COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	2	0	0	0	7	9	8

COMPANY NAME

THE ORCHARD GOLF & COUNTRY
CLUB, INC.
(A NONPROFIT ORGANIZATION)

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

KM. 27 AGUINALDO HIGHWAY, SALAWAG,
DASMARIÑAS CITY, CAVITE

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
togccofficial@gmail.com	(02) 8982-2000	0917-578-5912

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,883	2nd SATURDAY OF OCT	12 / 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Henry Cua Loping	togccofficial@gmail.com	(02) 8982-2000	0917-883-4749

CONTACT PERSON's ADDRESS

Suite 1822, Tytana Center, Plaza Lorenzo Ruiz, Binondo, Manila

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.

The Orchard Golf & Country Club, Inc.

Financial Statements with Supplementary Schedules
for the Securities and Exchange Commission
December 31, 2022

TABLE OF CONTENTS

FIRST SECTION

Statement of Management's Responsibility for Separate Financial Statements
Independent Auditor's Report
Statements of Financial Position
Statements of Total Comprehensive Income
Statements of Changes in Equity
Statements of Cash Flows
Notes to Financial Statements

SECOND SECTION

I. Supplementary schedules required by Annex 68-E
   A. Financial Assets
   B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Shareholders (Other than Related Parties)
   C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
   D. Long-Term Debt
   E. Indebtedness to Related Parties (Long-term Loans from Related Parties)
   F. Guarantees of Securities of Other Issuers
   G. Capital Stock

II. Schedule of Financial Soundness Indicators

III. Reconciliation of retained earnings available for dividend declaration
   Not applicable*

IV. A map showing the relationships among the group and its ultimate parent company
   Not applicable*

**Based on the Articles of Incorporation of the Club, no profit will inure to the exclusive benefit of any shareholders, hence, no dividends will be declared*

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

FIRST SECTION

Isla Lipana & Co.

Independent Auditor's Report

To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Km 27 Aguinaldo Highway, Salawag
Dasmariñas City, 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 Orchard Golf & Country Club, Inc. (the "Club") as at December 31, 2022 and 2021 and its financial performance and its cash flows for the years then ended 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, 2022 and 2021;
- the statements of total comprehensive income for the year ended December 31, 2022 and 2021;
- the statements of changes in equity for the year ended December 31, 2022 and 2021;
- the statements of cash flows for the year ended December 31, 2022 and 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 (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A (Annual Report) for the year ended December 31, 2022, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A (Annual Report) for the year ended December 31, 2022 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 audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is 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.

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.

Isla Lipana & Co.

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

Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 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 audit 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.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, Makati City
SEC A.N. (individual) as general auditors 126035-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
TIN 268-146-184
BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
March 24, 2023

Isla Lipana & Co.

Statement Required by Rule 68,
Securities Regulation Code (SRC)

To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
Km 27 Aguinaldo Highway, Salawag
(A non-profit organization)
Dasmariñas City, Cavite

We have audited the accompanying financial statements of The Orchard Golf & Country Club, Inc. as at and for the year ended December 31, 2022, on which we have rendered the attached report dated March 24, 2023. The supplementary information shown in the Schedules A, B, C, D, E, F and G as additional components required by Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not a required part 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 Rule 68 of the SRC.

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, Makati City
SEC A.N. (individual) as general auditors 126035-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
TIN 268-146-184
BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
March 24, 2023

Isla Lipana & Co.

Statement Required by Rule 68,
Securities Regulation Code (SRC)

To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
Km 27 Aguinaldo Highway, Salawag
(A non-profit organization)
Dasmariñas City, Cavite

We have audited the financial statements of The Orchard Golf & Country Club, Inc. (the "Club") as at and for the year ended December 31, 2022, on which we have rendered the attached report dated March 24, 2023.

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary and the results of our work performed, the Club has two (2) shareholders owning one hundred (100) or more shares each as at December 31, 2022.

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, Makati City
SEC A.N. (individual) as general auditors 126035-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
TIN 268-146-184
BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
March 24, 2023

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

Statements of Financial Position
As at December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	2	77,146,915	60,107,373
Receivables, net	3	18,028,465	14,711,257
Inventories	4	2,877,155	3,029,502
Prepayments and other current assets	5	16,114,832	12,802,193
Total current assets		114,167,367	90,650,325
Non-current assets			
Property and equipment, net	6	446,804,475	438,767,302
Land at revalued amount	7	8,268,882,000	7,304,179,100
Other non-current assets		3,119,860	2,923,167
Total non-current assets		8,718,806,335	7,745,869,569
Total assets		8,832,973,702	7,836,519,894
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	8	67,216,265	64,336,870
Contract liabilities	9	9,043,816	10,834,053
Deposits from assignees and others	9	10,430,849	10,479,002
Total current liabilities		86,690,930	85,649,925
Non-current liabilities			
Contract liabilities - net of current portion	9	-	3,270,118
Deposits from assignees and others - net of current portion	9	1,450,000	1,400,000
Deferred income tax liability	17	2,035,350,850	1,794,175,125
Retirement benefit obligation	16	4,275,388	6,209,999
Total non-current liabilities		2,041,076,238	1,805,055,242
Total liabilities		2,127,767,168	1,890,705,167
Members' equity			
Capital stock	10	1,083,103,341	1,083,103,341
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members	11	4,567,528	2,812,288
Shares of delinquent members acquired through auctions	11	(57,869,964)	(55,865,843)
Revaluation increments on land, net	7	6,106,052,550	5,382,525,375
Remeasurement on retirement benefits, net	16	(5,866,381)	(7,993,822)
Cumulative excess of expenses over receipts		(424,780,540)	(458,766,612)
Total members' equity		6,705,206,534	5,945,814,727
Total liabilities and equity		8,832,973,702	7,836,519,894

(The notes on pages 1 to 39 are an integral part of these financial statements.)

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

Statements of Total Comprehensive Income
For the years ended December 31, 2022 and 2021
(With comparative figures for the year ended December 31, 2020)
(All amounts in Philippine Peso)

	Notes	2022	2021	2020
Members' assessments				
Membership dues	12	149,442,503	156,391,659	143,077,800
Assignment and transfer fees	12	37,136,760	20,350,000	11,951,738
Total members' assessments		186,579,263	176,741,659	155,029,538
Revenues from clubhouse operations				
Green fees	12	75,432,589	51,293,107	51,397,776
Tournament fees	12	12,557,055	-	394,717
Concessionaire's fees	12	9,471,151	4,672,525	4,720,496
Grand raffle tickets	12	7,851,473	-	-
Recreational facilities fees	12	4,487,496	679,226	834,410
Pro shop commission	12	2,857,903	2,442,320	1,809,228
Facilities rental	12	2,645,822	511,160	1,169,688
Pro shop sales	12	1,195,849	956,243	754,107
Others	12	2,050,831	1,132,766	802,230
Total revenue from clubhouse operations		118,550,169	61,687,347	61,882,652
Total receipts		305,129,432	238,429,006	216,912,190
Cost of goods sold and services	13	(60,828,120)	(36,320,479)	(31,279,660)
Excess of receipts over cost before operating expenses, other income and depreciation expense		244,301,312	202,108,527	185,632,530
Operating expenses other than depreciation	14	(183,287,805)	(165,493,497)	(153,704,991)
Interest income	2	876,779	618,430	1,076,551
Reversal of (provision) for doubtful accounts	3	5,994,243	4,123,317	(6,349,448)
Other income, net	15	8,439,332	2,170,829	2,407,944
Excess of receipts and other income over costs and operating expenses other than depreciation expense		76,323,861	43,527,606	29,062,586
Depreciation expense	6	(41,746,221)	(39,285,837)	(40,063,015)
Excess (deficiency) of receipts over expenses before income tax		34,577,640	4,241,769	(11,000,429)
Income tax expense	17	(591,568)	(300,540)	(593,736)
Excess (deficiency) of receipts over expenses after income tax for the year		33,986,072	3,941,229	(11,594,165)
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss				
Adjustment on deferred income tax liability	7,17	-	358,835,025	-
Remeasurement gain (loss) on retirement benefit obligation	16	2,127,441	7,828,216	(1,492,603)
Revaluation increment on land, net	7	723,527,175	-	752,468,262
Other comprehensive income for the year		725,654,616	366,663,241	750,975,659
Total comprehensive income for the year		759,640,688	370,604,470	739,381,494
Basic and diluted earnings (loss) per share	10	12,844	1,488	(4,352)

(The notes on pages 1 to 39 are an integral part of these financial statements.)

