareholders acquired through auctions (Note 12)	Excess of proceeds over cost from re-issuance of shares of delinquent shareholders (Note 12)	Other comprehensive income (Note 7, 16,17)	Cumulative excess of expenses over receipts	Total Equity
Balance at January 1, 2020	2,513,750,604	(36,103,720)	26,067,954	2,583,795,990	(989,026,054)	4,098,484,774
Net income (loss)					(11,318,519)	(11,318,519)
Shares of delinquent shareholders acquired through auctions		(183,309)				(183,309)
Re-issuance of shares of delinquent shareholders			1,323,310			1,323,310
Balance at June 30, 2020	2,513,750,604	(36,287,029)	27,391,264	2,583,795,990	(1,000,344,573)	4,088,306,256
Balance at January 1, 2021	2,513,750,604	(35,267,975)	31,914,694	2,868,732,794	(1,013,775,705)	4,365,354,412
Net income (loss)					(5,061,864)	(5,061,864)
Shares of delinquent shareholders acquired through auctions		322,342				322,342
Re-issuance of shares of delinquent shareholders		-	20,959,270			20,959,270
Balance at June 30, 2021	2,513,750,604	(34,945,633)	52,873,964	2,868,732,794	(1,018,837,569)	4,381,574,160
Balance at January 1, 2022	2,513,750,604	(33,494,015)	65,407,591	3,074,513,342	(1,030,774,719)	4,589,402,803
Net income (loss)					(1,133,185)	(1,133,185)
Shares of delinquent shareholders acquired through auctions		-	-	-		-
Re-issuance of shares of delinquent shareholders			-			-
Balance at June 30, 2022	2,513,750,604	(33,494,015)	65,407,591	3,074,513,342	(1,031,907,904)	4,588,269,618

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Statements of Cash Flows
For the periods ended June 30, 2022, 2021 and 2020

	Notes	2022	2021	2020
Cash flows from operating activities				
Excess of receipts over costs and expenses		(1,133,185)	(5,061,854)	(11,318,519)
Adjustments for:				
Depreciation expense	6	20,513,203	20,682,820	23,863,662
Retirement benefit expense	16	452,760	1,259,339	1,224,847
Amortization of prepaid dues	5	600,000	600,000	600,000
Interest expense	10	679,872	594,867	990,082
Interest income	15	(1,269,643)	(1,833,560)	(1,364,877)
Income before working capital changes		19,843,008	16,241,611	13,995,195
Changes in working capital:				
Receivables		(9,169,499)	(2,525,185)	(6,405,494)
Inventories		(6,629,081)	639,368	(2,190,274)
Prepayments and other current assets		(2,763,229)	1,670,566	2,756,493
Other non-current assets		1,424,956	(4,966,664)	2,005,383
Accounts payable and other current liabilities		12,968,545	4,717,676	1,843,234
Unearned receipts		7,427,501	11,670,169	647,156
Net cash generated from operations		23,102,201	27,447,541	12,651,694
Interest received		1,269,643	1,833,560	1,364,877
Contributions to the retirement fund	16	-	(1,500,000)	(1,000,000)
Net cash flows provided by operating activities		24,371,844	27,781,101	13,016,571
Cash flows from investing activities				
Acquisition of property and equipment		(13,824,838)	(5,675,640)	(3,483,821)
Net cash flows used in investing activities		(13,824,838)	(5,675,640)	(3,483,821)
Cash flows from financing activities				
Proceeds from re-issuance of shares of delinquent shareholders	12	9,551,802	20,959,270	1,323,309
Principal and interest payment of lease liabilities	10	5,791,331	(1,208,625)	(3,865,808)
Payment for shares of delinquent shareholders acquired through auctions	12	42,571	322,343	(183,309)
Net cash used in financing activities		15,385,704	20,072,988	(2,725,808)
Net increase in cash and cash equivalents		25,932,709	42,178,449	6,806,942
Cash and cash equivalents at January 1		126,819,083	73,317,414	64,863,234
Cash and cash equivalents at June 30	2	152,751,792	115,495,863	71,670,176

See accompanying Notes to Financial Statements.

The Manila Southwoods Golf & Country Club, Inc.

(A non-profit organization)

Notes to Financial Statements

As at June 30, 2022 and December 31, 2021 and for each of the three years in the period ended June 30, 2022.
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information

The Manila Southwoods Golf & Country Club, Inc. (the "Club") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 5, 1990. The Club is organized and operating exclusively for the promotion of social, recreational and athletic activities on a nonprofit basis among its shareholders and members, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The registered office address and principal place of business of the Club is Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite.

The audited financial statements for the period ended December 31, 2021 were approved and authorized for issuance by the Board of Directors (BOD) on March 25, 2022.

Impact of Coronavirus Disease 2019 ("COVID-19")

Subsequent to the outbreak of the COVID-19 in the first quarter of 2020, a series of measures to curb the pandemic have been and continues to be implemented in the Philippines. As a result of the implementation of the community quarantine, the Club is operating in a limited capacity in compliance with local regulations. Management continues to implement measures to mitigate and reduce any negative impact to its profitability or any other economic effects on its business. Measures have likewise been undertaken to preserve the health and safety of its employees and other stakeholders. Management is closely monitoring the status of the pandemic and its related impact on its business operations. As at the date of approval of these financial statements, management is continuously assessing the impact of the pandemic on the next financial year and deems that the Club will continue to operate as going concern within the next 12 months.

Note 2 - Cash and cash equivalents

Cash and cash equivalents as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Cash on hand	642,343	642,343
Cash in banks	115,672,408	89,796,769
Cash equivalents	36,437,041	36,379,972
	152,751,792	126,819,084

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three 90 days depending on the immediate cash requirements of the Club and earn interest at 0.10% to 1.25% in 2021 (2020 - 0.10% to 2.75%). Interest income earned from cash and cash are disclosed in Note 15.

Note 3 - Receivables

Receivables as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Receivables from members	15,930,960	12,673,798
Current portion of installment receivables	9,198,626	9,477,380
Advances to suppliers and contractors	8,788,455	3,856,487
Advances to officers and employees	3,419,983	2,828,853
Others	1,608,443	940,447
	38,946,467	29,776,965

Interest income earned from receivables from members and installment receivables are disclosed in Note 15.

Note 4 - Inventories

Inventories at cost as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Fertilizers, herbicides and chemicals	8,454,370	4,444,876
Supplies	4,910,986	4,118,214
Spare parts	3,276,210	3,433,769
Fuel and oil	1,385,860	452,974
Material and supplies	18,027,426	12,449,833
Inventories for sale	5,024,724	3,973,236
	23,052,150	16,423,069

The cost of materials and supplies and inventories for sale charged to expenses is disclosed in Note 14.

Note 5 - Prepayments other current assets

Prepayments and other current assets as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Prepaid income tax	1,888,345	1,479,885
Current portion of prepaid dues	1,200,000	1,200,000
Prepayments	3,487,566	1,132,797
	6,575,911	3,812,682

Prepayments pertain to rental fees and real property taxes.

Prepaid dues

On behalf of Manila Southwoods Homeowners' Association (MSHA), the Club made prepayments for operating expenses of the sports club facilities, which at the time the payments were made, were principally being used by members of the Club. Over the years, members of the Club have continued using the Manila Southwoods Sports Club (the "Sports Club") and the Club made prepayments out of its own funds to partially defray the costs of the maintenance and continued operation of the Sports Club.

Pursuant to a BOD resolution dated October 29, 2003, the Club negotiated for the amortization of the prepayments. The negotiation includes the granting to all members of the Club playing rights or privilege to use the Sports Club facilities in exchange for a fee which shall be deducted from or offset against the prepayment until such advances are fully liquidated. In consideration for the use of the Sports Club facilities, effective May 31, 2006, the monthly fee shall be P100,000 or P1.2 million annually.

A supplement to the abovementioned agreement was made on November 12, 2007 in which the parties intend that all payments made or to be made by the Club for the operation and maintenance of Sports Club shall be considered as prepayment for all the monthly dues, which may be assessed for the use of the Sports Club's facilities.

On January 28, 2015, the BOD resolved that the amounts paid for the Sports Club starting in 2014 onwards shall be treated and booked as usage fees and not as advances pending the negotiations and until such time that a formal arrangement with MSHA is finalized with respect to the use of the Sports Club. The amortization of prepaid dues and any usage fees are reported as members' dues and other charges in Note 14.

Note 6 - Property and equipment, net

Details of and movements in property and equipment as at and for the periods ended June 30, 2022 and December 31, 2021 are as follows:

	Golf course developments	Buildings and improvements	Golf course maintenance and transportation equipment	Furniture, fixtures, and office equipment	Clubhouse equipment	Total
Cost						
January 1, 2021	1,131,652,029	240,822,599	158,894,702	35,569,322	7,814,351	1,575,643,257
Additions	-	-	5,359,950	683,418	-	6,043,368
Disposals	-	-	-	-	-	-
December 31, 2021	1,131,652,029	240,822,599	164,254,652	36,653,674	7,814,351	1,581,197,305
Additions	-	-	13,115,707	709,132	-	12,824,839
June 30, 2022	1,131,652,029	240,822,599	177,370,359	37,362,806	7,814,351	1,595,022,144
Accumulated depreciation						
January 1, 2021	931,673,847	191,867,888	138,559,322	34,869,775	7,799,765	1,304,770,597
Depreciation	24,506,036	5,041,435	10,660,083	830,203	14,487	41,052,244
Disposals	-	-	-	-	-	-
December 31, 2021	956,179,883	196,909,323	149,219,405	35,699,978	7,814,252	1,345,822,841
Depreciation	12,030,797	2,491,969	5,596,868	393,569	-	20,513,203
June 30, 2022	968,210,680	199,401,292	154,816,273	36,093,547	7,814,252	1,366,336,044
Net book value						
December 31, 2021	175,472,146	43,913,276	15,035,247	953,696	99	235,374,464
June 30, 2022	163,441,349	41,421,307	22,554,086	1,269,259	99	228,686,100

Additions to cost and depreciation of property and equipment in 2020 amounted to P3.8 million and P46.7 million, respectively.

Prior to the adoption of Philippine Financial Reporting Standard (PFRS) 16, Leases, the Club recognized leased assets and leased liabilities in relation to leases that were classified as finance leases. These lease/right-of-use assets are presented together with the owned assets of the same class under golf course maintenance and transportation equipment.

Details of and movements in the lease/right-of-use assets as at and for the periods ended June 30, 2022 and December 31, 2021 are as follows:

	Note	2022	2021
Cost			
At January 1		24,544,076	32,731,268
Additions	10	12,814,101	5,062,808
Transfers		-	(13,250,000)
At June 30, 2022 and December 31, 2021		37,358,177	24,544,076

Accumulated depreciation		
At January 1	11,726,392	14,006,109
Amortization	4,025,596	7,704,754
Transfers	-	(9,984,470)
At June 30, 2022 and December 31, 2021	15,751,988	11,726,393
Net book value	21,606,189	12,817,683

Transfers pertain to change from right-of-use assets to Club-owned assets in the same asset class.

Note 7 - Land

Details of and movements in land as at June 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Cost	1,204,630,653	1,204,630,653
Accumulated revaluation		
At January 1	4,100,477,347	4,100,477,347
Revaluation gain in other comprehensive income	-	-
At June 30, 2022 and December 31, 2021	4,100,477,347	4,100,477,347
	5,305,108,000	5,305,108,000

Land titles covering about 123 hectares out of the total land area actually covered by Golf Course Project of approximately 136 hectares have already been transferred and registered in the name of the Club on the basis of a tax-free exchange ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue (BIR). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free exchange ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name Club. The Club's management and legal counsel believed that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares or are there any adverse claims by third parties to the aforesaid 13 hectares of land.

As at June 30, 2022 and December 31, 2021, the parcels of land are stated at revalued amount under Level 3 fair value category based on the appraisal report by an independent appraiser. The fair value of land has been derived using the sales comparison approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. Sales prices of comparable land in close proximity are adjusted for differences in key attributes or internal factors such as property size, location, and improvement. The most significant input into this valuation is price per square meter. The land is currently used as a recreational development (golf course) which is the highest and best use of the land.

Note 8 - Other non-current assets

Other non-current assets as at June 30, 2022 and December 31, 2021 consist of:

	Note	2022	2021
Prepaid dues, net of current portion		18,508,946	19,108,946
Installment receivables, net of current portion	18	10,083,162	9,714,959
Deferred input VAT		(5)	1,793,154
Others		421,877	421,877
		29,013,980	31,038,936

Interest income earned from installment receivables are disclosed in Note 15.

Note 9 - Accounts payable and other current liabilities

Accounts payable and other current liabilities as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Trade payables to third parties	35,785,047	33,656,784
Deferred liabilities	13,580,561	10,096,632
Deposits from members	10,584,669	8,684,056
Accrued expenses:		
Statutory liabilities	9,381,962	7,133,683
Withholding taxes	1,022,337	547,982
Payroll	2,061,900	68,270
Others	2,412,426	1,330,755
Tournament fund	1,991,485	2,052,657
Sinking fund	58,041	102,413
Others	2,280,245	2,516,894
	79,158,673	66,190,126

Note 10 - Leases

(a) Club as lessee

The Club leases various golf course maintenance equipment and service vehicles as disclosed in Note 6. Details of and movements in the related lease liabilities as at June 30, 2022 and December 31, 2021 are as follows:

	Notes	2022	2021
At January 1		9,250,833	14,108,540
Cash changes:			
Principal and interest payments		(5,690,103)	(11,090,554)
Non-cash changes			
Principal additions	6	11,481,434	5,062,808
Interest expense	14	679,872	1,170,039
At December 31		15,722,036	9,250,833

Principal and interest payments above represent the total cash outflow for leases. There were no short-term leases, low-value assets that are short-term leases and variable lease payments not included in lease liabilities for the each of the three years in the period ended June 30, 2022 and December 31, 2021.

Principal and interest payments, and interest expense in June 30, 2020 amounted to ₱1.6 million and ₱ 0.2 million, respectively.

The lease payments are discounted using the interest rate implicit in the lease. The future annual minimum lease payments under the lease agreements, together with the present value of the minimum lease payments as at June 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Within one year	8,706,764	6,753,856
After one year but more than five years	8,744,348	3,680,814
Total minimum lease payments	17,451,112	10,434,670
Less: Amounts representing interests	1,729,076	1,183,837

Present value of minimum lease payments	15,722,036	9,250,833
Less: Current portion	7,596,683	6,814,842
Non-current portion	8,125,353	2,435,991

(b) *Club as lessor*

Income from the following agreements are reported as concessionaires' fees under revenue from club operations in the statements of total comprehensive income.

(i) Food and beverage (F&B)

On July 28, 2015, the Club executed a concessionaire agreement with a third party which started its operations in April 2016. Similarly, the lessee agreed to become the exclusive concessionaire of the Club's food outlets and shall maintain consistent, continuous and uninterrupted food and beverage operations that meet the Club's standards. In consideration for the lessee's provision of service, all sales arising from F&B operations shall be booked by lessee. For sales arising from non-club functions regarding F&B operations, the lessee will be charged 10% of its gross sales. No space rental shall be charged to lessee, provided that it shall shoulder all taxes, fees and all costs related to the food and beverage operations including but not limited to salaries and benefits of the employees, supplies and utilities.

(ii) Pro-shop

The Club entered into a lease agreement for a period of four years beginning September 16, 2014. The lessee shall operate a golf pro-shop within the club. The lessee shall pay monthly fixed lease rentals of P75,000 subject to 10% escalation rate per annum commencing on the third year. The contract was not renewed by both parties in 2019. The Club took over the pro-shop operations in 2019.

Note 11 - Proprietary certificates

The Club has a permit from the SEC to offer its securities for sale to the public effective October 23, 1991 at issue/offer prices of P0.8 to P1.0 million per share for Class "A" shares and P1.0 million per share for Class "B" shares. Details of these securities as at June 30, 2022 and December 31, 2021 are as follows:

Type of common shares	Number of securities registered	Number of securities issued and outstanding*	Number of holders of securities	Amount
2022				
Class "A" with no par value**	1,800	1,720	1,408	1,508,650,362
Class "B" with no par value	1,200	1,146	629	1,005,100,242
	3,000	2,866	2,037	2,513,750,604
2021				
Class "A" with no par value**	1,800	1,722	1,397	1,508,650,362
Class "B" with no par value	1,200	1,143	618	1,005,100,242
	3,000	2,865	2,015	2,513,750,604

*Number of securities registered minus number of shares of delinquent shareholders acquired through auctions

**Inclusive of 11 Founders' shares

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which 60% of the voting power is owned or controlled by citizens of the Philippines. Class "B" shares may be sold to any parties, irrespective of their nationality or citizenship.

Note 12 - Shares of delinquent shareholders acquired through auctions

Class A and Class B shares of delinquent shareholders were acquired by the Club through auctions pursuant to the Club By-laws as settlement for their long outstanding accounts. A shareholder is considered

delinquent when the receivables from the said shareholder have become 60 days overdue.

In 2021 and 2020, the Club acquired through auction the shares of delinquent shareholders amounting to P0.8 million and P0.2 million, respectively. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as at the date of auction plus costs incurred during auction.

In 2022, the Club entered into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. The selling price and the related acquisition cost amounted to P9.0 million and P0.3 million (2021 – P25.6 million and P1.7 million; 2020 – P6.9 million and P1.1 million), respectively. The outstanding balance are recognized as installment receivables in Notes 3 and 8.

Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price. The installment receivables from such sales are disclosed in Notes 3 and 8.

Movement in the issued, treasury, and outstanding shares as at and for the years ended June 30, 2022 and December 31, 2021 and 2020 are as follows:

	2022		2021		2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Proprietary shares (issued)						
Class "A"						
At January 1 and December 31	1,800	1,508,650,362	1,800	1,508,650,362	1,800	1,508,650,362
Class "B"						
At January 1 and December 31	1,200	1,005,100,242	1,200	1,005,100,242	1,200	1,005,100,242
	3,000	2,513,750,604	3,000	2,513,750,604	3,000	2,513,750,604
Shares of delinquent shareholders acquired through auctions (treasury)						
Class "A"						
At January 1	78	16,525,486	89	15,289,404	94	16,415,936
Purchase	2	157,673	3	1,236,082	2	214,392
Re-issuance	-	-	(14)	(1,340,924)	(7)	(1,050,137)
At December 31	80	16,683,159	78	15,525,486	89	16,630,328
Class "B"						
At January 1	57	17,011,100	56	16,507,412	56	18,637,647
Purchase	1	82,318	7	503,688	-	-
Re-issuance	(4)	(282,561)	(6)	(2,130,235)	-	-
At December 31	54	16,810,857	57	17,011,100	56	18,637,647
	134	33,494,016	135	33,536,586	145	35,267,975
Outstanding						
Class "A"	1,720	1,491,967,204	1,722	1,492,124,876	1,711	1,492,020,034
Class "B"	1,146	988,289,385	1,143	988,089,142	1,144	986,462,595
	2,866	2,480,256,589	2,865	2,480,214,018	2,855	2,478,482,629

Note 13 - Related party transactions and balances

The transactions and outstanding balances with related parties as at and for the periods ended June 30, 2022 and December 31, 2021 are as follows:

Related party	Transactions		Outstanding balances		Terms and conditions
	2022	2021	2022	2021	
Key management personnel					
Salaries and wages	9,461,828	18,923,655	-	-	Payable in cash every month based on contract.
Retirement benefits	293,688	1,174,753	16,667,330	16,667,330	Refer to Note 16.

Retirement plan Contributions	-	3,000,000	- Refer to Note 16.
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Note 14 - Cost and expenses

Cost and expenses for the periods ended June 30 are as follows:

	Notes	2022	2021	2020
Salaries and wages		32,016,992	25,901,498	22,407,952
Repairs and maintenance		18,904,029	16,833,326	9,186,822
Materials and supplies		8,682,371	8,582,259	6,366,168
Security and janitorial		7,703,424	7,231,146	7,840,340
Light and water		10,081,868	7,104,463	8,613,378
Other employee benefits		7,141,524	6,439,617	6,893,628
Input VAT expense		6,166,326	4,029,365	3,544,967
Fuel and oil		4,723,705	2,915,285	2,112,852
Real property taxes		3,287,492	2,735,396	2,717,867
Cost of sales of inventories		4,810,038	939,651	1,950,741
Professional fees		1,225,053	1,615,764	1,293,667
Retirement benefit expense	16	1,202,760	1,259,339	1,224,847
Communications		1,074,988	1,039,909	1,106,047
Taxes and licenses		1,073,299	981,514	1,333,662
Meetings and conferences		850,166	624,644	532,346
Members' dues and other charges		600,000	600,000	600,000
Interest expense	10	679,872	594,867	990,082
Contracted services		522,285	626,272	1,118,326
Others		6,370,533	4,152,140	4,071,387
		117,116,725	94,206,455	83,905,079

Note 15 - Interest income

The following are the sources of Club's interest income for the periods ended June 30:

	Note	2022	2021	2020
Receivables	3	1,160,236	1,764,188	841,992
Cash and cash equivalents	2	109,407	69,372	522,885
		1,269,643	1,833,560	1,364,877

Note 16 - Retirement benefits

The Club maintains a funded and non-contributory defined benefit retirement plan covering all of its regular and permanent employees. The plan provides for a payment of benefits in lump sum upon attainment of normal retirement age of 60 and completion of at least 5 years of continuous service with the Club in line with Republic Act No. 7641, known as The Retirement Law. Benefits provided in the plan are based on the years of credited service and compensation of employees. Annual contribution to the retirement plan consists of retirement costs covering the current service costs for the year plus payments toward funding the accrued retirement benefit costs. The latest actuarial valuation report prepared by the independent actuary for the year ended December 31, 2021 using the projected unit credit method.

The retirement benefit (asset) liability as at December 31 consist of:

	2021	2020
Present value of defined benefit obligation (PVDBO)	33,744,317	33,844,248
Fair value of plan assets (FVPA)	(34,141,115)	(33,003,043)
Retirement benefit liability (asset)	(396,798)	841,205

Movements in the retirement benefit liability (asset) for the years ended December 31 are as follows:

	2021	2020
At January 1	841,205	(1,045,611)
Retirement benefits expense	2,518,678	2,449,694
Remeasurement (gain) loss	(756,681)	723,396
Contribution	(3,000,000)	(1,286,274)
At December 31	(396,798)	841,205

Movements in the PVDBO for the years ended December 31 are as follows:

	2021	2020
At January 1	33,844,248	33,006,657
Current service cost	2,488,983	2,499,361
Interest cost	1,194,702	1,567,816
Benefits paid	(1,906,464)	(2,811,515)
Actuarial gain	(1,877,152)	(418,071)
At December 31	33,744,317	33,844,248

Movements in the FVPA for the years ended December 31 are as follows:

	2021	2020
At January 1	33,003,043	34,052,268
Interest income	1,165,007	1,617,483
Contributions	3,000,000	1,286,274
Benefits paid	(1,906,464)	(2,811,515)
Actuarial loss	(1,120,471)	(1,141,467)
At December 31	34,141,115	33,003,043

The plan is administered by a firm of investment fund managers who are authorized to invest the funds as it deems proper. The actual returns on plan assets amounted to P44,536 for the year ended December 31, 2021 (2020 - P476,016).

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

As at December 31, the carrying amount of the plan asset is the same with its fair value. The allocation of the plan assets as at December 31 are as follows:

	2021	2020
Cash in banks	16.86%	12.54%
Interest receivables	0.09%	0.12%
Investments in equity securities	83.05%	87.35%

Descriptions of each category are as follows:

- Cash in banks consist of current account, savings deposit and special savings deposit;
- Receivables consist of interest receivables; and
- Investments in equity securities consist of short-term equity investments and time certificates of deposit.

The plan's investments do not have any concentration risk.

The Club is expected contribute P3 million to the plan assets in 2022.

Retirement benefit expense for the years ended December 31 are as follows:

	2021	2020	2019
Current service cost	2,488,983	2,499,361	2,644,035
Net interest	29,695	(49,667)	221,428
	2,518,678	2,449,694	2,865,463

Movements in the remeasurement gain (loss) on retirement benefits under other comprehensive income for the years ended December 31 are as follows:

	2021	2020	2019
At January 1	(1,601,349)	(877,953)	(1,295,835)
Actuarial gain (loss)	756,681	(723,396)	417,882
At December 31	(844,668)	(1,601,349)	(877,953)

The principal actuarial assumptions used to determine retirement benefits are as follows:

	2021	2020
Discount rate	4.91%	3.51%
Salary increase rate	4.00%	3.00%

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

The weighted average duration of the defined benefit obligation is 13 years in 2021 (2020 - 14 years).

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the PVDBO as at December 31, assuming all other assumptions are held constant:

	Change in basis points	Increase (Decrease) in PVDBO	
		2021	2020
Discount rate	+100	(3,070,304)	(3,293,517)
	-100	3,587,382	3,869,582
Salary increase rate	+100	3,583,378	3,842,995
	-100	(3,140,038)	(3,363,575)

The maturity profiles of the undiscounted benefit payments as at December 31 are as follows:

	2021	2020
Within five years	9,674,154	10,942,863
Between six to 10 years	27,430,888	17,262,805
Between 11 to 15 years	26,409,515	25,167,163
Between 16 to 20 years	19,169,968	23,400,265
More than 20 years	43,140,685	30,839,684

Note 17 - Income taxes

The Club's deferred income tax liabilities as at December 31, 2021 pertain to the 25% (2020 -30%) income tax effects of its revaluation gain of land in 2020 as disclosed in Note 7. The Club recognized income tax benefit amounting to P205.0 million in other comprehensive income due to the change in income tax rate for the year ended December 31, 2021 (2020 - P122.4 million expense from revaluation gain in land; 2019 - nil) (Note 7).

Deferred income tax assets, net on the following temporary differences as at December 31 have not been recognized since management believes that the Club may not have sufficient future taxable income for these deferred income tax assets to be able to utilize:

	2021	2020
Retirement benefit (asset) liability, net	(396,798)	841,205
Unamortized past service costs	7,611,983	8,934,314
Amount charged to other comprehensive income	(844,668)	(1,601,349)
Provision for retirement benefits	6,370,517	8,174,170
Net operating loss carry-over (NOLCO)	115,817,794	115,212,075
Other provisions	6,785,185	794,214
Subtotal	128,973,496	124,180,459
Multiply: Income tax rate	25%	30%
Tax effect	32,243,374	37,254,138
Minimum corporate income tax (MCIT)	614,965	2,018,732
Unrecognized deferred income tax assets, net	32,858,339	39,272,870

On June 26, 2019, the Supreme Court declared through General Register 228539 that membership fees, assessment dues, and fees of similar nature collected by clubs which are organized and operated exclusively for the pleasure, recreation, and other non-profit purposes are not subject to income tax and VAT.

Under the National Internal Revenue Code of 1997, NOLCO and MCIT can be applied as deduction from taxable income and tax due, respectively, over the next three (3) years immediately following the year of such loss.

On September 11, 2020, Republic Act (R.A.) No. 11494, otherwise known as “Bayanihan to Recover as One Act”, was passed into law to strengthen the government’s efforts in mitigating the effects of COVID-19 pandemic. Under R.A. No. 11494, NOLCO for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

R.A. No. 11534, known as the CREATE Act, was signed into law on March 26, 2021. The signing into law of the CREATE Act is a non-adjusting subsequent event as at December 31, 2020. The salient provisions of CREATE that are relevant to the Company are the lowering of the regular corporate income tax rate (RCIT) from 30% to 20% or 25%, depending on the level of the Company’s total assets and net taxable income, and MCIT from 2% to 1%, starting July 1, 2020. For financial reporting purposes, the Company was subject to 25% RCIT and 1% MCIT as at December 31, 2021 (2020 - 30% RCIT and 2% MCIT).

Details of NOLCO and MCIT as at December 31 are as follows:

Year incurred	Year of expiry	2021		2020	
		NOLCO	MCIT	NOLCO	MCIT
2017	2020	-	-	29,498,158	1,096,964
2018	2021	2,396,830	1,495,602	2,396,830	1,495,602
2019	2022	106,903,015	349,682	106,903,015	349,682
2020	2023	-	130,086	-	173,448
2020	2025	5,912,230	-	5,912,230	-
2021	2024	-	135,197	-	-
2021	2026	3,002,549	-	-	-
Subtotal		118,214,624	2,110,567	144,710,233	3,115,696
Expired		(2,396,830)	(1,495,602)	(29,498,158)	(1,096,964)
		115,817,794	614,965	115,212,075	2,018,732

Income tax expense (benefit) for the years ended December 31, 2021 pertain to MCIT amounting to P135,197 (2020 - P173,448; 2019 - P302,673).

Reconciliations between the income tax computed at statutory income tax rate and the effective income tax expense shown in the statements of total comprehensive income for the years ended December 31 are as follows:

	2021	2020	2019
Income tax at statutory income tax rates	(4,215,955)	(7,372,861)	(8,503,660)
Adjust for income tax effects of:			
Non-deductible expenses	44,046,017	51,231,879	53,811,132
Impact of CREATE Act	6,209,023	-	-
Interest income subjected to final tax	(44,647)	(192,561)	(266,320)
Changes in unrecognized deferred income tax assets	(4,276,359)	1,966,944	3,641,376
Non-taxable income	(41,582,882)	(45,459,953)	(48,379,855)
Effective income tax expense	135,197	173,448	302,673

Note 18 - Financial risk and capital management

18.1 Financial risk factors

The main risks arising from the Club's financial instruments are credit and liquidity risks. The members and the BOD review and approve the policies of managing each of the risks which are summarized below.

(a) Credit risk

Credit risk arises when a customer or counterparty fails to discharge an obligation and cause the Club to incur a financial loss.

The Club's receivables are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. The Club ensures that applicant for membership shall undergo a series of verifications to determine the individual or company financial capability and credit history. In case of delinquency, the Club's by-laws provide clear cut measures and sanctions against members with unpaid accounts. In addition, the Club has first lien on every proprietary certificate to ensure debts of members arising from unpaid membership dues and other club charges are recovered. Sales of products and services to non-members, i.e., members' guests are on cash basis. In the case of membership dues, advance payments promotions are launched each year with incentives on early annual payments to reduce receivables from member. These minimize the credit risk exposure any margin loss from possible default in the payment of receivables.