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

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(With comparative figures for the year ended December 31, 2020)
(All amounts in Philippine Peso)

	Capital stock (Note 10)	Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members (Note 11)	Shares of delinquent members acquired through auctions (Note 11)	Revaluation increments on land, net (Note 7)	Remeasurement on retirement benefits, net (Note 16)	Cumulative excess of expenses over receipts	Total
Balances as at January 1, 2020	1,083,103,341	-	(49,009,971)	4,271,222,088	(14,329,435)	(451,113,674)	4,839,872,349
Comprehensive income							
Excess of expenses over receipts	-	-	-	-	-	(11,594,167)	(11,594,167)
Other comprehensive income (loss)	-	-	-	752,468,262	(1,492,603)	-	750,975,659
Total comprehensive income (loss)	-	-	-	752,468,262	(1,492,603)	(11,594,167)	739,381,492
Transactions with members							
Re-issuance of shares of delinquent members	-	1,264,780	635,220	-	-	-	1,900,000
Balances as at December 31, 2020	1,083,103,341	1,264,780	(48,374,751)	5,023,690,350	(15,822,038)	(462,707,841)	5,581,153,841
Comprehensive income							
Excess of receipts over expenses	-	-	-	-	-	3,941,229	3,941,229
Other comprehensive income	-	-	-	358,835,025	7,828,216	-	366,663,241
Total comprehensive income	-	-	-	358,835,025	7,828,216	3,941,229	370,604,470
Transaction with members							
Re-issuance of shares of delinquent members	-	1,547,508	502,500	-	-	-	2,050,008
Shares of delinquent members re-acquired by the Club	-	-	(7,993,592)	-	-	-	(7,993,592)
Total transactions with members	-	1,547,508	(7,491,092)	-	-	-	(5,943,584)
Balances as at December 31, 2021	1,083,103,341	2,812,288	(55,865,843)	5,382,525,375	(7,993,822)	(458,766,612)	5,945,814,727
Comprehensive income							
Excess of receipts over expenses	-	-	-	-	-	33,986,072	33,986,072
Other comprehensive income	-	-	-	723,527,175	2,127,441	-	725,654,616
Total comprehensive income	-	-	-	723,527,175	2,127,441	33,986,072	759,640,688
Transactions with members							
Re-issuance of shares of delinquent members	-	1,755,240	682,260	-	-	-	2,437,500
Shares of delinquent members re-acquired by the Club	-	-	(2,686,381)	-	-	-	(2,686,381)
Total transactions with members	-	1,755,240	(2,004,121)	-	-	-	(248,881)
Balances as at December 31, 2022	1,083,103,341	4,567,528	(57,869,964)	6,106,052,550	(5,866,381)	(424,780,540)	6,705,206,534

(The notes on pages 1 to 39 are an integral part of these financial statements.)

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

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(With comparative figures for the year ended December 31, 2020)
(All amounts in Philippine Peso)

	Notes	2022	2021	2020
Cash flows from operating activities				
Excess of receipts over expenses				
(expenses over receipts) before income tax		34,577,640	4,241,769	(11,000,431)
Adjustments for:				
Depreciation expense	6	41,746,221	39,285,837	40,063,015
Loss (gain) on disposal of property and				
equipment	15	25,000	-	(849,281)
(Reversal of) provision for impairment of				
receivables	3	(5,994,243)	(4,123,317)	6,349,448
Retirement benefit cost	16	3,616,839	4,699,086	3,835,312
Interest income	2	(876,779)	(618,430)	(1,076,551)
Excess of receipts over expenses before				
working capital changes		73,094,678	43,484,945	37,321,512
Decrease (increase) in:				
Receivables		2,677,035	5,309,645	245,343
Inventories		152,347	(148,144)	1,757,943
Prepayments and other current assets		(3,312,639)	(9,642,163)	1,754,991
Other non-current assets		(196,693)	1,642,435	1,646,487
Increase (decrease) in:				
Accounts payable and other current liabilities		2,287,827	8,929,820	(11,509,095)
Contract liabilities		(5,060,355)	(1,015,864)	5,161,334
Deposits from assignees and others		1,847	(408,214)	(977,949)
Cash generated from operations		69,644,047	48,152,460	35,400,566
Income taxes paid		-	(1,174,695)	(738,648)
Interest received	2	876,779	618,430	1,076,551
Contribution made to the retirement fund	16	(2,500,000)	(2,500,000)	(5,000,000)
Retirement benefits paid	16	(924,009)	(1,843,691)	-
Net cash from operating activities		67,096,817	43,252,504	30,738,469
Cash flows from investing activities				
Additions to property and equipment	6	(50,134,228)	(38,792,392)	(20,073,080)
Proceeds from sale of property and equipment	6	325,834	229,213	855,358
Net cash used in investing activities		(49,808,394)	(38,563,179)	(19,217,722)
Cash flow from financing activities				
Re-acquisition of shares of delinquent members of				
the Club	11	(2,686,381)	(7,993,592)	-
Proceeds from reissuance of Club’s shares	11	2,437,500	2,050,008	1,900,000
Net cash (used in) from financing activities		(248,881)	(5,943,584)	1,900,000
Net increase (decrease) in cash		17,039,542	(1,254,259)	13,420,747
Cash and cash equivalents at beginning of the year		60,107,373	61,361,632	47,940,885
Cash and cash equivalents at end of the year	2	77,146,915	60,107,373	61,361,632

(The notes on pages 1 to 39 are an integral part of these financial statements.)

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

Notes to the Financial Statements
As at and for the years ended December 31, 2022 and 2021
(With comparative figures for the year ended December 31, 2020)
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information

1.1 Business information

The Orchard Golf & Country Club, Inc. (the "Club") was registered with the Philippine Securities and Exchange Commission (SEC) on February 5, 1992. The Club was established to promote social, educational and athletic activities on a non-profit basis among its members, the main objective of which is the maintenance of golf courses and related sports and recreational facilities.

The Club has a permit from the Philippine SEC to offer its securities for sale to the public consisting of 3,000 proprietary certificates, 7 shares of which are founders' certificates while 2,993 shares are regular certificates.

The Club has 99 regular employees as at December 31, 2022 (2021 - 110).

The registered office address of the Club is Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite.

1.2 Approval of the Club's financial statements

These financial statements were authorized and approved for issue by the Board of Directors (BOD) on March 21, 2023.

Note 2 - Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2022	2021
Cash on hand	500,000	500,000
Cash in banks	26,292,185	18,491,055
Short-term deposits	50,354,730	41,116,318
	77,146,915	60,107,373

Cash in banks earns interest at the respective bank deposit rates.

Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Club and earn interest ranging from 0.50% to 3.30%.

Interest income earned from cash in banks and short-term deposits for the year ended December 31, 2022 amounted to P722,954 (2021 - P427,837; 2020 - P682,288). Other interest income amounting to P153,825 (2021 - P190,593; 2020 - P394,263) is earned from loans provided to officers presented as part of advances to officers and employees (Note 3).