The table below shows the maximum exposure from credit risk for the Club's financial assets at amortized cost without taking account of any collateral and other credit enhancements as at June 30, 2022 and December 31, 2021:

	Notes	2022	2021
Cash and cash equivalents*	2	152,109,449	126,176,741
Receivables**	3	26,738,029	23,091,625
Installment receivables, net of current portion	8	11,836,450	9,714,959
		190,683,928	158,983,325

*Excludes cash on hand

**Excludes advances to suppliers and advances to officers and employees

The Club uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below:

- *Grade A* - This applies to highly rated financial obligors and strong counterparties with whom the Club has excellent collection experience, i.e., collections are made even before maturity date.
- *Grade B* - This applies to financial assets that are performing as expected or where counterparty pays on due dates.
- *Grade C* - This applies to accounts that are past due but are not impaired since are subsequently collected within 90 days from reporting date.
- Accounts not within Grades A, B and C are considered long outstanding and subject to expected credit loss allowance.

(i) Cash and cash equivalents

The Club's policy on counterparty risk management is to work with a select group of relationship banks which are licensed commercial and universal banks as defined by the Philippine Banking System. Credit risk exposure is low since commercial and universal banks represent the largest single group, resource-wise, of financial institutions in the country. Cash and cash equivalents are also deposited among the top ten banks in the Philippines, hence, considered Grade A.

(ii) Receivables, including non-current installment receivables

Credit rating of receivables, including non-current installment receivables, as at June 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Grade A	27,002,136	28,084,300
Grade B	11,572,343	11,407,624
	38,574,479	39,491,924

(b) *Liquidity risk*

Liquidity risk arises from the possibility that the Club may encounter collection problem that will lead to difficulties in raising funds to meet or settle its obligations and to finance its activities.

The Club monitors its liquidity risk to a shortage of funds through monitoring of collections and projected cash flows from operations. The Club maintains sufficient cash to finance operations. Any excess fund is invested in cash equivalents to augment income generation. The Club's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Club also maintains a financial strategy that the scheduled payment of payables is well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities at amortized cost subject to liquidity risk based on contractual undiscounted payments as at June 30, 2022 and December 31, 2021:

	Notes	On demand	Less than 3 months	Between 3 to 6 months	Between 6 to 12 months	Over 1 year	Total
2021							
Accounts and other current liabilities*	9	34,020,466	6,920,437	1,640,939	3,674,819	-	46,256,759
Lease liabilities**	10	-	1,908,999	2,107,314	2,060,581	4,357,776	10,434,670
		34,020,466	8,829,436	3,748,253	5,735,498	4,357,776	56,691,429
2022							
Accounts and other current liabilities*	9	41,759,872	10,050,664	77,370	1,236,381	-	53,124,287
Lease liabilities**	10	-	3,143,991	2,222,682	3,340,092	7,015,272	15,722,037
		41,759,872	13,194,655	2,300,052	4,576,473	7,015,272	68,846,324

*Excludes deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund

**Based on minimum lease payments

18.2 Fair value of financial instruments

The carrying values of the Club's financial instruments as at reporting dates approximate their fair values due to their short-term nature. For non-current installment receivables, the carrying amounts approximate their fair values since the impact of discounting is immaterial. For non-current lease liabilities, the carrying amounts approximate their fair values due to discounting.

18.3 Capital management

The primary objective of the Club's capital management is to ensure the Club's ability to continue as a going concern so that it can continue provide service to its members and benefits for other stakeholders. The Club's capital pertains to Proprietary certificates, shares of delinquent shareholders acquired through auctions, excess of proceeds over cost from re-issuance of shares to delinquent shareholders, and deficit. There were no changes in the Club's capital management policies for the periods ended June 30, 2022 and December 31, 2021. There are no other externally imposed capital requirements on the Club.

The Club's basic and diluted loss per share for the period ended June 30 are as follows:

	2022	2021	2020
Net income (loss)	(1,133,185)	(5,061,854)	(11,318,519)
Dividend by: Weighted average number of shares*	2,866	2,862	2,851
Income (Loss) per share	(395)	(1,769)	(3,970)

*Takes into account the weighted average effect of changes in shares of delinquent shareholders acquired through auctions for the year

Note 19 - Critical accounting estimates, assumptions and judgments

The preparation of the Club's financial statements requires management to make judgment, estimates and assumptions that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment, estimates and assumptions used in arriving at the estimates to change. The effects of any change in judgment, estimates and assumptions are reflected in the financial statements as they become reasonably determinable.

19.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared.

(a) Expected credit losses (ECL) of financial assets at amortized cost

The Club applied the ECL model associated with its financial assets at amortized cost. The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Club uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For receivables, the Club uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of active members that have similar loss patterns. The provision matrix is initially based on the Club's historical observed default rates. The Club then calibrates the matrix to adjust the credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL 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 member's actual default in the future. Based on management's assessment, no impairment losses are required on financial assets at amortized cost as at March 31, 2022 and December 31,

2021 due to the low credit risk exposure as discussed in Note 18.1(a).

(b) Useful lives of property and equipment

The useful life of each of the Club's item of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of internal technical evaluation and experience with similar assets. The estimated useful life of each asset is 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 the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses and brought about by changes in the factors mentioned. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease the carrying value of property and equipment.

There were no changes in estimated useful lives of property and equipment in 2022 and 2021. The carrying values of property and equipment as at June 30, 2022 and December 31, 2021 are disclosed in Note 6.

(c) Fair value of land

The Club measures its land at revalued amount with changes in fair value being recognized in the other comprehensive income. The Club has established a process by which measurement of fair value of the land is in place for financial reporting purposes. This primarily involves the expertise of an independent valuer. The valuer considers certain unobservable inputs and valuation adjustments to provide a reasonable indication of fair value. Any significant changes to these inputs and adjustments could significantly affect the amount of the fair values.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements as at December 31, 2021 and 2020:

Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
External factor (asking price discount)	-10%	The higher the negative input, the lower the fair value
Internal factors (location, size and development)	-10%	

There were no significant interrelationships between unobservable inputs that materially affects fair values. Further information about the assumptions made in measuring the fair values is disclosed in Note 7.

(d) Retirement benefits

The cost of retirement benefits as well as the PVDBO is determined using actuarial valuations. The actuarial valuation involves making various assumptions including the determination of the discount rates, rate of increase in compensation, mortality rates 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 period.

In determining the appropriate discount rate, management considers the interest rates of Philippine government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates for the Philippines. Further information about the assumptions made in measuring the PVDBO and FVPA are disclosed in Note 16.

In determining the long-term rates of return, the Club considers the nature of the plans' investments, an expectation for the plans' investment strategies, historical rates of return and current economic forecasts. The Club evaluates the expected long-term rate of return annually and adjusts as necessary. The activities of the plan expose it to a variety of risks. The management of these risks and the overall investment policy and

strategy of the retirement plan are based on the trustee bank's assessment in compliance with local regulations and practice. Responsibility for governance of the retirement plan, including investment decisions and contribution schedules, lies jointly with the Club and the trustee bank.

The Club's management ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt and equity securities, consisting of investments in government securities, mutual funds and unit investment trust fund, with maturities that match the benefit payments as they fall due. Assets are invested in different classes in order to maintain balance between risk and return. Investments are diversified to limit the financial effect of any individual investment.

19.2 Critical judgments in applying the Club's accounting policies

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as of reporting date.

(a) Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. Distribution of free green fee coupons, an incentive when a member pays one-year membership dues in advance, is a separately identifiable promise and is not combined with the obligation related to the membership dues since this is distinct within the context of the contract.

(b) Determining the timing of recognizing membership fees and assessments

The Club charges membership dues, membership fees and assignee fees. The Club has concluded that it incurs an obligation to provide services to the members for the fees received and such shall be recognized over time as the members receive substantially the benefits and privileges of being a member. Membership fees are recognized as earned over the average life stay of members which is determined to be four years based on the eight-year historical membership data of the Club.

(c) Income taxes

A certain degree of judgment is required in determining the provision for income taxes, as there are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred income tax assets is reviewed at each reporting date 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 income tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets as at December 31, 2021 and 2020 are disclosed in Note 17.

(d) Contingencies

The Club determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management's assessment is developed in consultation with the Club's legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable. The Club is a respondent in cases arising from the normal course of business, the outcome of which cannot

be presently determined. In the opinion of the Club's management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Club's financial statements.

Note 20 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

20.1 Basis of preparation

The financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee and International Financial Reporting Interpretations Committee which have been approved by the Financial Reporting Standards Council and adopted by the SEC.

The financial statements of the Club have been prepared under a historical cost basis, except for land and fair value of plan assets which are measured at fair value.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 19.

Changes in accounting policies and disclosures

There are no new standards, amendments to existing standards, and interpretations that are effective for the annual periods beginning on January 1, 2021, and issued but not yet effective as at December 31, 2021, which would have a significant impact or are considered relevant to the Club's financial statements.

20.2 Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisitions and that are subject to an insignificant risk of change in value. Other relevant policies are disclosed in Note 20.4.

20.3 Receivables

Receivables are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim of the Club is established. These are recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method. Other relevant policies are disclosed in Note 20.4, except for advances to suppliers and advances to officers and employees which are not considered financial assets.

Advances to suppliers represent initial payments for purchases while advances to officers and employees are cash advances which are subject to liquidation. These are reclassified to another asset account or expense when the service or goods is provided by or received from the supplier, or the advance is liquidated.

20.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. The Club recognizes a financial instrument in the statements of financial position, when and only when, the Club becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(a) Classification

The Club classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Club has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Club reclassifies debt investments when and only when its business model for managing those assets changes. As at December 31, 2021 and 2020, the Club only has financial assets at amortized cost which consist of cash and cash equivalents and receivables (excluding advances to suppliers and advances to officers and employees).

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Club commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

(c) Subsequent measurement

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Club's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Club classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expense) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of total comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income (expense). Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in other income (expense) and impairment expenses are presented as separate line item in the statements

of total comprehensive income.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other income (expense) in the period in which it arises.

Equity instruments

The Club subsequently measures all equity investments at fair value. Where the Club's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Club's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income (expense) in the statements of total comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Club assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment loss is recognized in profit or loss and the carrying amount of the asset is reduced through the use of an allowance.

The general approach is applied. Under this approach, credit loss allowance is based on 12-month ECL if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and includes forward-looking information.

The Club considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realizing security (if any is held).

At each reporting date, the Club assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized as a separate line item in the statements of total comprehensive income. When an asset remains uncollectible after the Club has exerted all legal remedies, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against impairment losses in the statements of total comprehensive income.

(b) Financial liabilities

(a) Classification

The Club classifies its financial liabilities at initial recognition in the following categories: at FVPL (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. The Club only has financial liabilities at amortized cost as at December 31, 2021 and 2020 which consists of accounts payable and other current liabilities (excluding deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund) and lease liabilities.

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Club having an obligation either to deliver cash or another financial asset to the holder.

(b) Recognition and derecognition

Financial liabilities are initially recognized at fair value of the consideration received plus directly attributable transaction costs. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(c) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

(c) *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Club or the counterparty. As at December 31, 2021 and 2020, there are no financial assets and financial liabilities that were offset.

20.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost incurred (which significantly pertains to purchase cost) in bringing each asset to its present location and condition is determined using the specific identification method. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The carrying amount of inventories is directly written off from the inventory account. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognized as reduction in the amount of inventories recognized as expense in the period in which the reversal occurs. Net realizable value is the current replacement cost (for material and supplies) or the estimated selling price in the ordinary course of business less applicable variable selling expenses (for inventories for sale).

Inventories are derecognized when they are sold or consumed, or there are no future benefits to the Club. The carrying amount of those inventories is recognized, reported as part of cost and expenses in profit or loss in the period incurred (for material and supplies) or in which the related revenue is recognized (for inventories for sale).

20.6 Prepayments and other assets

Prepayments are expenses paid in cash and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments expire and are recognized as expense either with the passage of time or through use or consumption.

Input VAT arising from purchases of goods and services, is measured at cost and presented net of applicable output VAT, or vice versa, whichever is higher as at reporting date, under current assets or liabilities. These may either be applied against future output tax liabilities or claimed for tax credit or refund.

Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

20.7 Property and equipment, and land

Property and equipment are stated at cost, excluding cost of day-to-day servicing, less accumulated depreciation and any impairment in value.

The cost of property and equipment consists of its purchase price and any costs directly attributable to bringing the property and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of replacing a part of an item of property and equipment is included in the carrying amount of such an item if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Asset class	Estimated useful life in years
Golf course developments	15 - 40
Buildings and improvements	3 - 35
Golf course maintenance and transportation	1 - 5
Furniture, fixtures and office equipment	1 - 5
Clubhouse equipment	3 - 5

The property and equipment's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 20.8).

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 on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statements of total comprehensive income in the year the item is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Land is subject to similar policies with property and equipment but is not subject to depreciation and is subsequently measured at fair value.

Changes in the fair value of land are recognized in other comprehensive income unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it is recognized in profit or loss.

Revaluation gains are not reclassified to profit or loss in the subsequent period. A revaluation loss is recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation gain relating to the same asset.

20.8 Impairment of non-financial assets

The carrying values of land and property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units (CGU) are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of its fair value less cost of disposal and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses, if any, are recognized in profit or loss, except for land. For land impairment losses are first charged to other comprehensive income. Any excess of the impairment losses over the revaluation gain is recognized in profit or loss in the statements of total comprehensive income.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the asset no longer exist or have decreased. The reversal is recorded as income in profit or loss, except for land. For land, reversal of impairment losses is credited to other comprehensive income unless the amount pertains to a reversal of impairment losses previously recognized in profit or loss, in which case, such amount is credited to profit loss. However, the increased amount of an asset due to a reversal of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined had no impairment been recognized for that asset in prior years.

20.9 Accounts payable and other current liabilities

Accounts payable and other current liabilities are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim against the Club is established. This is recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method which is normally equal to its nominal amount. Other relevant policies are disclosed in Note 20.4, except for deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund.

Deferred liabilities represent payments received from membership applicants. These are recognized as income when the application is approved; otherwise, the payments received by the Club are refunded.

Statutory liabilities and accrued expenses for withholding tax are not considered financial liabilities and not subject to discounting but are derecognized similarly.

Sinking fund and tournament fund are payments received from members for a specific purpose. These are derecognized when expenditures for the specific purpose is incurred. Any excess fund at the end of the specific purpose will be charged directly to cumulative excess of costs and expenses over receipts.

20.10 Leases

(a) Club as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Club:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs
- restoration costs

Right-of-use asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Club is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(iii) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Club becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Residual value guarantees

The Club initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability.

(v) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the capitalization threshold.

(b) Club as lessor

Leases in which the Club does not transfer substantially all the risk and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and derecognized over the lease term on the same bases as lease income.

Operating lease payments are recognized as an income or expense in the statements of total comprehensive income on a straight-line basis over the lease term. Variable lease payments are recognized as income or expense when incurred.

20.11 Income taxes

Income tax expense comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at 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, carry-forward of unused tax losses (NOLCO) and unused tax credits (excess MCIT), to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Club reassess at each reporting date the need to derecognize a previously recognized deferred income tax asset or vice versa.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the taxable entity where there is an intention to settle the balances on a net basis. Deferred income tax assets and liabilities are derecognized when relevant temporary differences have been realized.

20.12 Equity

Proprietary certificates are shares of stock have no par value and recorded equal to the proceeds and/or fair value of considerations received. Incremental costs incurred directly attributable to the issuance of new shares are shown as a deduction from proceeds, net of tax.

Shares of delinquent shareholders acquired through auctions represents the Club's proprietary certificates

which are reacquired by the Club and deducted from equity. No gain or loss is recognized in the statements of total comprehensive income on the purchase, sale, issue or cancellation of the Club's own equity instruments. Excess of proceeds over cost from re-issuance of shares of delinquent shareholders is presented as another line item under equity.

Other comprehensive income represents the accumulated revaluation gain of land, net of tax, and remeasurement of retirement benefits.

Deficit represents the net losses accumulated over the years from the Club's operations. Deficit may also include effect of changes in accounting policy as may be required by the respective standard's transitional provisions.

20.13 Loss per share

Loss per share is determined by dividing net loss for the year by the weighted average number of shares issued and outstanding during year. Weighted average share outstanding is calculated by multiplying an outstanding number of shares after considering issuance and buybacks of shares in each reporting period with its time-weighted portion and thereafter summing up the total for each reporting period in a year.

20.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Club classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets that may be held by the Club and included in Level 1 is the current bid price.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

As at March 31, 2022 and December 31, 2021, the Club has no assets and liabilities measured at fair value, except for land and FVPA at Level 3 and Level 1 fair value categories, respectively.

20.15 Receipts

(a) Membership fees and assessments

These represents fees received from members as part of Club privileges. These are recognized as follows:

- Membership dues are annual dues from existing members. These are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Membership fees are one-time joining fees for members which are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Transfer fees are charged on the transfer of golf shares from an existing member to another buyer. These are recognized when such transfer is completed.
- Annual playing rights are recognized upon transfer of playing rights to the assignee. These are recognized when such transfer is completed.
- Special assessments are recognized upon receipt of the fee collected for a specific purpose or project.

(b) Revenues from club operations

The Club recognizes revenue as control is passed, either (i) over time when the customer simultaneously receives and consumes all of the benefits provided by the Club as the Club performs; or (ii) at a point in time when control is passed at a certain point in time as described below.

- Green fees and tourist fees, tournament fees, and club events represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.
- Sales of golf merchandise are recognized at a point in time when the goods are delivered to the buyer.
- Locker, golf cart and equipment rental fees, and concessionaires' fees represent rental income which are recognized in line with Note 20.9.
- Other income are recognized when earned.

(c) Interest income

Interest income, which is presented net of applicable tax withheld, is recognized on a time-proportion basis using the effective interest method.

20.16 Costs and expenses

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

Interest expense is recognized on a time-proportion basis using the effective interest method.

20.17 Employee benefits

(a) Short-term employee benefits

The Club recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves, and bonuses. Bonuses are based on a formula

that takes into consideration the employee's salary, length of service and performance evaluation. The Club recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

(b) Retirement benefits

The Club has a funded and noncontributory defined benefit retirement plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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, 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.

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 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.

Defined benefit costs comprise the following:

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

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as part of costs and expenses in the statements of total comprehensive 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 the net defined benefit liability or asset.

Service costs and net interest on the net defined benefit liability or asset are recognized in profit or loss.

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.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Club before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Club recognizes termination benefits at the earlier of the following dates: (a) when the Club can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits

falling due more than 12 months after the end of the reporting period are discounted to their present value. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

20.18 Contingencies and provisions

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Provisions are recognized when the Club has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are derecognized when the obligation is settled, cancelled or expired.

20.19 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, 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 enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or their partners. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged.

20.20 Foreign currency transactions and translation

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

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of total comprehensive income.

20.21 Events after reporting period

Post year-end events that provide additional information about the Club's financial position at

reporting period (adjusting events) are reflected in the financial statements. However, post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

Note 21 - Supplementary information required by the BIR

The following information required by Revenue Regulations No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared for the period ended June 30, 2022 and the receipts upon which the same were based consist of:

	Gross Receipts	Output VAT
Taxable receipts	45,872,552	5,504,706
Exempt receipts	101,542,359	-
	147,414,911	5,504,706

Receipts subject to VAT are based on gross receipts, less actual discounts, if any, while receipts in the statement of total comprehensive income are measured in accordance with the policies in Note 20.15.

(b) Input VAT

Details of input VAT as at and for the period ended June 30, 2022 are as follows:

	Amount
Balance at beginning of year	1,793,154
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	4,122,217
Capital goods subject to amortization	1,503,899
Capital goods not exceeding 1 million	120,902
Importation of goods other than capital goods	60,294
Services lodged under cost and expenses	2,788,590
Claims for tax credit/refund and other adjustments*	(9,078,588)
Balance of deferred input tax to be amortized	-
Balance at end of year	1,310,468

*Pertains to total input VAT claimed against output VAT, and expensed due to allocation to exempt receipts

(c) Importations

The Club made importations amounting to Php443,837.69 and paid corresponding import and customs duties and tariff fees amounted to Php66,604.21 as of June 30, 2022.

(d) Excise tax

The Club had no transactions subject to excise tax as at June 30, 2022.

(e) Documentary stamp tax

The Club paid documentary stamp taxes amounting to ₱170,332.77 from the insurance and additional finance leases for the period ended June 30, 2022.

(f) *Other taxes and licenses*

All other taxes and licenses for the period ended June 30, 2022 are as follows:

	Amount
Local taxes	
Real property taxes	3,287,492
Business permit	676,838
Community tax certificate	10,500
Other national taxes	
Registration to other government agencies	99,212
Annual water charges	15,122
BIR registration fee	500
Tax settlement with BIR	100,794
Others	170,333
	4,360,791

The amounts above and documentary stamp taxes paid in (e) are lodged in the taxes and licenses and real property taxes accounts under costs and expenses section in the Club's statement of total comprehensive income for the period ended June 30, 2022.

(g) *Withholding taxes*

Withholding taxes paid and accrued by the Club as at and for the period ended June 30, 2022 are as follows:

	Paid	Accrued	Total
Withholding tax on compensation	1,407,508	334,854	1,742,362
Expanded withholding taxes	1,135,237	323,560	1,458,797
	2,542,745	658,414	3,201,159

(h) *Tax assessments and cases*

The Club had no pending tax assessments with the BIR, cases, litigation and/or prosecution in courts or bodies outside the BIR as at June 30, 2022.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at June 30, 2022
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income received and accrued
Financial assets at amortized cost				
Cash and cash equivalents	-	152,751,792	152,751,792	109,407
Receivables, net, including non-current portion of installment receivables	-	49,029,630	49,029,630	1,160,236
	-	201,781,422	201,781,422	1,269,643

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at June 30, 2022
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non- current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corp. Secretary	182,451	23,888	(202,192)	-	3,823	323	4,147
Robert John L. Sobrepeña, Chairman	289	58,318	(39,703)	-	9,986	8,918	18,904
Daniel C. Samaniego, Director	10,518	44,396	(48,062)	-	6,115	737	3,852
Francisco C. Gonzalez, Director	1,639	13,103	(18,000)	-	(3,257)	-	(3,257)
Rafael Perez de Tagle Jr., Treasurer	404	88,777	(80,190)	-	1,350	7,641	8,991
Alfredo M. Mendoza, Director	36,538	51,837	(18,000)	-	11,731	58,645	70,375
	231,839	280,319	(406,147)	-	29,748	76,264	103,012

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the consolidation of financial statements
As at June 30, 2022
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non-current	Ending balance
			Amount collected	Amount written-off			
Not applicable							

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at June 30, 2022
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related balance sheet	Amount shown under caption “Long-term debt” in related balance sheet
Obligation under finance lease	15,722,036	7,596,683	8,125,353

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule E - Indebtedness to Related Parties
As at June 30, 2022
(All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at June 30, 2022
(All amounts in Philippine Peso)

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

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at June 30, 2022
(All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversions , and other rights	Number of shares held by		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,720	-	-	13	1,707
Class "B" common shares	1,200	1,146	-	-	4	1,142
	3,000	2,866	-		17	2,849

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Schedule of Financial Soundness Indicators
As at June 30, 2022 and December 31, 2021
(With comparative figures as at December 31, 2020)

Ratio	Formula	2022	2021	2020
A. Current and liquidity ratios				
Current ratio	Total current assets Divided by: Total current liabilities Current ratio	1.59:1.00	1.52:1.00	1.18:1.00
Acid test ratio	Total current assets Less: Other current assets Quick assets Divided by: Total current liabilities Acid test ratio	1.55:1.00	1.48:1.00	1.09:1.00
B. Solvency ratio	Total net income after tax Add: Depreciation and amortization Divided by: Total liabilities Solvency ratio	0.02:1.00	0.02:1.00	0.02:1.00
C. Debt-to-equity ratio	Total liabilities Divided by: Total equity Debt-to-equity ratio	0.26:1.00	0.26:1.00	0.31:1.00
D. Asset-to-equity ratio	Total assets Divided by: Total equity Asset-to-equity ratio	1.26:1.00	1.25:1.00	1.31:1.00
E. Debt ratio	Total liabilities Divided by: Total assets Debt ratio	0.21:1.00	0.20:1.00	0.24:1.00
F. Profitability ratios				
Return on assets (%)	Net income Divided by: Total assets Return on assets (%)	-0.02%	-0.30%	-0.43%
Return on equity (%)	Net income Divided by: Total equity Return on equity (%)	-0.02%	-0.37%	-0.57%
Net profit margin (%)	Net income Divided by: Total revenues Net profit margin (%)	-0.83%	-7.68%	-12.65%

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

T	H	E		M	A	N	I	L	A		S	O	U	T	H	W	O	O	D	S		G	O	L	F		&		C
O	U	N	T	R	Y		C	L	U	B	,		I	N	C	.		(	A		N	o	n	p	r	o	f	i	t
	C	o	r	p	o	r	a	t	i	o	n	)																	

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

S	o	u	t	h	w	o	o	d	s		B	o	u	l	e	v	a	r	d	,		B	o	.		C	a	b	i
l	a	n	g		B	a	y	b	a	y	,		C	a	r	m	o	n	a	,		C	a	v	i	t	e		

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

armand.sierra@manilasouthwoods.com

Company's Telephone Number

(046) 419-8190

Mobile Number

N/A

No. of Stockholders

2,044

Annual Meeting (Month / Day)

June of each year

Fiscal Year (Month / Day)

December/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Armando D. Sierra

Email Address

armand.sierra@manilasouthwoods.com

Telephone Number/s

(046) 419-8190

Mobile Number

0917-881-4314

CONTACT PERSON'S ADDRESS

Southwoods Ave., Cabilang Baybay, Carmona, Cavite

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



John Gordon Manila Southwoods <jmgordon.manilasouthwoods@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

oafa@bir.gov.ph <oafa@bir.gov.ph>
To: JMGORDON.MANILASOUTHWOODS@gmail.com
Cc: ARMAND_SIERRA@yahoo.com

Tue, Apr 28, 2022 at 3:58 PM

Hi THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB INC.,

Valid files

- EAF8000845258TCRTY122021-01.pdf
- EAF8000845258ITRTY122021.pdf
- EAF8000845258AFSTY122021.pdf
- EAF8000845258RPTTY122021.pdf
- EAF8000845258TCRTY122021-02.pdf

Invalid file

- <None>

Transaction Code: AFS-0-Q426TZ1R0ZMVNQ1N1NPTP3S03N2ZXZPW
Submission Date/Time: Apr 28, 2022 03:58 PM
Company TIN: 000-846-258

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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THE MANILA SOUTHWOODS
GOLF AND COUNTRY CLUB

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

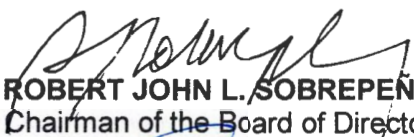
The Management of **THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB, INC.**, ("the Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2021 and 2020**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

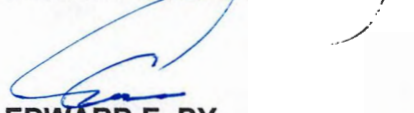
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

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

Isla Lipana & Co., the independent auditor, appointed by the Stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


ROBERT JOHN L. SOBREPEÑA
Chairman of the Board of Directors


EDWARD E. DY
President

SUBSCRIBED AND SIGNED TO ME THIS 12 MAY 2022 DAY OF _____
_____ AND ADMITTED TO ME HIS/HER _____


RAFAEL PEREZ DE TAGLE, JR.
Treasurer

March 25, 2022

DOC. NO. 357
PAGE NO. 72
BOOK NO. 5
SERIES OF 2022

GMA, CAVITE


ATTY. CESAR ANTHONY S. SOLIS
NOTARY PUBLIC - UNTIL DECEMBER 2022
PIR# 5438389 CAVITE 1/03/22
IBP LIFE MEMBER ROLL #011212
MCLE COMP. #VI-0011388
PASIG CITY, VALID UNTIL APRIL 14, 2022
ROLL #55902

Independent Auditor's Report

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

Report on the Audits of the Financial Statements***Our Opinion***

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Manila Southwoods Golf & Country Club, Inc. (the "Club") as at December 31, 2021 and 2020, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Club comprise:

- the statements of financial position as at December 31, 2021 and 2020;
- the statements of total comprehensive income for each of the three years in the period ended December 31, 2021;
- the statements of changes in equity for each of the three years in the period ended December 31, 2021;
- the statements of cash flows for each of the three years in the period ended December 31, 2021; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (the "Code of Ethics"), together with the ethical requirements that are relevant to our audits 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.



Independent Auditor's Report
To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
Page 2

Other Information

Management is responsible for the other information. The other information comprise the information included in the SEC Form 20-IS (Definitive Information Statement), and SEC Form 17-A and Annual Report for the year ended December 31, 2021, but do not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when they become available and, in doing so, consider whether the other information are materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA 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.



Independent Auditor's Report
To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
Page 3

As part of an audit in accordance with PSA, 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.



Isla Lipana & Co.

Independent Auditor's Report
To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
Page 4

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 21 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 6, 2022 at Makati City
SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
March 25, 2022

*Isla Lipana & Co., 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 845 2728, F: +63 (2) 845 2806, www.pwc.com/ph*

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Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. (the "Club") as at and for the year ended December 31, 2021 on which we have rendered the attached report dated March 25, 2022.

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary, the Club has three (3) shareholders owning one hundred (100) or more shares each as at December 31, 2021.

Isla Lipana & Co.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 6, 2022 at Makati City

SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

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Makati City
March 25, 2022

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Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Members of
The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)
Southwoods Boulevard, Bo. Cabilang Baybay
Carmona, Cavite

We have audited the financial statements of The Manila Southwoods Golf & Country Club, Inc. as at and for the year ended December 31, 2021, on which we have rendered the attached report dated March 25, 2022. The supplementary information shown in Schedules A, B, C, D, E, F, and G, as additional components required by SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information have been prepared in accordance with SRC Rule 68.