Note 3 - Receivables, net

Receivables, net as at December 31 consist of:

	2022	2021
Receivables from members	51,185,509	59,076,762
Advances to officers and employees	4,855,571	3,577,624
Receivable from concessionaires	571,285	1,635,078
Receivable from credit card companies	1,773,597	539,698
Others	5,731,245	2,109,337
	64,117,207	66,938,499
Allowance for doubtful accounts	(46,088,742)	(52,227,242)
	18,028,465	14,711,257

Receivables from members are non-interest-bearing and have a 30 days' term subject to 3% penalty per month for unpaid amounts. Late payment charges amounting to P5,461,968 (2021 - P1,689,573; 2020 - P950,340) are recognized in profit or loss within other income (Note 15).

Advances to officers and employees are non-interest-bearing and are collected through equal salary deductions over six (6) to twelve (12) months.

Receivable from concessionaires are non-interest-bearing and normally have a credit term of 30 days.

Other receivables consist mainly of sponsorships for Founders' Cup tournament which are non-interest-bearing.

The movements in the allowance for impairment of receivables for the years ended December 31 are as follows:

	2022	2021	2020
Beginning of the year	52,227,242	56,360,883	50,073,879
Provision for impairment of receivables	-	-	6,349,448
Write-off	(144,257)	(10,324)	(62,444)
Reversal	(5,994,243)	(4,123,317)	-
End of the year	46,088,742	52,227,242	56,360,883

In 2022, the Club reversed the provision for impairment of receivables amounting to P5,994,243 (2021 - P4,123,317; 2020 - nil) for the receivables from seriously delinquent members whose shares were sold through auction.

Critical accounting estimates and assumptions: Expected credit losses (ECL) on receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Provision for impairment is calculated using expected credit losses (ECLs). ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Club used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, which involved significant estimates and judgements.

The Club also evaluates specific account of members, customers, and other counterparties who are unable to meet their financial obligations. In these cases, management uses judgment and assessment based on the best available facts, including but not limited to, the debtor's payment history and the result of the Club's follow-up action to recover overdue debts. Any change in the Club's assessment of the collectability of receivables could impact the recorded carrying amount of receivables and related provision for impairment.

Management believes that the recorded allowance as at each reporting period is sufficient to cover the receivables that are impaired and assessed to be uncollectible.

Note 4 - Inventories

Inventories as at December 31 consist of:

	2022	2021
Golf maintenance supplies	2,562,418	2,718,928
Pro shop supplies	314,737	310,574
	2,877,155	3,029,502

The total cost of golf maintenance supplies used and pro shop goods sold by the Club amounted to P2,451,491 and P863,075, respectively (2021 - P1,881,517 and P654,730; 2020 - P1,665,131 and P519,038, respectively) (Note 13).

Note 5 - Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

	2022	2021
Prepaid taxes	11,874,309	10,809,358
Prepaid supplies	4,240,523	1,992,835
	16,114,832	12,802,193

Prepaid tax mostly pertains to real property taxes paid by the Club in advance for year 2023.

Prepaid supplies include payments for prepaid insurance and advances to suppliers for golf course maintenance projects.

Note 6 - Property and equipment, net

Details of property and equipment, net at December 31 are as follows:

	Land improvements	Buildings and structures	Facilities and equipment	Furniture and fixtures	Kitchen equipment	Construction-in-progress	Total
At January 1, 2021							
Cost	608,069,332	357,761,242	458,533,517	21,824,162	2,121,657	-	1,448,309,910
Accumulated depreciation	(400,135,811)	(185,340,140)	(401,308,166)	(19,914,176)	(2,121,657)	-	(1,008,819,950)
Net carrying value	207,933,521	172,421,102	57,225,351	1,909,986	-	-	439,489,960
Year ended December 31, 2021							
Opening net carrying value	207,933,521	172,421,102	57,225,351	1,909,986	-	-	439,489,960
Additions	-	7,190,299	25,949,139	133,581	-	5,519,373	38,792,392
Depreciation	(10,155,101)	(11,410,234)	(17,085,871)	(634,631)	-	-	(39,285,837)
Disposal							
Cost	-	-	(12,537,781)	(1,518)	-	-	(12,539,299)
Depreciation	-	-	12,309,656	430	-	-	12,310,086
Closing net carrying value	197,778,420	168,201,167	65,860,494	1,407,848	-	5,519,373	438,767,302
At December 31, 2021							
Cost	608,069,332	364,951,541	471,944,875	21,956,225	2,121,657	5,519,373	1,474,563,003
Accumulated depreciation	(410,290,912)	(196,750,374)	(406,084,381)	(20,548,377)	(2,121,657)	-	(1,035,795,701)
Net carrying value	197,778,420	168,201,167	65,860,494	1,407,848	-	5,519,373	438,767,302
Year ended December 31, 2022							
Opening net carrying value	197,778,420	168,201,167	65,860,494	1,407,848	-	5,519,373	438,767,302
Additions	-	11,410,346	34,873,748	-	-	3,850,134	50,134,228
Depreciation	(10,155,101)	(12,658,140)	(18,264,039)	(668,941)	-	-	(41,746,221)
Disposal							
Cost	-	-	(22,893,530)	-	-	-	(22,893,530)
Depreciation	-	-	22,542,696	-	-	-	22,542,696
Closing net carrying value	187,623,319	166,953,373	82,119,369	738,907	-	9,369,507	446,804,475
At December 31, 2022							
Cost	608,069,332	376,361,887	483,925,093	21,956,225	2,121,657	9,369,507	1,501,803,701
Accumulated depreciation	(420,446,013)	(209,408,514)	(401,805,724)	(21,217,318)	(2,121,657)	-	(1,054,999,226)
Net carrying value	187,623,319	166,953,373	82,119,369	738,907	-	9,369,507	446,804,475

In 2022, the Club sold property and equipment with net book value amounting to P350,834 (2021 - P229,213; 2020 - P6,077). Total proceeds from sale of property and equipment in 2022 amounted to P325,834 (2021 - P229,213; 2020 - P855,358). Hence, the Club recognized a loss on sale of property and equipment amounting to P25,000 in 2022 (2021 - nil; 2020 - P849,281 gain) (Note 15).

Critical accounting estimates and assumptions: Estimated useful life of property and equipment

The Club estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are 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 assets. Such estimation is based on a collective assessment of the practices of similar businesses and experiences with similar assets.

Based on management's assessment, there is no change in estimated useful lives of property and equipment during the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors discussed in the foregoing.

It is possible that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the change in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded expenses and decrease non-current assets.

Critical accounting judgment: Determination of impairment of non-financial assets

Non-financial assets including property and equipment, and land at revalued amount are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable.

Management believes that there are no events or changes in circumstances which indicate that the carrying amount of its non-financial assets may be impaired as at each reporting period.

Note 7 - Land at revalued amount

Details of land at revalued amount as at December 31 are as follows:

	2022	2021	2020
Balance at beginning of year	7,304,179,100	7,304,179,100	6,229,224,440
Revaluation increment during the year recognized in other comprehensive income	964,702,900	-	1,074,954,660
Balance at end of year	8,268,882,000	7,304,179,100	7,304,179,100

The land has a historical cost amounting to P127,478,600.

The fair value of the land as at December 31, 2022 was based on the appraisal report dated January 9, 2023 determined by Value Metrics, Inc. using market (data) approach. Meanwhile, the fair values of the land as at December 31, 2021 and 2020 were based on the latest appraisal report dated November 30, 2020 determined by Cuervo Appraisers, Inc. using market (data) approach for the Club.

The land is carried at fair value as appraised on various dates as follows:

	Date of appraisal	Appraisal value
2022	January 9, 2023	8,268,882,000
2020	November 30, 2020	7,304,179,100

The cumulative fair value gain on land recognized in the statements of total comprehensive income and in the statements of changes in equity for each of the three years in the period ended December 31, 2022 follows:

	Gross amount	Deferred income tax (Note 17)	Net amount
Revaluation increment on land, January 1, 2020	6,101,745,840	1,830,523,752	4,271,222,088
Revaluation gain for the year	1,074,954,660	322,486,398	752,468,262
Revaluation increment on land, December 31, 2020	7,176,700,500	2,153,010,150	5,023,690,350
Effect of change in tax rate	-	(358,835,025)	358,835,025
Revaluation increment on land, December 31, 2021	7,176,700,500	1,794,175,125	5,382,525,375
Revaluation gain for the year	964,702,900	241,175,725	723,527,175
Revaluation increment on land, December 31, 2022	8,141,403,400	2,035,350,850	6,106,052,550

Valuation techniques

Taking into account the most recent independent valuations, the Club updates their assessment of the fair value of the land.