Isla Lipana & Co.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 6, 2022 at Makati City

SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

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Makati City
March 25, 2022

Isla Lipana & Co., 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 845 2728, F: +63 (2) 845 2806, www.pwc.com/ph

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The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Financial Position
As at December 31, 2021 and 2020
(All amounts in Philippine Peso)

	Notes	2021	2020
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	2	126,819,084	73,317,413
Receivables	3	29,776,965	20,759,733
Inventories	4	16,423,069	17,821,526
Prepayments and other current assets	5	3,812,682	8,745,683
Total current assets		176,831,800	120,644,355
Non-current assets			
Property and equipment, net	6	235,374,464	270,383,340
Land	7	5,305,108,000	5,305,108,000
Retirement benefit asset	16	396,798	-
Other non-current assets	8	31,038,936	28,972,601
Total non-current assets		5,571,918,198	5,604,463,941
Total assets		5,748,749,998	5,725,108,296
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Accounts payable and other current liabilities	9	66,190,126	63,626,425
Current portion of unearned receipts		43,630,966	30,487,085
Current portion of lease liabilities	10	6,814,842	8,404,299
Total current liabilities		116,635,934	102,517,809
Non-current liabilities			
Unearned receipts, net of current portion		24,750,306	20,547,424
Lease liabilities, net of current portion	10	2,435,991	5,704,241
Retirement benefit liability	16	-	841,205
Deferred income tax liability	17	1,025,119,337	1,230,143,204
Total non-current liabilities		1,052,305,634	1,257,236,074
Total liabilities		1,168,941,568	1,359,753,883
Equity			
Proprietary shares	11	2,513,750,604	2,513,750,604
Shares of delinquent shareholders acquired through auctions	12	(33,536,586)	(35,267,975)
Excess of proceeds over cost from re-issuance of shares of delinquent shareholders	12	55,855,789	31,914,694
Other comprehensive income	7,16	3,074,513,342	2,868,732,794
Cumulative excess of costs and expenses over receipts		(1,030,774,719)	(1,013,775,704)
Total equity		4,579,808,430	4,365,354,413
Total liabilities and equity		5,748,749,998	5,725,108,296

The notes on pages 1 to 31 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Notes	2021	2020	2019
Membership fees and assessments				
Membership dues		118,960,919	112,130,120	116,212,142
Membership fees		21,191,943	18,356,388	16,747,458
Transfer fees		17,000,000	11,000,000	15,816,000
Annual playing rights fees		9,178,666	10,016,667	6,583,984
Special assessments		-	30,000	5,906,600
		166,331,528	151,533,175	161,266,184
Revenues from club operations				
Green fees and tourist fees		29,790,118	21,766,735	45,589,265
Locker, golf cart and equipment rental fees		15,756,858	13,153,950	20,468,187
Sale of golf merchandise		5,107,809	4,677,140	7,971,757
Tournament fees		-	658,906	6,435,906
Concessionaires' fees		-	12,616	386,409
Others		1,320,792	1,066,639	1,431,142
		51,975,577	41,335,986	82,282,666
Other income				
Interest income	15	3,175,277	2,726,261	2,528,121
Receipts and income		221,482,382	195,595,422	246,076,971
Costs and expenses	14	(197,293,956)	(173,442,662)	(228,438,886)
Excess of costs and expenses over receipts before depreciation and income tax		24,188,426	22,152,760	17,638,085
Depreciation expense	6	(41,052,244)	(46,728,964)	(45,983,617)
Excess of receipts over costs and expenses before income tax		(16,863,818)	(24,576,204)	(28,345,532)
Income tax expense	17	(135,197)	(173,448)	(302,673)
Net loss		(16,999,015)	(24,749,652)	(28,648,205)
Other comprehensive income				
Items not to be reclassified to profit or loss in subsequent periods:				
Deferred income tax		205,023,867	-	-
Remeasurement gain (loss) on retirement benefit plan	16	756,681	(723,396)	417,882
Revaluation gain of land, net of tax	7,17	-	285,660,200	-
		205,780,548	284,936,804	417,882
Total comprehensive income (loss)		188,781,533	260,187,152	(28,230,323)
Basic and diluted loss per share	18.3	(5,948)	(8,681)	(10,031)

The notes on pages 1 to 31 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Changes in Equity

For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Proprietary shares (Note 11)	Shares of delinquent shareholders acquired through auctions (Note 12)	Excess of proceeds over cost from re-issuance of shares of delinquent shareholders (Note 12)	Other comprehensive income (Notes 7, 16, 17)	Cumulative excess of costs and expenses over receipts	Total equity
Balances at January 1, 2019	2,513,750,604	(35,808,299)	15,249,483	2,583,378,108	(960,377,847)	4,116,192,049
Net loss	-	-	-	-	(28,648,205)	(28,648,205)
Other comprehensive income	-	-	-	417,882	-	417,882
Total comprehensive loss	-	-	-	417,882	(28,648,205)	(28,230,323)
Re-issuance of shares of delinquent shareholders	-	10,976,561	10,818,471	-	-	21,795,032
Shares of delinquent shareholders acquired through auctions	-	(11,271,982)	-	-	-	(11,271,982)
Balances as at December 31, 2020	2,513,750,604	(36,103,720)	26,067,954	2,583,795,990	(989,026,052)	4,098,484,776
Net loss	-	-	-	-	(24,749,652)	(24,749,652)
Other comprehensive income	-	-	-	284,936,804	-	284,936,804
Total comprehensive loss	-	-	-	284,936,804	(24,749,652)	260,187,152
Re-issuance of shares of delinquent shareholders	-	1,077,137	5,846,740	-	-	6,923,877
Shares of delinquent shareholders acquired through auctions	-	(241,392)	-	-	-	(241,392)
Balances as at December 31, 2020	2,513,750,604	(35,267,975)	31,914,694	2,868,732,794	(1,013,775,704)	4,365,354,413
Net loss	-	-	-	-	(16,999,015)	(16,999,015)
Other comprehensive income	-	-	-	205,780,548	-	205,780,548
Total comprehensive loss	-	-	-	205,780,548	(16,999,015)	188,781,533
Re-issuance of shares of delinquent shareholders	-	-	-	-	-	-
Balances as at December 31, 2021	2,513,750,604	(33,536,586)	55,855,789	3,074,513,342	(1,030,774,719)	4,579,808,430

The notes on pages 1 to 31 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Statements of Cash Flows
For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Notes	2021	2020	2019
Cash flows from operating activities				
Excess of costs and expenses over receipts before income tax		(16,863,818)	(24,576,204)	(28,345,532)
Adjustments for:				
Depreciation expense	6	41,052,244	46,728,964	45,983,617
Retirement benefit expense	16	2,518,678	2,449,694	2,865,463
Amortization of prepaid dues	5	1,200,000	1,200,000	1,200,000
Interest expense	10	1,170,039	1,796,288	1,145,851
Gain on disposal of property and equipment		-	(33,028)	-
Interest income	15	(3,175,277)	(2,726,261)	(2,528,121)
Income before working capital changes		25,901,866	24,839,453	20,321,278
Changes in working capital:				
Receivables		270,488	841,048	9,854,936
Prepayments and other current assets		4,797,804	1,549,548	813,019
Inventories		1,398,457	772,485	(4,239,566)
Other non-current assets		(3,266,335)	2,807,376	(9,183,582)
Accounts payable and other current liabilities		2,563,701	(5,855,440)	(2,169,033)
Unearned receipts		17,346,763	(10,208,795)	9,576,999
Net cash generated from operations		49,012,744	14,745,675	24,974,051
Interest received		3,175,277	2,726,261	2,528,121
Contributions to the retirement benefit plan	16	(3,000,000)	(1,286,274)	(6,551,587)
Income tax paid		-	-	(1,381,438)
Net cash flows provided by operating activities		49,188,021	16,185,662	19,569,147
Cash flows from investing activities				
Proceeds from disposal of property and equipment		-	33,028	-
Acquisitions of property and equipment		(980,560)	(2,297,480)	(6,962,520)
Net cash flows (used in) provided by investing activities		(980,560)	(2,264,452)	(6,962,520)
Cash flows from financing activities				
Net proceeds from re-issuance of shares of delinquent shareholders	12	16,384,764	6,836,270	14,020,463
Payments for shares of delinquent shareholders acquired through auctions	12	-	(241,392)	(11,271,982)
Principal and interest payments of lease liabilities	10	(11,090,554)	(12,061,909)	(8,512,661)
Net cash flows used in financing activities		5,294,210	(5,467,031)	(5,764,180)
Net increase in cash and cash equivalents		53,501,671	8,454,179	6,842,447
Cash and cash equivalents at January 1		73,317,413	64,863,234	58,020,787
Cash and cash equivalents at December 31	2	126,819,084	73,317,413	64,863,234

The notes on pages 1 to 31 are integral part of these financial statements.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Notes to Financial Statements

As at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information

The Manila Southwoods Golf & Country Club, Inc. (the "Club") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 5, 1990. The Club is organized and operating exclusively for the promotion of social, recreational and athletic activities on a nonprofit basis among its shareholders and members, the core of which will be the maintenance of a golf course, clubhouse and other similar facilities. No part of its income inures to the benefit of any officer, member or any private individual.

The registered office address and principal place of business of the Club is Southwoods Boulevard, Bo. Cabilang Baybay, Carmona, Cavite.

The financial statements were approved and authorized for issuance by the Board of Directors (BOD) on March 25, 2022.

Impact of Coronavirus Disease 2019 ("COVID-19")

Subsequent to the outbreak of the COVID-19 in the first quarter of 2020, a series of measures to curb the pandemic have been and continues to be implemented in the Philippines. As a result of the implementation of the community quarantine, the Club is operating in a limited capacity in compliance with local regulations. Management continues to implement measures to mitigate and reduce any negative impact to its profitability or any other economic effects on its business. Measures have likewise been undertaken to preserve the health and safety of its employees and other stakeholders. Management is closely monitoring the status of the pandemic and its related impact on its business operations. As at the date of approval of these financial statements, management is continuously assessing the impact of the pandemic on the next financial year and deems that the Club will continue to operate as going concern within the next 12 months.

Note 2 - Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2021	2020
Cash on hand	642,343	642,343
Cash in banks	89,796,769	36,381,082
Cash equivalents	36,379,972	36,293,988
	126,819,084	73,317,413

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three 90 days depending on the immediate cash requirements of the Club and earn interest at 0.10% to 1.25% in 2021 (2020 - 0.10% to 2.75%). Interest income earned from cash and cash are disclosed in Note 15.

Note 3 - Receivables

Receivables as at December 31 consist of:

	2021	2020
Receivables from members	12,673,798	11,747,403
Current portion of installment receivables	9,477,380	4,567,845
Advances to suppliers and contractors	3,856,487	1,188,462
Advances to officers and employees	2,828,853	2,459,180
Others	940,447	796,843
	29,776,965	20,759,733

Interest income earned from receivables from members and installment receivables are disclosed in Note 15.

Note 4 - Inventories

Inventories at cost as at December 31 consist of:

	2021	2020
Fertilizers, herbicides and chemicals	4,444,876	3,647,453
Supplies	4,118,214	5,365,635
Spare parts	3,433,769	4,129,676
Fuel and oil	452,974	401,652
Material and supplies	12,449,833	13,544,416
Inventories for sale	3,973,236	4,277,110
	16,423,069	17,821,526

The cost of materials and supplies and inventories for sale charged to expenses is disclosed in Note 14.

Note 5 - Prepayments other current assets

Prepayments and other current assets as at December 31 consist of:

	2021	2020
Prepaid income tax	1,479,885	1,035,666
Current portion of prepaid dues	1,200,000	1,200,000
Prepayments	1,132,797	6,510,017
	3,812,682	8,745,683

Prepayments pertain to rental fees and real property taxes.

Prepaid dues

On behalf of Manila Southwoods Homeowners' Association (MSHA), the Club made prepayments for operating expenses of the sports club facilities, which at the time the payments were made, were principally being used by members of the Club. Over the years, members of the Club have continued using the Manila Southwoods Sports Club (the "Sports Club") and the Club made prepayments out of its own funds to partially defray the costs of the maintenance and continued operation of the Sports Club.

Pursuant to a BOD resolution dated October 29, 2003, the Club negotiated for the amortization of the prepayments. The negotiation includes the granting to all members of the Club playing rights or privilege to use the Sports Club facilities in exchange for a fee which shall be deducted from or offset against the prepayment until such advances are fully liquidated. In consideration for the use of the Sports Club facilities, effective May 31, 2006, the monthly fee shall be P100,000 or P1.2 million annually.

A supplement to the abovementioned agreement was made on November 12, 2007 in which the parties intend that all payments made or to be made by the Club for the operation and maintenance of Sports Club shall be considered as prepayment for all the monthly dues, which may be assessed for the use of the Sports Club's facilities.

On January 28, 2015, the BOD resolved that the amounts paid for the Sports Club starting in 2014 onwards shall be treated and booked as usage fees and not as advances pending the negotiations and until such time that a formal arrangement with MSHA is finalized with respect to the use of the Sports Club. The amortization of prepaid dues and any usage fees are reported as members' dues and other charges in Note 14.

Note 6 - Property and equipment, net

Details of and movements in property and equipment as at and for the years ended December 31 are as follows:

	Golf course developments	Buildings and improvements	Golf course maintenance and transportation equipment	Furniture, fixtures, and office equipment	Clubhouse equipment	Total
Cost						
January 1, 2020	1,131,652,029	239,116,372	161,491,183	35,569,322	7,814,351	1,575,643,257
Additions	-	1,706,227	1,660,713	400,934	-	3,767,874
Disposals	-	-	(4,257,194)	-	-	(4,257,194)
December 31, 2020	1,131,652,029	240,822,599	158,894,702	35,970,256	7,814,351	1,575,153,937
Additions	-	-	5,359,950	683,418	-	6,043,368
December 31, 2021	1,131,652,029	240,822,599	164,254,652	36,653,674	7,814,351	1,581,197,305
Accumulated depreciation						
January 1, 2020	904,271,828	186,692,400	129,887,855	33,690,441	7,756,303	1,262,298,827
Depreciation	27,402,019	5,175,488	12,928,661	1,179,334	43,462	46,728,964
Disposals	-	-	(4,257,194)	-	-	(4,257,194)
December 31, 2020	931,673,847	191,867,888	138,559,322	34,869,775	7,799,765	1,304,770,597
Depreciation	24,506,036	5,041,435	10,660,083	830,203	14,487	41,052,244
December 31, 2021	956,179,883	196,909,323	149,219,405	35,699,978	7,814,252	1,345,822,841
Net book value						
December 31, 2020	199,978,182	48,954,711	20,335,380	1,100,481	14,586	270,383,340
December 31, 2021	175,472,146	43,913,276	15,035,247	953,696	99	235,374,464

Additions to cost and depreciation of property and equipment in 2019 amounted to P23 million and P45.9 million, respectively.

Prior to the adoption of Philippine Financial Reporting Standard (PFRS) 16, Leases, the Club recognized leased assets and leased liabilities in relation to leases that were classified as finance leases. These lease/right-of-use assets are presented together with the owned assets of the same class under golf course maintenance and transportation equipment.