Description of the valuation techniques and key inputs to the valuation of land at revalued amount are as follows:

As at December 31 2022:

Valuation technique	Significant unobservable inputs	Range
Market (data) approach	Selling price of identical piece of land	12,000 to 15,000 per square meter
	External factor adjustments	-10% to -15%
	Internal factor adjustments	-10% to -50%
	Average fair value after internal and adjustments	6,000 per square meter external factor

As at December 31 2020:

Valuation technique	Significant unobservable inputs	Range
Sales comparison approach	Selling price of identical piece of land	7,000 to 18,220 per square meter
	External factor adjustments	-10%
	Internal factor adjustments	-10% to -55%
	Average fair value after internal and adjustments	5,300 per square meter external factor

The Club determines that the said properties were valued within a range of reasonable fair value estimates where all resulting fair value estimates are categorized as fair value measurements using significant unobservable inputs (Level 3).

Valuations are performed with sufficient regularity at least once every two (2) years enough to ensure that the fair value of the revalued asset does not differ significantly from its carrying value.

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

Critical accounting estimates and assumptions: Fair value estimation of land

Land at revalued amount is measured at revalued amount, which approximates its fair value at the date of the revaluation less any accumulated impairment losses. In determining the fair value of land, the Club, through the professional services of an independent external appraiser, utilized a sales comparison approach. The technique of this approach requires comparison of properties with similar characteristics that are offered for sale or have been sold recently.

When a valuation is obtained, management reviews the key inputs, assesses valuation movements and holds discussions with the valuer as part of the process. Discussions about the valuation processes and results are held between the management and the Club's BOD.

The sensitivity of the land at revalued amount to changes in the significant unobservable inputs as at December 31 is as follows:

		Impact on	
	Change in price per square meter	Land	OCI, net of tax
2022	+/- 5%	+/- 413,444,100	+/- 310,083,075
2021	+/- 5%	+/- 365,208,955	+/- 273,906,716

Note 8 - Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of:

	2022	2021
Trade payables:		
Due to members	17,851,157	16,088,966
Third parties	13,393,404	26,029,930
Related parties	226,604	191,719
Accrued expenses:		
Professional fees	3,760,862	6,576,199
Outside services	3,393,001	2,567,883
Utilities	511,983	473,425
Others	714,563	47,019
Deposit for re-acquired shares	13,495,000	2,437,500
Consignment and due to concessionaires	8,100,253	5,348,503
Payable to government agencies	3,148,300	1,677,635
Others	2,621,138	2,898,091
	67,216,265	64,336,870

Trade payables to third parties are non-interest-bearing and are normally on 15 to 30 days' terms.

Due to members account pertains to player's payment of golfers' insurance fee and hole-in-one fund. These are amounts paid by the members every time they play in the Club in anticipation of a hole-in-one and fund in case of accidents relating to the insurance.

Accrued expenses are non-interest-bearing and have an average term of one month.

Deposit for re-acquired shares pertains to deposits for the re-issuance of re-acquired shares which are awaiting the issuance of the related stock certificates to new owners.

Consignment and due to concessionaires account pertain to unremitted sales to consignors and concessionaires. These are all collections by the Club, made through its point-of-sale system, which shall be operated and maintained exclusively by the Club, after the deduction of the appropriate concession fee and cash advances which are remitted to the concessionaires on the thirtieth (30th) day of each month (Note 12).

Other payables which mainly pertain to liabilities from environment fees, tournament fees and other expenses are non-interest-bearing and are normally on 30 to 90 days' terms.

Note 9 - Contract liabilities/deposits from assignees and others

Contract liabilities pertain to advances received from members and customers for food and beverage, golf rentals, and other Club facilities, which are recognized as part of revenue upon satisfaction of performance obligations, normally within one year upon receipt of advances. As at December 31, 2022 contract liabilities amounted to P9,043,816 (2021 - P14,104,171).

Deposits from assignees pertain to initial deposits from members' assignees related to the playing rights and are refundable at the end of the contract term. Deposits from others pertain to deposits for guest fees which are refundable at the end of each use of the facilities. As at December 31, 2022, deposits from assignees and others amounted to P11,880,849 (2021 - P11,879,002).

Note 10 - Capital stock, club membership and basic earnings (loss) per share

Details of capital stock as at December 31, 2022 and 2021 are as follows:

	Authorized		Issued, subscribed and outstanding	
	Number of shares	Amount	Number of shares	Amount
Class A	1,800	448,455,086	1,800	448,455,086
Class B	700	296,074,144	700	296,074,144
Class C	500	338,574,111	500	338,574,111
	3,000	1,083,103,341	3,000	1,083,103,341

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which at least sixty percent (60%) of the outstanding capital stock and entitled to vote is owned or controlled by citizens of the Philippines.

Class "B" shares may be sold to any individual, corporation, partnership, or association, irrespective of their nationality.

Class "C" shares are special corporate shares which may be sold to corporations irrespective of their nationality or citizenship.

Ownership of a share shall entitle the registered owner to the use of all the sports and other facilities of the Club. The ownership of all shares of stock is however, subject to the following restrictive conditions, among others:

a. No transfer of shares of stocks of the Club which will reduce the stock ownership of Filipino citizens to less than the minimum percentage of the outstanding capital stock required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the books of the Club. This restriction shall be printed or indicated in all the certificates of stocks to be issued by the Club. Any transfer made in violation hereof shall be null and void;

b. No profit shall inure to the exclusive benefit of any of the shareholder, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation;

c. In case of foreclosure by the pledgee or mortgagee of the shares of shareholders in the Club, the pledgee/mortgagee shall, in the event of inability of the pledgor or mortgagor to meet the obligation of such pledgor or mortgagor under the terms of the pledge or chattel mortgage, notify the Club in writing of the date, time and place of foreclosure sale and of the nature and amount of obligation secured by the pledge or mortgage, which sale shall be conducted not earlier than 15 days from the date the Club received written notice thereof. The Club shall have the right to purchase the auctioned shares within 30 days from the award by paying in cash the price paid for by the winning bidder and expenses of sale incurred by the latter;

d. Shareholders and members of the Club shall be subjected to the payment of monthly dues in an amount as may be prescribed by resolution of the BOD to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities. Such dues together with all other obligations of the shareholders to the Club, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government and in the event of delinquency, such shares may be ordered sold by the BOD in the manner provided in the by-laws to satisfy said dues or other obligations of the shareholders;

e. In case any shareholder violates the provisions of the Articles of Incorporation or the By-laws or rules and regulations of the Club or resolutions duly promulgated by the BOD or shareholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Club, such shareholder may be expelled by the BOD in the manner provided in the by-laws upon proper notice and hearing, and he shall then cease to be a shareholder, and shall have no right with respect to his share except the right to demand payment therefore in accordance with the by-laws. The Club shall have a period of 30 days from the expulsion of the shareholder to make payment of his share, and upon such payment the shareholder shall forthwith transfer and assign the share held by him as directed by the Club.

Membership in the Club consists of regular, assignee, honorary and founding members.

Regular Members

Regular members are natural persons who are registered shareowners and the duly designated representatives of juridical entities in whose name the share certificates have been issued.

Assignee Members

Assignee members are natural persons who are entitled to use all facilities and privileges of the Club, except the right to vote, the right to hold office, and the right to the assets and property of the Club.