Details of and movements in the lease/right-of-use assets as at and for the years ended December 31 are as follows:

	Note	2021	2020
Cost			
At January 1		32,731,268	37,436,625
Additions	10	5,062,808	1,470,394
Transfers		(13,250,000)	(6,175,751)
At December 31		24,544,076	32,731,268
Accumulated depreciation			
At January 1		14,006,109	9,118,622
Amortization		7,704,754	10,631,651
Transfers		(9,984,470)	(5,744,164)
At December 31		11,726,393	14,006,109
Net book value		12,817,683	18,725,159

Transfers pertain to change from right-of-use assets to Club-owned assets in the same asset class.

Note 7 - Land

Details of and movements in land as at December 31 are as follows:

	2021	2020
Cost	1,204,630,653	1,204,630,653
Accumulated revaluation		
At January 1	4,100,477,347	3,692,391,347
Revaluation gain in other comprehensive income	-	408,086,000
At December 31	4,100,477,347	4,100,477,347
	5,305,108,000	5,305,108,000

Land titles covering about 123 hectares out of the total land area actually covered by Golf Course Project of approximately 136 hectares have already been transferred and registered in the name of the Club on the basis of a tax-free exchange ruling covering the Golf Course Project that was secured from the Bureau of Internal Revenue (BIR). While the beneficial ownership of the remaining 13 hectares has been conveyed to the Club, the actual transfer and registration of the same in the name of the Club has not yet been completed as the Annex to the BIR tax-free exchange ruling listing the specific title numbers of lots donated by certain landowner partners was lost when the Cavite Register of Deeds office was burned several years ago and needs to be reconstructed. Efforts are being made to expedite the transfer and registration of the said remaining lots in the Club's name on the basis of the said BIR tax-free exchange ruling. On January 26, 2005, the Club obtained a revalidated Certificate Authorizing Registration (CAR) from BIR. The revalidated CAR is one of the major requirements of the Registry of Deeds in titling the land in the name Club. The Club's management and legal counsel believed that, based on current circumstances, there are no legal contingencies affecting the status and titling of 13 hectares or are there any adverse claims by third parties to the aforesaid 13 hectares of land.

As at December 31, 2021 and 2020, the parcels of land are stated at revalued amount under Level 3 fair value category based on the appraisal report by an independent appraiser. The fair value of land has been derived using the sales comparison approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. Sales prices of comparable land in close proximity are adjusted for differences in key attributes or internal factors such as property size, location, and improvement. The most significant input into this valuation is price per square meter. The land is currently used as a recreational development (golf course) which is the highest and best use of the land.

The Club did not recognize any revaluation gain or loss for the year ended December 31, 2019.

Note 8 - Other non-current assets

Other non-current assets as at December 31 consist of:

	Note	2021	2020
Prepaid dues, net of current portion		19,108,946	20,308,946
Installment receivables, net of current portion	18	9,714,959	5,336,774
Deferred input VAT		1,793,154	2,436,358
Others		421,877	890,523
		31,038,936	28,972,601

Interest income earned from installment receivables are disclosed in Note 15.

Note 9 - Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of:

	2021	2020
Trade payables to third parties	33,656,784	28,827,953
Deferred liabilities	10,096,632	10,019,582
Deposits from members	8,684,056	10,160,478
Accrued expenses:		
Statutory liabilities	7,133,683	2,901,735
Withholding taxes	547,982	553,765
Payroll	68,270	34,241
Others	1,330,755	1,441,772
Tournament fund	2,052,657	2,240,582
Sinking fund	102,413	3,960,208
Others	2,516,894	3,486,109
	66,190,126	63,626,425

Note 10 - Leases*(a) Club as lessee*

The Club leases various golf course maintenance equipment and service vehicles as disclosed in Note 6. Details of and movements in the related lease liabilities as at December 31 are as follows:

	Notes	2021	2020
At January 1		14,108,540	22,903,767
Cash changes:			
Principal and interest payments		(11,090,554)	(12,061,909)
Non-cash changes			
Principal additions	6	5,062,808	1,470,394
Interest expense	14	1,170,039	1,796,288
At December 31		9,250,833	14,108,540

Principal and interest payments above represent the total cash outflow for leases. There were no short-term leases, low-value assets that are short-term leases and variable lease payments not included in lease liabilities for the each of the three years in the period ended December 31, 2021.

Principal and interest payments, and interest expense in 2019 amounted to P8.5 million and 1.1 million, respectively.

The lease payments are discounted using the interest rate implicit in the lease. The future annual minimum lease payments under the lease agreements, together with the present value of the minimum lease payments as at December 31 are as follows:

	2021	2020
Within one year	6,753,856	9,378,800
After one year but more than five years	3,680,814	6,108,812
Total minimum lease payments	10,434,670	15,487,612
Less: Amounts representing interests	1,183,837	1,379,072
Present value of minimum lease payments	9,250,833	14,108,540
Less: Current portion	6,814,842	8,404,299
Non-current portion	2,435,991	5,704,241

(b) Club as lessor

Income from the following agreements are reported as concessionaires' fees under revenue from club operations in the statements of total comprehensive income.

(i) Food and beverage (F&B)

On July 28, 2015, the Club executed a concessionaire agreement with a third party which started its operations in April 2016. Similarly, the lessee agreed to become the exclusive concessionaire of the Club's food outlets and shall maintain consistent, continuous and uninterrupted food and beverage operations that meet the Club's standards. In consideration for the lessee's provision of service, all sales arising from F&B operations shall be booked by lessee. For sales arising from non-club functions regarding F&B operations, the lessee will be charged 10% of its gross sales. No space rental shall be charged to lessee, provided that it shall shoulder all taxes, fees and all costs related to the food and beverage operations including but not limited to salaries and benefits of the employees, supplies and utilities.

(ii) Pro-shop

The Club entered into a lease agreement for a period of four years beginning September 16, 2014. The lessee shall operate a golf pro-shop within the club. The lessee shall pay monthly fixed lease rentals of P75,000 subject to 10% escalation rate per annum commencing on the third year. The contract was not renewed by both parties in 2019. The Club took over the pro-shop operations in 2019.

Note 11 - Proprietary certificates

The Club has a permit from the SEC to offer its securities for sale to the public effective October 23, 1991 at issue/offer prices of P0.8 to P1.0 million per share for Class "A" shares and P1.0 million per share for Class "B" shares. Details of these securities as at December 31 are as follows:

Type of common shares	Number of securities registered	Number of securities issued and outstanding*	Number of holders of securities	Amount
2021				
Class "A" with no par value**	1,800	1,722	1,420	1,508,650,362
Class "B" with no par value	1,200	1,143	624	1,005,100,242
	3,000	2,865	2,044	2,513,750,604
2020				
Class "A" with no par value**	1,800	1,711	1,397	1,508,650,362
Class "B" with no par value	1,200	1,144	618	1,005,100,242
	3,000	2,855	2,015	2,513,750,604

*Number of securities registered minus number of shares of delinquent shareholders acquired through auctions

**Inclusive of 11 Founders' shares

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which 60% of the voting power is owned or controlled by citizens of the Philippines. Class "B" shares may be sold to any parties, irrespective of their nationality or citizenship.

Note 12 - Shares of delinquent shareholders acquired through auctions

Class A and Class B shares of delinquent shareholders were acquired by the Club through auctions pursuant to the Club By-laws as settlement for their long outstanding accounts. A shareholder is considered delinquent when the receivables from the said shareholder have become 60 days overdue.

In 2020 and 2019, the Club acquired through auction the shares of delinquent shareholders amounting to P0.2 million and P11.3 million, respectively. The acquisition cost of the share represents the outstanding receivable from the delinquent shareholder as at the date of auction plus costs incurred during auction.

In 2021, the Club entered into contracts to sell the shares of delinquent shareholders acquired through auctions at a price higher than the cost of the delinquent shares when acquired. The selling price and the related acquisition cost amounted to P25.6 million and P1.7 million (2020 - P6.9 million and P1.1 million; 2019 - P21.8 million and P11.0 million), respectively. The outstanding balance are recognized as installment receivables in Notes 3 and 8.

Each share is payable with a down payment of 20% to 30% of the selling price upon the execution of the contract and the balance of the agreed price plus interest at the rate as agreed in the contract secured by post-dated checks. The titles to the proprietary shares remain with the Club and will be transferred to the buyer upon full payment of the selling price. The installment receivables from such sales are disclosed in Notes 3 and 8.

Movement in the issued, treasury, and outstanding shares as at and for the years ended December 31 are as follows:

	2021		2020		2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Proprietary shares (issued)						
Class "A"						
At January 1 and December 31	1,800	1,508,650,362	1,800	1,508,650,362	1,800	1,508,650,362
Class "B"						
At January 1 and December 31	1,200	1,005,100,242	1,200	1,005,100,242	1,200	1,005,100,242
	3,000	2,513,750,604	3,000	2,513,750,604	3,000	2,513,750,604
Shares of delinquent shareholders acquired through auctions (treasury)						
Class "A"						
At January 1	89	15,289,404	94	16,415,936	100	16,820,207
Purchase	3	1,236,082	2	214,392	4	645,866
Re-issuance	(14)	(1,340,924)	(7)	(1,050,137)	(10)	(5,156,561)
At December 31	78	16,525,486	89	16,630,328	94	17,466,073
Class "B"						
At January 1	56	16,507,412	56	18,637,647	48	8,011,530
Purchase	7	503,688	-	-	12	10,626,117
Re-issuance	(6)	(2,130,235)	-	-	(4)	(5,820,000)
At December 31	57	17,011,100	56	18,637,647	56	18,637,647
	135	33,536,586	145	35,267,975	150	36,103,720
Outstanding						
Class "A"	1,722	1,492,124,876	1,711	1,492,020,034	1,706	1,491,184,290
Class "B"	1,143	988,089,142	1,144	986,462,595	1,144	986,462,594
	2,865	2,480,214,018	2,855	2,478,482,629	2,850	2,477,646,884

Note 13 - Related party transactions and balances

The transactions and outstanding balances with related parties as at and for the years ended December 31 are as follows:

Related party	Transactions		Outstanding balances		Terms and conditions
	2021	2020	2021	2020	
Key management personnel					
Salaries and wages	18,923,655	17,151,943	-	-	Payable in cash every month based on contract.
Retirement benefits	1,174,753	778,204	16,667,330	15,767,810	Refer to Note 16.
Retirement plan					
Contributions	3,000,000	1,286,274		-	Refer to Note 16.

Note 14 - Cost and expenses

Cost and expenses for the years ended December 31 are as follows:

	Notes	2021	2020	2019
Salaries and wages		52,202,718	46,169,022	56,549,534
Repairs and maintenance		38,779,438	24,844,125	45,786,263
Materials and supplies		18,174,626	16,449,035	19,031,543
Security and janitorial		14,867,125	14,857,830	19,256,078
Light and water		14,605,262	14,385,497	21,020,148
Other employee benefits		13,951,977	13,219,064	15,760,145
Input VAT expense		6,810,206	7,089,933	-
Fuel and oil		6,647,849	4,827,502	7,229,250
Real property taxes		5,395,753	5,465,863	5,395,636
Cost of sales of inventories		2,851,206	2,930,880	5,041,843
Professional fees		2,832,134	2,264,008	3,689,721
Retirement benefit expense	16	2,518,678	2,449,694	2,865,463
Communications		2,149,727	2,258,082	2,325,132
Taxes and licenses		1,900,587	2,803,711	3,811,489
Meetings and conferences		1,520,557	934,808	2,106,067
Members' dues and other charges		1,200,000	1,200,000	1,200,000
Interest expense	10	1,170,039	1,796,288	1,145,851
Contracted services		972,753	1,459,974	5,450,803
Others		8,743,321	8,037,346	10,773,920
		197,293,956	173,442,662	228,438,886

Note 15 - Interest income

The following are the sources of Club's interest income for the years ended December 31:

	Notes	2021	2020	2019
Receivables	3	2,996,688	2,084,390	1,640,389
Cash and cash equivalents	2	178,589	641,871	887,732
		3,175,277	2,726,261	2,528,121

Note 16 - Retirement benefits

The Club maintains a funded and non-contributory defined benefit retirement plan covering all of its regular and permanent employees. The plan provides for a payment of benefits in lump sum upon attainment of normal retirement age of 60 and completion of at least 5 years of continuous service with the Club in line with Republic Act No. 7641, known as The Retirement Law. Benefits provided in the plan are based on the years of credited service and compensation of employees. Annual contribution to the retirement plan consists of retirement costs covering the current service costs for the year plus payments toward funding the accrued retirement benefit costs. The latest actuarial valuation report prepared by the independent actuary for the year ended December 31, 2021 using the projected unit credit method.

The retirement benefit (asset) liability as at December 31 consist of:

	2021	2020
Present value of defined benefit obligation (PVDBO)	33,744,317	33,844,248
Fair value of plan assets (FVPA)	(34,141,115)	(33,003,043)
Retirement benefit liability (asset)	(396,798)	841,205

Movements in the retirement benefit liability (asset) for the years ended December 31 are as follows:

	2021	2020
At January 1	841,205	(1,045,611)
Retirement benefits expense	2,518,678	2,449,694
Remeasurement (gain) loss	(756,681)	723,396
Contribution	(3,000,000)	(1,286,274)
At December 31	(396,798)	841,205

Movements in the PVDBO for the years ended December 31 are as follows:

	2021	2020
At January 1	33,844,248	33,006,657
Current service cost	2,488,983	2,499,361
Interest cost	1,194,702	1,567,816
Benefits paid	(1,906,464)	(2,811,515)
Actuarial gain	(1,877,152)	(418,071)
At December 31	33,744,317	33,844,248

Movements in the FVPA for the years ended December 31 are as follows:

	2021	2020
At January 1	33,003,043	34,052,268
Interest income	1,165,007	1,617,483
Contributions	3,000,000	1,286,274
Benefits paid	(1,906,464)	(2,811,515)
Actuarial loss	(1,120,471)	(1,141,467)
At December 31	34,141,115	33,003,043

The plan is administered by a firm of investment fund managers who are authorized to invest the funds as it deems proper. The actual returns on plan assets amounted to P44,536 for the year ended December 31, 2021 (2020 - P476,016).

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

As at December 31, the carrying amount of the plan asset is the same with its fair value. The allocation of the plan assets as at December 31 are as follows:

	2021	2020
Cash in banks	16.86%	12.54%
Interest receivables	0.09%	0.12%
Investments in equity securities	83.05%	87.35%

Descriptions of each category are as follows:

- Cash in banks consist of current account, savings deposit and special savings deposit;
- Receivables consist of interest receivables; and
- Investments in equity securities consist of short-term equity investments and time certificates of deposit.

The plan's investments do not have any concentration risk.

The Club is expected contribute P3 million to the plan assets in 2022.