Honorary Members

Honorary membership shall be automatically extended to the President of the Philippines, the Governor of Cavite, the Congressman and Mayor of the City of Dasmarinas, Cavite.

Founding Members

Founding members shall be composed of the original incorporators or subscribers of the Club who are holders of Founders' shares.

Non-activated shares

On December 13, 1994, the BOD of the Club approved the resolution that no membership dues shall be charged to the original holders' non-activated shares, unless they transfer or sell their share or assign the playing rights. Non-activated shares refer to those shares that have not been applied for membership and the monthly dues of which are not being paid. Original shareholders refer to Sta. Lucia Realty Development Inc., AFP-Retirement and Separation Benefits Systems, ACL Development Corporation and Helena Benitez. They were given shares of stock in the Club as compensation for their respective investments constituting land and development costs.

Notwithstanding the non-payment of fees and dues, holders of non-activated shares shall still have the right to vote in accordance with the right of a regular member in good standing.

Thus, in the case of original shareholders of non-activated shares, the nonpayment of fees, dues and assessments do not constitute delinquent shares and therefore are still entitled to vote.

Basic and diluted Earnings (Loss) Per Share

The following table presents information used to calculate earnings (loss) per share:

	2022	2021	2020
Excess (deficiency) of receipts over expenses after income tax	33,986,072	3,941,229	(11,594,165)
Number of shares (excluding shares of delinquent members)	2,646	2,648	2,664
Basic and diluted earnings (loss) per share	12,844	1,488	(4,352)

Basic and diluted earnings (loss) per share are equal as the Club does not have any dilutive potential ordinary shares in 2022, 2021 and 2020.

Note 11 - Shares of delinquent members acquired through auctions

This represents the following shares of delinquent members which were acquired through auctions pursuant to the Club By-laws as settlement of their long outstanding accounts.

Movements in shares of delinquent members acquired through auctions as at December 31 are as follows:

	2022		2021		2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of the year						
Class A	248	33,854,446	239	30,646,547	241	30,998,547
Class B	58	9,332,734	55	7,981,434	55	7,981,434
Class C	46	12,678,663	42	9,746,770	43	10,029,990
	352	55,865,843	336	48,374,751	339	49,009,971
Shares of delinquent members re-acquired by the Club						
Class A	-	-	9	3,207,898	-	-
Class B	-	-	4	1,503,800	-	-
Class C	5	2,686,381	5	3,281,894	-	-
	5	2,686,381	18	7,993,592	-	-
Shares re-issued during the year						
Class A	(1)	(180,000)	-	-	(2)	(352,000)
Class B	(1)	(150,000)	(1)	(152,500)	-	-
Class C	(1)	(352,260)	(1)	(350,000)	(1)	(283,220)
	(3)	(682,260)	(2)	(502,500)	(3)	(635,220)
Balance at end of the year						
Class A	247	33,674,446	248	33,854,445	239	30,646,547
Class B	57	9,182,734	58	9,332,734	55	7,981,434
Class C	50	15,012,784	46	12,678,664	42	9,746,770
	354	57,869,964	352	55,865,843	336	48,374,751

The related amounts outstanding from delinquent members were fully provided with allowance for impairment of receivables in prior years (Note 3).

For the year ended December 31, 2022, the Club was able to re-issue 3 shares (2021 - 2 shares; 2020 - 3 shares) of delinquent members acquired through auctions with cost of P682,260 (2021 - P502,500; 2020 - P635,220) for P2,437,500 (2021 - P2,050,008; 2020 - P1,900,000). The proceeds received from re-issuance of shares of delinquent members for the year ended December 31, 2022 amounted to P1,755,240 (2021 - P1,547,508; 2020 - P1,264,780).

The accumulated proceeds from re-issuance of shares of delinquent members as at December 31, 2022 amounted to P4,567,528 (2021 - P2,812,288).

Note 12 - Receipts

The Club derives receipts from membership dues and fees, and revenue from sale of goods and services for the years ended December 31 are as follows:

	2022	2021	2020
At a point in time			
Tournament fees	12,557,055	-	394,717
Grand raffle tickets	7,851,473	-	-
Pro shop commission	2,857,903	2,442,320	1,809,228
Pro shop sales	1,195,849	956,243	754,107
Others	2,050,831	1,132,766	802,230
	26,513,111	4,531,329	3,760,282
Over time			
Membership dues	149,442,503	156,391,659	143,077,800
Green fees	75,432,589	51,293,107	51,397,776
Assignment and transfer fees	37,136,760	20,350,000	11,951,738
Concessionaire's fees	9,471,151	4,672,525	4,720,496
Recreational facilities fees	4,487,496	679,226	834,410
Facilities rental	2,645,822	511,160	1,169,688
	278,616,321	233,897,677	213,151,908
	305,129,432	238,429,006	216,912,190

Note 13 - Cost of goods sold and services

The components of cost of goods sold and services for the years ended December 31 are as follows:

	Note	2022	2021	2020
Salaries, wages and employee benefits		22,979,156	22,965,680	20,399,508
Tournament expenses		9,794,981	-	1,163,338
Grand raffle tickets		7,007,040	-	-
Repairs and maintenance		6,935,920	4,377,955	3,264,106
Utilities		5,026,086	3,056,701	569,287
Operating supplies	4	2,451,491	1,881,517	1,665,131
Professional fees		1,438,431	306,834	430,821
Member relations		1,259,496	803,426	715,750
Cost of pro-shop goods	4	863,075	654,730	519,038
Beauty salon expenses		686,122	436,500	736,719
Taxes and licenses	24	600,267	515,445	857,274
Representation		308,418	48,011	22,310
Communication		251,962	199,097	273,606
Linen and laundry		34,176	57,720	252,535
Others		1,191,499	1,016,863	410,237
		60,828,120	36,320,479	31,279,660

Member relations are expenses incurred in relation to members activities.

Others include the broker’s processing fee, range balls, service supplies, rental equipment and dues and subscriptions.

Note 14 - Operating expenses other than depreciation

The components of general and administrative expenses for the years ended December 31 are as follows:

	Note	2022	2021	2020
Repairs and maintenance		63,683,416	57,408,140	48,690,691
Salaries, wages and employee benefits		52,449,026	46,657,568	42,399,493
Security services		15,153,880	14,112,796	14,992,487
Utilities		10,242,883	9,107,861	10,820,819
Taxes and licenses	24	10,078,997	11,365,198	10,567,885
Input VAT written-off		9,368,058	9,188,169	7,519,111
Operating supplies		5,601,366	3,574,832	3,258,973
Representation		3,752,990	3,661,098	3,490,802
Professional fees		2,761,281	2,638,370	3,112,250
Collection fees		2,741,702	1,694,143	1,526,150
Communication		2,619,047	2,499,691	2,805,567
Insurance		1,289,734	1,205,430	1,257,195
Linen and laundry		808,020	3,055	-
Others		2,737,405	2,377,146	3,263,568
		183,287,805	165,493,497	153,704,991

Collection fees pertain to commissions for the members' payments using credit cards or electronic payment channels.

Other general and administrative expenses comprised of car maintenance, expenses relating to pest control, and costs for promotional, advertising and recruitment activities of the Club.

Note 15 - Other income, net

The components of other income, net for the years ended December 31 are as follows:

	Note	2022	2021	2020
Late payment charges	3	5,461,968	1,689,573	950,340
Foreign exchange gain (loss), net		65,791	57,764	(28,799)
(Loss) gain on sale from disposal of property		(25,000)	-	849,281
Miscellaneous		2,936,573	423,492	637,122
		8,439,332	2,170,829	2,407,944

In 2022, miscellaneous income is primarily composed of the reversal of unclaimed playing rights deposit and long outstanding payables (2021 and 2020 - reversal of unclaimed deposits for hole-in-one and golfers' insurance). This account also includes penalties collected from suppliers, entry fees for membership activities and various sales on banquet functions and events.