Retirement benefit expense for the years ended December 31 are as follows:

	2021	2020	2019
Current service cost	2,488,983	2,499,361	2,644,035
Net interest	29,695	(49,667)	221,428
	2,518,678	2,449,694	2,865,463

Movements in the remeasurement gain (loss) on retirement benefits under other comprehensive income for the years ended December 31 are as follows:

	2021	2020	2019
At January 1	(1,601,349)	(877,953)	(1,295,835)
Actuarial gain (loss)	756,681	(723,396)	417,882
At December 31	(844,668)	(1,601,349)	(877,953)

The principal actuarial assumptions used to determine retirement benefits are as follows:

	2021	2020
Discount rate	4.91%	3.51%
Salary increase rate	4.00%	3.00%

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

The weighted average duration of the defined benefit obligation is 13 years in 2021 (2020 - 14 years).

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the PVDBO as at December 31, assuming all other assumptions are held constant:

	Change in basis points	Increase (Decrease) in PVDBO	
		2021	2020
Discount rate	+100	(3,070,304)	(3,293,517)
	-100	3,587,382	3,869,582
Salary increase rate	+100	3,583,378	3,842,995
	-100	(3,140,038)	(3,363,575)

The maturity profiles of the undiscounted benefit payments as at December 31 are as follows:

	2021	2020
Within five years	9,674,154	10,942,863
Between six to 10 years	27,430,888	17,262,805
Between 11 to 15 years	26,409,515	25,167,163
Between 16 to 20 years	19,169,968	23,400,265
More than 20 years	43,140,685	30,839,684

Note 17 - Income taxes

The Club's deferred income tax liabilities as at December 31, 2021 pertain to the 25% (2020 -30%) income tax effects of its revaluation gain of land in 2020 as disclosed in Note 7. The Club recognized income tax benefit amounting to P205.0 million in other comprehensive income due to the change in income tax rate for the year ended December 31, 2021 (2020 - P122.4 million expense from revaluation gain in land; 2019 - nil) (Note 7).

Deferred income tax assets, net on the following temporary differences as at December 31 have not been recognized since management believes that the Club may not have sufficient future taxable income for these deferred income tax assets to be able to utilize:

	2021	2020
Retirement benefit (asset) liability, net	(396,798)	841,205
Unamortized past service costs	7,611,983	8,934,314
Amount charged to other comprehensive income	(844,668)	(1,601,349)
Provision for retirement benefits	6,370,517	8,174,170
Net operating loss carry-over (NOLCO)	115,817,794	115,212,075
Other provisions	6,785,185	794,214
Subtotal	128,973,496	124,180,459
Multiply: Income tax rate	25%	30%
Tax effect	32,243,374	37,254,138
Minimum corporate income tax (MCIT)	614,965	2,018,732
Unrecognized deferred income tax assets, net	32,858,339	39,272,870

On June 26, 2019, the Supreme Court declared through General Register 228539 that membership fees, assessment dues, and fees of similar nature collected by clubs which are organized and operated exclusively for the pleasure, recreation, and other non-profit purposes are not subject to income tax and VAT.

Under the National Internal Revenue Code of 1997, NOLCO and MCIT can be applied as deduction from taxable income and tax due, respectively, over the next three (3) years immediately following the year of such loss.

On September 11, 2020, Republic Act (R.A.) No. 11494, otherwise known as "Bayanihan to Recover as One Act", was passed into law to strengthen the government's efforts in mitigating the effects of COVID-19 pandemic. Under R.A. No. 11494, NOLCO for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

R.A. No. 11534, known as the CREATE Act, was signed into law on March 26, 2021. The signing into law of the CREATE Act is a non-adjusting subsequent event as at December 31, 2020. The salient provisions of CREATE that are relevant to the Company are the lowering of the regular corporate income tax rate (RCIT) from 30% to 20% or 25%, depending on the level of the Company's total assets and net taxable income, and MCIT from 2% to 1%, starting July 1, 2020. For financial reporting purposes, the Company was subject to 25% RCIT and 1% MCIT as at December 31, 2021 (2020 - 30% RCIT and 2% MCIT).

Details of NOLCO and MCIT as at December 31 are as follows:

Year incurred	Year of expiry	2021		2020	
		NOLCO	MCIT	NOLCO	MCIT
2017	2020	-	-	29,498,158	1,096,964
2018	2021	2,396,830	1,495,602	2,396,830	1,495,602
2019	2022	106,903,015	349,682	106,903,015	349,682
2020	2023	-	130,086	-	173,448
2020	2025	5,912,230	-	5,912,230	-
2021	2024	-	135,197	-	-
2021	2026	3,002,549	-	-	-
Subtotal		118,214,624	2,110,567	144,710,233	3,115,696
Expired		(2,396,830)	(1,495,602)	(29,498,158)	(1,096,964)
		115,817,794	614,965	115,212,075	2,018,732

Income tax expense (benefit) for the years ended December 31, 2021 pertain to MCIT amounting to P135,197 (2020 - P173,448; 2019 - P302,673).

Reconciliations between the income tax computed at statutory income tax rate and the effective income tax expense shown in the statements of total comprehensive income for the years ended December 31 are as follows:

	2021	2020	2019
Income tax at statutory income tax rates	(4,215,955)	(7,372,861)	(8,503,660)
Adjust for income tax effects of:			
Non-deductible expenses	44,046,017	51,231,879	53,811,132
Impact of CREATE Act	6,209,023	-	-
Interest income subjected to final tax	(44,647)	(192,561)	(266,320)
Changes in unrecognized deferred income tax assets	(4,276,359)	1,966,944	3,641,376
Non-taxable income	(41,582,882)	(45,459,953)	(48,379,855)
Effective income tax expense	135,197	173,448	302,673

Note 18 - Financial risk and capital management

18.1 Financial risk factors

The main risks arising from the Club's financial instruments are credit and liquidity risks. The members and the BOD review and approve the policies of managing each of the risks which are summarized below.

(a) Credit risk

Credit risk arises when a customer or counterparty fails to discharge an obligation and cause the Club to incur a financial loss.

The Club's receivables are actively monitored to avoid significant uncollectible accounts. Policies are in place to ensure collection of these receivables. The Club ensures that applicant for membership shall undergo a series of verifications to determine the individual or company financial capability and credit history. In case of delinquency, the Club's by-laws provide clear cut measures and sanctions against members with unpaid accounts. In addition, the Club has first lien on every proprietary certificate to ensure debts of members arising from unpaid membership dues and other club charges are recovered. Sales of products and services to non-members, i.e., members' guests are on cash basis. In the case of membership dues, advance payments promotions are launched each year with incentives on early annual payments to reduce receivables from member. These minimize the credit risk exposure any margin loss from possible default in the payment of receivables.

The table below shows the maximum exposure from credit risk for the Club's financial assets at amortized cost without taking account of any collateral and other credit enhancements as at December 31:

	Notes	2021	2020
Cash and cash equivalents*	2	126,176,741	72,675,070
Receivables**	3	23,091,625	17,112,091
Installment receivables, net of current portion	8	9,714,959	5,336,774
		158,983,325	95,123,935

*Excludes cash on hand

**Excludes advances to suppliers and advances to officers and employees

The Club uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below:

- *Grade A* - This applies to highly rated financial obligors and strong counterparties with whom the Club has excellent collection experience, i.e., collections are made even before maturity date.
- *Grade B* - This applies to financial assets that are performing as expected or where counterparty pays on due dates.
- *Grade C* - This applies to accounts that are past due but are not impaired since are subsequently collected within 90 days from reporting date.
- Accounts not within Grades A, B and C are considered long outstanding and subject to expected credit loss allowance.

(i) Cash and cash equivalents

The Club's policy on counterparty risk management is to work with a select group of relationship banks which are licensed commercial and universal banks as defined by the Philippine Banking System. Credit risk exposure is low since commercial and universal banks represent the largest single group, resource-wise, of financial institutions in the country. Cash and cash equivalents are also deposited among the top ten banks in the Philippines, hence, considered Grade A.

(ii) Receivables, including non-current installment receivables

Credit rating of receivables, including non-current installment receivables, as at December 31 are as follows:

	2021	2020
Grade A	28,084,300	17,270,980
Grade B	11,407,624	5,177,885
	39,491,924	22,448,865

(b) *Liquidity risk*

Liquidity risk arises from the possibility that the Club may encounter collection problem that will lead to difficulties in raising funds to meet or settle its obligations and to finance its activities.

The Club monitors its liquidity risk to a shortage of funds through monitoring of collections and projected cash flows from operations. The Club maintains sufficient cash to finance operations. Any excess fund is invested in cash equivalents to augment income generation. The Club's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Club also maintains a financial strategy that the scheduled payment of payables is well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities at amortized cost subject to liquidity risk based on contractual undiscounted payments as at December 31:

	Notes	On demand	Less than 3 months	Between 3 to 6 months	Between 6 to 12 months	Over 1 year	Total
2021							
Accounts and other current liabilities*	9	34,020,466	6,920,437	1,640,939	3,674,917	-	46,256,759
Lease liabilities**	10	-	1,908,999	2,107,314	2,060,581	4,357,776	10,434,670
		34,020,466	8,829,436	3,748,253	5,735,498	4,357,776	56,691,429
2020							
Accounts and other current liabilities*	9	34,539,067	7,131,264	1,938,696	341,526	-	43,950,553
Lease liabilities**	10	-	2,798,955	2,625,737	3,954,108	6,108,812	15,487,612
		34,539,067	9,930,219	4,564,433	4,295,634	6,108,812	59,438,165

*Excludes deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund and tournament fund

**Based on minimum lease payments

18.2 Fair value of financial instruments

The carrying values of the Club's financial instruments as at reporting dates approximate their fair values due to their short-term nature. For non-current installment receivables, the carrying amounts approximate their fair values since the impact of discounting is immaterial. For non-current lease liabilities, the carrying amounts approximate their fair values due to discounting.

18.3 Capital management

The primary objective of the Club's capital management is to ensure the Club's ability to continue as a going concern so that it can continue provide service to its members and benefits for other stakeholders. The Club's capital pertains to Proprietary certificates, shares of delinquent shareholders acquired through auctions, excess of proceeds over cost from re-issuance of shares to delinquent shareholders, and deficit. There were no changes in the Club's capital management policies for the years ended December 31, 2021 and 2020. There are no other externally imposed capital requirements on the Club.

The Club's basic and diluted loss per share for the years ended December 31 are as follows:

	2021	2020	2019
Net loss	16,999,015	24,749,652	28,648,205
Dividend by: Weighted average number of shares*	2,858	2,851	2,856
Loss per share	5,948	8,681	10,031

*Takes into account the weighted average effect of changes in shares of delinquent shareholders acquired through auctions for the year

Note 19 - Critical accounting estimates, assumptions and judgments

The preparation of the Club's financial statements requires management to make judgment, estimates and assumptions that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment, estimates and assumptions used in arriving at the estimates to change. The effects of any change in judgment, estimates and assumptions are reflected in the financial statements as they become reasonably determinable.

19.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared.

(a) Expected credit losses (ECL) of financial assets at amortized cost

The Club applied the ECL model associated with its financial assets at amortized cost. The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Club uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For receivables, the Club uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of active members that have similar loss patterns. The provision matrix is initially based on the Club's historical observed default rates. The Club then calibrates the matrix to adjust the credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL 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 member's actual default in the future. Based on management's assessment, no impairment losses are required on financial assets at amortized cost as at December 31, 2021 and 2020 due to the low credit risk exposure as discussed in Note 18.1(a).

(b) Useful lives of property and equipment

The useful life of each of the Club's item of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of internal technical evaluation and experience with similar assets. The estimated useful life of each asset is 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 the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses and brought about by changes in the factors mentioned. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease the carrying value of property and equipment.

There were no changes in estimated useful lives of property and equipment in 2021 and 2020. The carrying values of property and equipment as at December 31, 2021 and 2020 are disclosed in Note 6.

(c) Fair value of land

The Club measures its land at revalued amount with changes in fair value being recognized in the other comprehensive income. The Club has established a process by which measurement of fair value of the land is in place for financial reporting purposes. This primarily involves the expertise of an independent valuer. The valuer considers certain unobservable inputs and valuation adjustments to provide a reasonable indication of fair value. Any significant changes to these inputs and adjustments could significantly affect the amount of the fair values.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements as at December 31, 2021 and 2020:

Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
External factor (asking price discount)	-10%	The higher the negative input, the lower the fair value
Internal factors (location, size and development)	-10%	

There were no significant interrelationships between unobservable inputs that materially affects fair values. Further information about the assumptions made in measuring the fair values is disclosed in Note 7.

(d) Retirement benefits

The cost of retirement benefits as well as the PVDBO is determined using actuarial valuations. The actuarial valuation involves making various assumptions including the determination of the discount rates, rate of increase in compensation, mortality rates 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 period.

In determining the appropriate discount rate, management considers the interest rates of Philippine government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates for the Philippines. Further information about the assumptions made in measuring the PVDBO and FVPA are disclosed in Note 16.

In determining the long-term rates of return, the Club considers the nature of the plans' investments, an expectation for the plans' investment strategies, historical rates of return and current economic forecasts. The Club evaluates the expected long-term rate of return annually and adjusts as necessary. The activities of the plan expose it to a variety of risks. The management of these risks and the overall investment policy and strategy of the retirement plan are based on the trustee bank's assessment in compliance with local regulations and practice. Responsibility for governance of the retirement plan, including investment decisions and contribution schedules, lies jointly with the Club and the trustee bank.

The Club's management ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt and equity securities, consisting of investments in government securities, mutual funds and unit investment trust fund, with maturities that match the benefit payments as they fall due. Assets are invested in different classes in order to maintain balance between risk and return. Investments are diversified to limit the financial effect of any individual investment.

19.2 Critical judgments in applying the Club's accounting policies

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as of reporting date.

(a) Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. Distribution of free green fee coupons, an incentive when a member pays one-year membership dues in advance, is a separately identifiable promise and is not combined with the obligation related to the membership dues since this is distinct within the context of the contract.

(b) Determining the timing of recognizing membership fees and assessments

The Club charges membership dues, membership fees and assignee fees. The Club has concluded that it incurs an obligation to provide services to the members for the fees received and such shall be recognized over time as the members receive substantially the benefits and privileges of being a member. Membership fees are recognized as earned over the average life stay of members which is determined to be four years based on the eight-year historical membership data of the Club.

(c) Income taxes

A certain degree of judgment is required in determining the provision for income taxes, as there are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred income tax assets is reviewed at each reporting date 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 income tax assets to be utilized. However, there is no assurance that sufficient future taxable income will be generated to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets as at December 31, 2021 and 2020 are disclosed in Note 17.

(d) Contingencies

The Club determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management's assessment is developed in consultation with the Club's legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable. The Club is a respondent in cases arising from the normal course of business, the outcome of which cannot be presently determined. In the opinion of the Club's management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Club's financial statements.

Note 20 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

20.1 Basis of preparation

The financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee and International Financial Reporting Interpretations Committee which have been approved by the Financial Reporting Standards Council and adopted by the SEC.

The financial statements of the Club have been prepared under a historical cost basis, except for land and fair value of plan assets which are measured at fair value.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 19.

Changes in accounting policies and disclosures

There are no new standards, amendments to existing standards, and interpretations that are effective for the annual periods beginning on January 1, 2021, and issued but not yet effective as at December 31, 2021, which would have a significant impact or are considered relevant to the Club's financial statements.

20.2 Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisitions and that are subject to an insignificant risk of change in value. Other relevant policies are disclosed in Note 20.4.

20.3 Receivables

Receivables are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim of the Club is established. These are recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method. Other relevant policies are disclosed in Note 20.4, except for advances to suppliers and advances to officers and employees which are not considered financial assets.

Advances to suppliers represent initial payments for purchases while advances to officers and employees are cash advances which are subject to liquidation. These are reclassified to another asset account or expense when the service or goods is provided by or received from the supplier, or the advance is liquidated.

20.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. The Club recognizes a financial instrument in the statements of financial position, when and only when, the Club becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification

The Club classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Club has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Club reclassifies debt investments when and only when its business model for managing those assets changes. As at December 31, 2021 and 2020, the Club only has financial assets at amortized cost which consist of cash and cash equivalents and receivables (excluding advances to suppliers and advances to officers and employees).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Club commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Club's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Club classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expense) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of total comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income (expense). Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in other income (expense) and impairment expenses are presented as separate line item in the statements of total comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other income (expense) in the period in which it arises.

Equity instruments

The Club subsequently measures all equity investments at fair value. Where the Club's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Club's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income (expense) in the statements of total comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Club assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment loss is recognized in profit or loss and the carrying amount of the asset is reduced through the use of an allowance.

The general approach is applied. Under this approach, credit loss allowance is based on 12-month ECL if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and includes forward-looking information.

The Club considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realizing security (if any is held).

At each reporting date, the Club assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized as a separate line item in the statements of total comprehensive income. When an asset remains uncollectible after the Club has exerted all legal remedies, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against impairment losses in the statements of total comprehensive income.

(b) Financial liabilities

(i) Classification

The Club classifies its financial liabilities at initial recognition in the following categories: at FVPL (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. The Club only has financial liabilities at amortized cost as at December 31, 2021 and 2020 which consists of accounts payable and other current liabilities (excluding deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund) and lease liabilities.

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Club having an obligation either to deliver cash or another financial asset to the holder.

(ii) Recognition and derecognition

Financial liabilities are initially recognized at fair value of the consideration received plus directly attributable transaction costs. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

(c) *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Club or the counterparty. As at December 31, 2021 and 2020, there are no financial assets and financial liabilities that were offset.

20.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost incurred (which significantly pertains to purchase cost) in bringing each asset to its present location and condition is determined using the specific identification method. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The carrying amount of inventories is directly written off from the inventory account. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognized as reduction in the amount of inventories recognized as expense in the period in which the reversal occurs. Net realizable value is the current replacement cost (for material and supplies) or the estimated selling price in the ordinary course of business less applicable variable selling expenses (for inventories for sale).

Inventories are derecognized when they are sold or consumed, or there are no future benefits to the Club. The carrying amount of those inventories is recognized, reported as part of cost and expenses in profit or loss in the period incurred (for material and supplies) or in which the related revenue is recognized (for inventories for sale).

20.6 Prepayments and other assets

Prepayments are expenses paid in cash and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments expire and are recognized as expense either with the passage of time or through use or consumption.

Input VAT arising from purchases of goods and services, is measured at cost and presented net of applicable output VAT, or vice versa, whichever is higher as at reporting date, under current assets or liabilities. These may either be applied against future output tax liabilities or claimed for tax credit or refund.

Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

20.7 Property and equipment, and land

Property and equipment are stated at cost, excluding cost of day-to-day servicing, less accumulated depreciation and any impairment in value.

The cost of property and equipment consists of its purchase price and any costs directly attributable to bringing the property and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of replacing a part of an item of property and equipment is included in the carrying amount of such an item if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Asset class	Estimated useful life in years
Golf course developments	15 - 40
Buildings and improvements	3 - 35
Golf course maintenance and transportation	1 - 5
Furniture, fixtures and office equipment	1 - 5
Clubhouse equipment	3 - 5

The property and equipment's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 20.8).

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 on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statements of total comprehensive income in the year the item is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Land is subject to similar policies with property and equipment but is not subject to depreciation and is subsequently measured at fair value.

Changes in the fair value of land are recognized in other comprehensive income unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it is recognized in profit or loss.

Revaluation gains are not reclassified to profit or loss in the subsequent period. A revaluation loss is recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation gain relating to the same asset.

20.8 Impairment of non-financial assets

The carrying values of land and property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units (CGU) are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of its fair value less cost of disposal and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses, if any, are recognized in profit or loss, except for land. For land impairment losses are first charged to other comprehensive income. Any excess of the impairment losses over the revaluation gain is recognized in profit or loss in the statements of total comprehensive income.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the asset no longer exist or have decreased. The reversal is recorded as income in profit or loss, except for land. For land, reversal of impairment losses is credited to other comprehensive income unless the amount pertains to a reversal of impairment losses previously recognized in profit or loss, in which case, such amount is credited to profit loss. However, the increased amount of an asset due to a reversal of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined had no impairment been recognized for that asset in prior years.

20.9 Accounts payable and other current liabilities

Accounts payable and other current liabilities are recognized in the period in which the related money, goods or services are provided or when a legally enforceable claim against the Club is established. This is recognized initially at invoice amount, which approximates fair value, and subsequently measured at amortized cost using the effective interest method which is normally equal to its nominal amount. Other relevant policies are disclosed in Note 20.4, except for deferred liabilities, statutory liabilities, accrued expenses for withholding tax, sinking fund, and tournament fund.

Deferred liabilities represent payments received from membership applicants. These are recognized as income when the application is approved; otherwise, the payments received by the Club are refunded.

Statutory liabilities and accrued expenses for withholding tax are not considered financial liabilities and not subject to discounting but are derecognized similarly.

Sinking fund and tournament fund are payments received from members for a specific purpose. These are derecognized when expenditures for the specific purpose is incurred. Any excess fund at the end of the specific purpose will be charged directly to cumulative excess of costs and expenses over receipts.

20.10 Leases

(a) Club as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Club:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs
- restoration costs

Right-of-use asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Club is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(iii) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Club becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Residual value guarantees

The Club initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability.

(v) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the capitalization threshold.

(b) Club as lessor

Leases in which the Club does not transfer substantially all the risk and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and derecognized over the lease term on the same bases as lease income.

Operating lease payments are recognized as an income or expense in the statements of total comprehensive income on a straight-line basis over the lease term. Variable lease payments are recognized as income or expense when incurred.

20.11 Income taxes

Income tax expense comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at 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, carry-forward of unused tax losses (NOLCO) and unused tax credits (excess MCIT), to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Club reassess at each reporting date the need to derecognize a previously recognized deferred income tax asset or vice versa.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the taxable entity where there is an intention to settle the balances on a net basis. Deferred income tax assets and liabilities are derecognized when relevant temporary differences have been realized.

20.12 Equity

Proprietary certificates are shares of stock have no par value and recorded equal to the proceeds and/or fair value of considerations received. Incremental costs incurred directly attributable to the issuance of new shares are shown as a deduction from proceeds, net of tax.

Shares of delinquent shareholders acquired through auctions represents the Club's proprietary certificates which are reacquired by the Club and deducted from equity. No gain or loss is recognized in the statements of total comprehensive income on the purchase, sale, issue or cancellation of the Club's own equity instruments. Excess of proceeds over cost from re-issuance of shares of delinquent shareholders is presented as another line item under equity.

Other comprehensive income represents the accumulated revaluation gain of land, net of tax, and remeasurement of retirement benefits.

Deficit represents the net losses accumulated over the years from the Club's operations. Deficit may also include effect of changes in accounting policy as may be required by the respective standard's transitional provisions.

20.13 Loss per share

Loss per share is determined by dividing net loss for the year by the weighted average number of shares issued and outstanding during year. Weighted average share outstanding is calculated by multiplying an outstanding number of shares after considering issuance and buybacks of shares in each reporting period with its time-weighted portion and thereafter summing up the total for each reporting period in a year.

20.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Club classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets that may be held by the Club and included in Level 1 is the current bid price.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

As at December 31, 2021 and 2020, the Club has no assets and liabilities measured at fair value, except for land and FVPA at Level 3 and Level 1 fair value categories, respectively.

20.15 Receipts

(a) Membership fees and assessments

These represents fees received from members as part of Club privileges. These are recognized as follows:

- Membership dues are annual dues from existing members. These are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Membership fees are one-time joining fees for members which are recognized in profit or loss in the applicable membership period. Advance collections or unearned portions are reported as unearned receipts in the statements of financial position.
- Transfer fees are charged on the transfer of golf shares from an existing member to another buyer. These are recognized when such transfer is completed.
- Annual playing rights are recognized upon transfer of playing rights to the assignee. These are recognized when such transfer is completed.
- Special assessments are recognized upon receipt of the fee collected for a specific purpose or project.

(b) Revenues from club operations

The Club recognizes revenue as control is passed, either (i) over time when the customer simultaneously receives and consumes all of the benefits provided by the Club as the Club performs; or (ii) at a point in time when control is passed at a certain point in time as described below.

- Green fees and tourist fees, tournament fees, and club events represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.
- Sales of golf merchandise are recognized at a point in time when the goods are delivered to the buyer.
- Locker, golf cart and equipment rental fees, and concessionaires' fees represent rental income which are recognized in line with Note 20.9.
- Other income are recognized when earned.

(c) Interest income

Interest income, which is presented net of applicable tax withheld, is recognized on a time-proportion basis using the effective interest method.

20.16 Costs and expenses

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

Interest expense is recognized on a time-proportion basis using the effective interest method.

20.17 Employee benefits

(a) Short-term employee benefits

The Club recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves, and bonuses. Bonuses are based on a formula that takes into consideration the employee's salary, length of service and performance evaluation. The Club recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

(b) Retirement benefits

The Club has a funded and noncontributory defined benefit retirement plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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, 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.

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 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.

Defined benefit costs comprise the following:

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

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as part of costs and expenses in the statements of total comprehensive 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 the net defined benefit liability or asset.

Service costs and net interest on the net defined benefit liability or asset are recognized in profit or loss.

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.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Club before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Club recognizes termination benefits at the earlier of the following dates: (a) when the Club can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or have expired.

20.18 Contingencies and provisions

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Provisions are recognized when the Club has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are derecognized when the obligation is settled, cancelled or expired.

20.19 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, 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 enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or their partners. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged.

20.20 Foreign currency transactions and translation

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

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of total comprehensive income.

20.21 Events after reporting period

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

Note 21 - Supplementary information required by the BIR

The following information required by Revenue Regulations No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared for the year ended December 31, 2021 and the receipts upon which the same were based consist of:

	Gross Receipts	Output VAT
Taxable receipts	59,346,234	7,121,548
Exempt receipts	178,538,713	-
	237,884,947	7,121,548

Receipts subject to VAT are based on gross receipts, less actual discounts, if any, while receipts in the statement of total comprehensive income are measured in accordance with the policies in Note 20.15.

(b) Input VAT

Details of input VAT as at and for the year ended December 31, 2021 are as follows:

	Amount
Balance at beginning of year	-
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	5,495,090
Capital goods subject to amortization	607,537
Capital goods not exceeding 1 million	78,861
Importation of goods other than capital goods	49,462
Services lodged under cost and expenses	4,902,003
Claims for tax credit/refund and other adjustments*	(9,339,800)
Balance of deferred input tax to be amortized	(1,793,153)
Balance at end of year	-

*Pertains to total input VAT claimed against output VAT, and expensed due to allocation to exempt receipts

(c) Importations

The Club made importations amounting to P409,545 and paid the corresponding import and custom duties and tariff fees amounting to P57,743 for the year ended December 31, 2021.

(d) Excise tax

The Club had no transactions subject to excise tax for the year ended December 31, 2021.

(e) Documentary stamp tax

The Club paid documentary stamp taxes amounting to P356,284 from insurance and finance lease additions for the year ended December 31, 2021.

(f) Other taxes and licenses

All other taxes and licenses for the year ended December 31, 2021 are as follows:

	Amount
Local taxes	
Real property taxes	5,395,753
Business permit	1,055,209
Community tax certificate	10,500
Other national taxes	
Registration to other government agencies	281,939
Annual water charges	15,122
BIR registration fee	500
Others	181,033
	6,940,056

The amounts above and documentary stamp taxes paid in (e) are lodged in the taxes and licenses and real property taxes accounts under costs and expenses section in the Club's statement of total comprehensive income for the year ended December 31, 2021.

(g) Withholding taxes

Withholding taxes paid and accrued by the Club as at and for the year ended December 31, 2021 are as follows:

	Paid	Accrued	Total
Withholding tax on compensation	3,301,210	182,856	3,484,066
Expanded withholding taxes	1,882,827	312,756	2,195,583
	5,184,037	495,612	5,679,649

(h) Tax assessments and cases

On May 31, 2021, the Club paid tax assessment amounting to P81,033 covering taxable year 2019. On August 25, 2021, the Club paid tax assessment amounting to P100,000 covering taxable year 2018. These amounts are lodged in the taxes and licenses - others account under costs and expenses section in the Club's statement of total comprehensive income for the year ended December 31, 2021.

The Club had no pending tax assessments with the BIR and cases, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2021.

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule A - Financial Assets
As at December 31, 2021
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income received and accrued
Financial assets at amortized cost				
Cash and cash equivalents	-	126,819,084	126,819,084	178,589
Receivables, net, including non-current portion of installment receivables	-	39,491,924	39,491,924	2,996,688
	-	166,311,008	166,311,008	3,175,277

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than related parties)
As at December 31, 2021
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non- current	Ending balance
			Amount collected	Amount written-off			
Delfin P. Angcao, Corporate Secretary	153,763	64,688	(36,000)	-	9,514	172,937	182,451
Robert John L. Sobrepena, Chairman	5,077	60,771	(65,559)	-	289	-	289
Daniel C. Samaniego, Director	(4,169)	57,484	(42,797)	-	3,340	7,178	10,518
Francisco C. Gonzalez, Director	(5,460)	49,517	(42,418)	-	1,639	-	1,639
Rafael Perez de Tagle Jr., Treasurer	(35)	46,835	(46,396)	-	404	-	404
Alfredo M. Mendoza, Director	(647)	73,185	(36,000)	-	-	36,538	36,538
	148,529	352,480	(269,170)	-	15,186	216,653	231,839

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the consolidation of financial statements
As at December 31, 2021
(All amounts in Philippine Peso)

Name and designation of debtor	Beginning balance	Additions	Deductions		Current	Non- current	Ending balance
			Amount collected	Amount written-off			
Not applicable							

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule D - Long-Term Debt
As at December 31, 2021
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related balance sheet	Amount shown under caption “Long-term debt” in related balance sheet”
Obligation under finance lease	9,250,833	6,814,842	2,435,991

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule E - Indebtedness to Related Parties
As at December 31, 2021
(All amounts in Philippine Peso)

Name of affiliate	Beginning balance	Ending balance
Not applicable		

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2021
(All amounts in Philippine Peso)

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

The Manila Southwoods Golf & Country Club, Inc.
(A non-profit organization)

Schedule G - Share Capital
As at December 31, 2021
(All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by		
				Affiliates	Directors, officers, and employees	Others
Class "A" common shares	1,800	1,722	-	-	13	1,709
Class "B" common shares	1,200	1,143	-	-	4	1,139
	3,000	2,865	-		17	2,848