Note 16 - Retirement benefit obligation

The Club has a funded, non-contributory defined benefits retirement plan, administered by a trustee, covering all of its regular and full-time employees. The Club recognizes the amount of retirement benefits that need to be accrued following the minimum retirement benefit required by Republic Act 7641 (the "Act"). An independent actuary conducted an actuarial valuation of the funded defined benefit plan using the projected unit credit cost method based on the provisions of the Act. The plan provides for lump sum benefit payment upon retirement. Contributions and costs are determined in accordance with the actuarial study made for the plan.

Actuarial valuation is performed by an independent actuary using the projected unit credit method on an annual basis and based on retirement age of 60.

The reconciliation of the present value of the defined benefits obligation and the fair value of the plan assets is as follows:

	2022	2021
Present value of obligation	54,059,545	54,347,504
Fair value of plan assets	(49,784,157)	(48,137,505)
	4,275,388	6,209,999

Movements in the present value of defined benefit obligation for the years ended December 31 is as follows:

	2022	2021
Beginning balance	54,347,504	59,554,962
Current service cost	3,299,509	4,207,990
Interest cost	2,777,157	2,352,421
Benefits paid	(924,009)	(1,843,691)
Remeasurement (gain) loss from:		
Experience adjustment	4,622,459	(2,513,356)
Demographic assumptions	(942,924)	(7,680)
Financial assumptions	(9,120,151)	(7,403,142)
Ending balance	54,059,545	54,347,504

Movements in the fair value of plan assets for the years ended December 31 is as follows:

	2022	2021
Beginning balance	48,137,505	45,872,142
Contributions	2,500,000	2,500,000
Interest income	2,459,827	1,861,325
Remeasurement loss	(3,313,175)	(2,095,962)
Ending balance	49,784,157	48,137,505

Retirement benefit expense recognized in the statements of total comprehensive income for the years ended December 31 consist of:

	2022	2021	2020
Current service cost	3,299,509	4,207,990	3,233,950
Interest on the net liability	317,330	491,096	601,362
	3,616,839	4,699,086	3,835,312

The movements in the reserve for remeasurement of retirement benefits on the statements of financial position for the years ended December 31 are as follows:

	2022	2021
Balance at beginning of the year	7,993,822	15,822,038
Remeasurement gain for the year	(2,127,441)	(7,828,216)
Balance at end of the year	5,866,381	7,993,822

The Club's retirement fund is maintained and managed by a trustee bank.

The major categories of the fair value of the plan assets as at December 31 are as follows:

	2022	2021
Assets:		
Unit investment trust fund	49,838,327	48,178,185
Cash in bank	8,129	17,923
Liability:		
Accrued trust fee payable	(62,299)	(58,603)
	49,784,157	48,137,505

Retirement benefits are payable in the event of termination of employment due to: (i) early, normal, or late retirement; (ii) physical disability; or (iii) involuntary separation from service. For plan members retiring under normal, early or late terms, retirement benefit is equal to a percentage of final monthly salary for every year of credited service.

The principal assumptions used to determine pension obligations are as follows:

	2022	2021	2020
Discount rate	6.89%	5.11%	3.95%
Salary increase rate	6.00%	6.00%	6.00%

Discount rate

The discount rate is determined by reference to yields on long-term Philippine Treasury Bonds and adjusted to reflect the term similar to the estimated term of the benefit obligation as determined by the actuary as at the end of the reporting period as there is no deep market in high quality corporate bonds in the Philippines.

All expected benefit payments are discounted using various rates that correspond to the timing of benefits payments, after which, a single discount rate is computed considering the aggregate amount of all discounted values.

Salary rate increases

This is the expected long-term average rate of salary increase taking into account inflation, seniority, promotion and other market factors. Salary increases comprise of the general inflationary increases plus a further increase for individual productivity, merit and promotion. The future salary increase rates are set by reference over the period over which benefits are expected to be paid.

Demographic assumptions

Actuarial assumptions also include turnover rates of the Club’s employees which are generally based on Group Annuity Mortality Table prepared by the actuary.

Assumptions regarding mortality experience are set based on advice from published statistics and experience.

Expected maturity analysis

	2022	2021
Less than 1 year	5,233,528	3,286,915
Between 1 year to 2 years	2,947,252	631,027
Between 2 year to 5 years	24,654,151	13,840,647
Between 6 years to 10 years	39,258,544	27,609,377
	72,093,475	45,367,966

The average duration of the defined benefits obligation as at December 31, 2022 is 10 years (2021 - 10.7 years).

Critical accounting estimates and assumptions: Retirement benefit obligation

The present value of the retirement benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement benefit include the discount rate and future salary increases. Any changes in these assumptions will impact the carrying amount of retirement benefit obligation.

The Club determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligation. In determining the appropriate discount rate, the Club considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligation and related retirement benefit expense.

Other key assumptions in determining retirement benefit obligation are based in part on current market conditions.

The sensitivities regarding the principal assumptions used to measure the net defined benefit liability is as follows:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
December 31, 2022			
Discount rate	+/-1%	(3,376,293)	3,785,589
Salary increase rate	+/-1%	3,791,205	(3,460,774)
December 31, 2021			
Discount rate	+/-1%	(6,295,916)	5,365,394
Salary increase rate	+/-1%	6,175,487	(5,370,593)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statements of financial position.

Note 17 - Income tax

In accordance with the Supreme Court (SC) ruling dated June 26, 2020 in the case of non-profit club organization versus Commissioner of Internal Revenue (CIR) (G.R. No.228539), the SC declared that membership fees, assessment dues, and fees of similar nature collected by the clubs which are organized and operated exclusively for pleasure, recreation, and other non-profit purposes do not constitute as income of recreational clubs from whatever source that are subject to income tax and part of the gross receipts of recreational clubs that are subject to value added tax (VAT). Accordingly, Revenue Memorandum Circular No. 35-2012 should be interpreted in accordance with this decision.

The Club's provision for income tax for the year ended December 31, 2022 amounted to P591,568 (2021 - P300,540; 2020 - P593,736) representing MCIT from gross income of the Club.

Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) bill was signed into law by the President of the Philippines. This resulted in the reduction of the corporate income tax to 25% for domestic corporations with assets amounting to P100,000,000 and above, and with taxable income equivalent to P5,000,000 and above. The minimum corporate income tax (MCIT) rate was also reduced to one percent (1%) of gross income as defined under the regulation effective July 1, 2020 until June 30, 2023.

Deferred income tax liability

The deferred income tax (DIT) liability amounting to P2,035,350,850 (2021 - P1,794,175,125) pertains to the tax effect of cumulative revaluation increment on land (Note 7). For the year ended December 31, 2021, the Club recognized the effect of the reduction of the tax rate from 30% to 25% amounting to P358,835,025. The impact of the change in tax rate was recognized in other comprehensive income, as it relates to revaluation increment on land charged to other comprehensive income (Note 7).

Unrecognized deferred income tax assets

DIT assets have not been recognized since the management assesses that the Club may not have sufficient taxable income in the future for it to be able to realize the benefits of the related deferred income tax assets:

	2022	2021
To profit or loss:		
Allowance for doubtful accounts	11,522,185	13,056,811
Past service cost	3,047,873	3,721,305
Carryforward benefits of MCIT	1,337,410	2,804,464
Net operating loss carry-over (NOLCO)	91,747	3,098,207
Retirement benefit obligation, net of remeasurement	(397,748)	(445,956)
Others	822,000	411,000
	16,423,467	22,645,831
To other comprehensive income (OCI)		
Remeasurement loss on retirement plan	1,466,595	1,998,456
	17,890,062	24,644,287

In compliance with the Tax Reform Act (Act) of 1997, NOLCO for any taxable year shall be carried over as deduction from taxable income for the next three (3) consecutive taxable years immediately following the year of such loss, prior to 2020.

In 2020, pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of the Club's NOLCO are as follows:

Year incurred	2021	Applied during the year	2022	Expiry date
2019	11,379,782	(11,379,782)	-	2022
2020	1,013,044	(646,055)	366,989	2025
	12,392,826	(12,025,837)	366,989	
	25%	25%	25%	
	3,098,206	(3,006,459)	91,747	

In compliance with the tax regulations, the Club shall pay the greater of MCIT and Regular Corporate Income Tax (RCIT), starting 2021. Any excess of MCIT over the RCIT shall be carried forward for the next three consecutive taxable years immediately following the year such MCIT was paid.

Details of the Club's excess of MCIT over RCIT are as follows:

Year incurred	2021	Addition	Expired during the year	2022	Expiry date
2019	2,058,622	-	(2,058,622)	-	2022
2020	445,302	-	-	445,302	2023
2021	300,540	-	-	300,540	2024
2022	-	591,568	-	591,568	2025
	2,804,464	591,568	(2,058,622)	1,337,410	

The reconciliation of the benefit from income tax computed at the statutory income tax rate to the provision for income tax for the years ended December 31 as shown in profit or loss are as follows:

	2022	2021	2020
Excess (deficiency) of receipts over expenses before income tax	34,577,640	4,241,769	(11,000,429)
Statutory tax rate	25%	25%	30%
Tax at statutory rate	8,644,410	1,060,442	(3,300,129)
Changes to income tax resulting from the tax effects of:			
Change in unrecognized DIT assets	(4,163,741)	8,099,556	2,060,147
Non-deductible expenses	42,936,453	35,432,916	48,608,147
Non-taxable receipts	(46,644,816)	(44,185,415)	(46,508,861)
Income subject to final tax	(180,738)	(106,959)	(265,568)
	591,568	300,540	593,736

Critical accounting judgment: Recognition of deferred income tax assets

PFRS requires the recognition of DIT assets to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Determining the realizability of DIT assets requires the estimation of profits expected to be generated from operations when the temporary differences are expected to reverse or to be utilized.

As at each reporting period, management assessed that the Club will not generate sufficient future taxable profits to realize the DIT assets.

Note 18 - Related party transactions

Key management compensation for the years ended December 31 consists of:

	Terms and conditions	2022	2021	2020
Salaries and wages	Key management compensation covering salaries, wages and other short-term benefits are determined based on contract of employment and payable in accordance with the Club's payroll period.	15,696,639	14,546,992	12,543,984
Retirement benefit expense		1,209,685	1,266,251	945,638
		16,906,324	15,813,243	13,489,622

The Club has not provided share-based payment, termination benefits and other long-term employee benefits, except for retirement benefits, to its key management personnel for the years ended December 31, 2022, 2021 and 2020.

Note 19 - Contingencies

The Club is currently a party to certain lawsuits arising from the ordinary course of business. The estimate of the probable costs for the resolution of these claims has been developed in a consultation with outside counsels handling the defense in these matters and is based upon an analysis of potential results. The Club's management and its legal counsel believe that the lawsuit and claims will not have material effect on the Club's financial position and performance. Further, the Club has assessed that it is not probable that an outflow of resources will be required to settle the obligation. Accordingly, no provision for probable losses arising from legal contingencies was recognized in the financial statements as at December 31, 2022 and 2021.

Critical accounting estimates and assumptions: Contingencies

The Club is currently involved in legal proceedings. Estimates of the probable costs for the resolution of these claims, if any, has been developed in consultation with internal and external legal counsels handling the Club's defense in these matters and is based upon the probability of potential results. The Club's management currently believes that these proceedings will not have a material effect on the consolidated financial statements considering terms of contracts and agreements with previous shareholders as discussed above. It is possible, however, that future results of operations could be materially affected depending on the actual outcome of the proceedings.

Note 20 - Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Club makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Critical accounting estimates and assumptions

- *Expected credit loss (ECL) on receivables (Note 3)*
- *Estimated useful life of property and equipment (Note 6)*
- *Fair value estimation of land (Note 7)*
- *Retirement benefit obligation (Note 16)*
- *Contingencies (Note 19)*

b) Critical judgments in applying the Club's accounting policies

- *Determination of impairment of non-financial assets (Note 6)*
- *Recognition of deferred income tax assets (Note 17)*

Note 21 - Financial risk and capital management

The Club's activities expose it to a number of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or a combination of risks. The Club's objective is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Club's financial performance.

Risk management is carried out by management under the direction of the Club's Board of Directors (BOD). The BOD, through the recommendation of the Finance Committee, reviews and approves written principles for overall risk management, as well as written policies and procedures covering specific areas, such as credit risk and liquidity risk. These policies and procedures enable management to make strategic and informed decisions with regard to the operations of the Club.

Components of financial assets and financial liabilities and related risk factors

Details of the Club's financial assets at amortized cost at December 31 are as follows:

	Notes	2022	2021
Cash and cash equivalents	2	77,146,915	60,107,373
Receivables, gross of allowance	3	64,117,207	66,938,499
		141,264,122	127,045,872

Receivables are presented gross of allowance for doubtful account as at December 31, 2022 amounting to P46,088,742 (2021 - P52,227,242). Prepayments and other current assets and other non-current assets as at December 31, 2022 amounting to P16,114,244 and P3,119,860, respectively, are considered as non-financial assets (2021 - P12,802,193 and P2,923,167, respectively).

Details of financial liabilities at amortized cost as at December 31 are as follows:

	Notes	2022	2021
Accounts payable and other current liabilities	8	64,067,965	62,659,235
Deposit from assignees and others	9	11,880,849	11,879,002
		75,948,814	74,538,237

Accounts payable and other liabilities as at December 31, 2022 exclude payable to government agencies amounting to P3,148,300 (2021 - P1,677,635) as these are not considered as financial liabilities. Contract liabilities as at December 31, 2022 amounting to P9,043,816 (2021 - P14,104,171) which pertain to advances received from members and customers for food and beverage, golf rentals, and other Club facilities are not considered as financial liabilities.

The carrying values of cash, receivables, accounts payable and other liabilities (excluding payable to government agencies), approximate fair values due to its relatively short-term maturity.

21.1 Credit risk

The principal financial risk faced by the Club is credit risk from its cash and receivables. Credit risk arises when a customer or counterparty fails to discharge an obligation and causes the Club to incur a financial loss. The maximum exposure to credit risk at reporting periods is the carrying value of financial assets.

The Club applies the PFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables and the general approach is applied for cash and non-trade other receivables.

The table below shows the maximum exposure to credit risk for the Club's financial assets, without taking account of any collateral and other credit enhancements:

	Notes	2022	2021
Cash and cash equivalents*	2	76,646,915	59,607,373
Receivables:	3		
Receivable from members		51,185,509	59,076,762
Advances to officers and employees		4,855,571	3,577,624
Receivable from credit card companies		1,773,597	539,698
Receivable from concessionaires		571,285	1,635,078
Others		5,731,245	2,109,337
Total credit risk exposure		140,764,122	126,545,872

**Excluding cash on hand amounting to P500,000.*

The analysis of financial assets are as follows:

2022	Neither past due nor impaired	1-30 days	31-60 days	Impaired	Total
Cash and cash equivalents*	76,646,915	-	-	-	76,646,915
Receivables from members	2,403,260	1,374,876	2,058,847	45,348,526	51,185,509
Advances to officers and employees	4,735,905	-	-	119,666	4,855,571
Credit card	1,446,583	-	-	327,014	1,773,597
Concessionaire	445,285	-	126,000	-	571,285
Others	1,602,031	3,387,210	448,468	293,536	5,731,245
	87,279,979	4,762,086	2,633,315	46,088,742	140,764,122
2021					
Cash and cash equivalents*	59,607,373	-	-	-	59,607,373
Receivables from members	5,346,141	1,413,398	950,313	51,366,910	59,076,762
Advances to officers and employees	3,542,341	-	-	35,283	3,577,624
Credit card	212,684	-	-	327,014	539,698
Concessionaire	735,471	-	899,607	-	1,635,078
Others	1,611,302	-	-	498,035	2,109,337
	71,055,312	1,413,398	1,849,920	52,227,242	126,545,872

It is the Club's policy that any individual or corporation who wishes to become a member or assignee be subjected to strict membership qualification screening. Receivables are monitored on an ongoing basis and it is the Club's policy that receivables from members outstanding for more than 90 days be provided with 100% allowance for impairment. Shares with substantial delinquent balances are being auctioned in accordance with the Club’s policy.

The table below shows the credit quality of the Club's receivables based on their historical experience with the corresponding third parties.

2022	Neither past due nor impaired - high	Past due but not impaired -standard	Impaired	Total
Cash and cash equivalents*	76,646,915	-	-	76,646,915
Receivable from members	2,403,260	3,433,723	45,348,526	51,185,509
Advances to officers and employees	4,735,905	-	119,666	4,855,571
Credit card	1,446,583	-	327,014	1,773,597
Concessionaire	445,285	126,000	-	571,285
Others	1,602,031	3,835,678	293,536	5,731,245
	87,279,979	7,395,401	46,088,742	140,764,122
2021				
Cash and cash equivalents*	59,607,373	-	-	59,607,373
Receivable from members	5,346,141	2,363,711	51,366,910	59,076,762
Advances to officers and employees	3,542,341	-	35,283	3,577,624
Credit card	212,684	-	327,014	539,698
Concessionaire	735,471	899,607	-	1,635,078
Others	1,611,302	-	498,035	2,109,337
	71,055,312	3,263,318	52,227,242	126,545,872

Receivables classified as "high" grade are those with high probability of collection. "Standard" grade covers accounts with customers having unpredictable and irregular payment behavior and those with pending payment negotiations.

Cash and cash equivalents are deposited in top ten banks in the Philippines, hence, considered high grade.

21.2 Liquidity Risk

Liquidity risk arises from the possibility that the Club may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.

The Club monitors its risk to a shortage of funds through monitoring of financial assets and projected cash flows from operations. 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 manages its liquidity risk by maintaining financial position strength and quality where debt-to-equity ratio should not exceed 1:1. The Club also maintains a financial strategy that the scheduled debts are 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 based on contractual undiscounted payments:

At December 31, 2022	Notes	Carrying Amount	Within 12 Months	Beyond 12 Months
Trade payables:	8			
Third parties		13,393,404	13,393,404	-
Related parties		226,604	226,604	-
Due to members		17,851,157	17,851,157	-
Deposit for re-acquired shares		13,495,000	13,495,000	-
Deposit from assignees and others	9	11,880,849	10,430,849	1,450,000
Accrued expenses		8,380,409	8,380,409	-
Consignment and due to concessionaires		8,100,253	8,100,253	-
Others		2,621,138	2,621,138	-
		75,948,814	74,498,814	1,450,000
At December 31, 2021				
Trade payables:	8			
Third parties		26,029,930	26,029,930	-
Related parties		191,719	191,719	-
Due to members		16,088,966	16,088,966	-
Deposit from assignees and others	9	11,879,002	10,479,002	1,400,000
Accrued expenses		9,664,526	9,664,526	-
Consignment and due to concessionaires		5,348,503	5,348,503	-
Deposit for re-acquired shares		2,437,500	2,437,500	-
Others		2,898,091	2,898,091	-
		74,538,237	73,138,237	1,400,000

The Club's financial assets (consisting of cash and cash equivalents and receivables) which are readily available to settle the maturing financial liabilities as at December 31, 2022 amounted to P95,175,380 (2021 - P74,818,630).

21.3 Capital Management

The primary objective of the Club's capital management is to safeguard the Club's ability to continue as a going concern, so that it can continue to provide service to its members and benefits for other stakeholders.

The Club monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as total liabilities divided by total equity.

The Club's strategy, which was unchanged from prior period, was to maintain the debt-to-equity ratio not exceeding 1:1. The debt-to-equity ratio is as follows:

	2022	2021
Total current liabilities	86,690,930	85,649,925
Total non-current liabilities	2,041,076,238	1,805,055,242
Total liabilities (a)	2,127,767,168	1,890,705,167
Total equity (b)	6,705,205,946	5,945,814,727
Debt-to-equity ratio (a/b)	0.32:1	0.32:1

Note 22 - Fair value measurement

Details of the Club's asset measured at fair value as at December 31, 2022 and 2021 follows:

Land	Total	Level 1 Quoted Prices in Active Markets	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
2022	8,268,882,000	-	-	8,268,882,000
2021	7,304,179,100	-	-	7,304,179,100

The carrying value of the Club's financial assets and liabilities approximate their fair values as at December 31, 2022 and 2021 due to the short-term nature of these financial instruments.

Note 23 - Summary of significant accounting and financial 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.

23.1 Basis of Preparation

These 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), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The financial statements have been prepared on a historical cost basis of accounting except for land which is measured at the revalued amount and net retirement benefits liability which is measured at the present value of defined benefits obligation less the fair value of the plan assets.

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 summarized in Note 20.

23.2 Changes in accounting policies and disclosures

New and amended standards adopted by the Club

The Club has applied the following amendments for the first time for their annual reporting period commencing January 1, 2022:

- *Property, Plant and Equipment: Proceeds before Intended Use - Amendments to PAS 16*
- *Onerous Contracts - Cost of Fulfilling a Contract - Amendments to PAS 37*
- *Annual Improvements to PFRS Standards 2018-2020, and*
- *Reference to the Conceptual Framework - Amendments to PFRS 3*

The amendments listed above do not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Club. These standards, amendments or interpretations are not expected to have a material impact on the Club in the current or future reporting periods and on foreseeable future transactions.

23.3 Financial assets

Classification and presentation

23.3.1 Classification

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

(a) those measured subsequently at fair value [either through OCI (FVOCI) or through profit or loss (FVTPL); and
(b) those measured at amortized cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows. The Club did not hold financial assets under category (a) during and as at December 31, 2022 and 2021. The Club's financial assets under category (b) includes cash and cash equivalents (Note 2) and receivables (Note 3).

23.3.2 Recognition and measurement

The Club recognizes a financial asset in the statement of financial position when the Club becomes a party to the contractual provisions of the instrument. 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.

At initial recognition, the Club measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, 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 finance income using the effective interest rate method.

23.3.3 Impairment

The Club assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Club are measured on either of the following bases:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Club applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with PFRS 15.

Additionally, the Club elects an accounting policy to recognize full lifetime expected losses for all contract assets and/or all trade receivables that do constitute a financing transaction in accordance with PFRS 15.

General approach

The Club applies the general approach to provide for ECLs on non-trade receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Club assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, 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); or

- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Club is exposed to credit risk.

23.3.4 Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

23.3.5 Credit-impaired financial assets

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 actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

23.3.6 Write-off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Club determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Club' procedures for recovery of amounts due.

23.3.7 Derecognition

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. Any gain or loss arising on derecognition is recognized directly in profit or loss.

23.4 Financial liabilities

Classification

The Club classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

Financial liabilities at fair value through profit or loss have two sub-categories: (i) financial liabilities classified as held for trading; and (ii) financial liabilities designated by the Club as at fair value through profit or loss upon initial recognition.

The Club does not have financial liabilities at fair value through profit or loss.

The Club's financial liabilities at amortized cost consist mainly of accounts payable and other liabilities (except payable to government agencies and liabilities from special assessments) (Note 8) and deposits from assignees and others (Note 9).

Financial liabilities are contractual obligations which are either to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Club. These are included in current liabilities, except for maturities greater than 12 months from the reporting date, which are classified as non-current liabilities.

Initial recognition and subsequent measurement

Financial liabilities are recognized in the statement of financial position when the Club becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially recognized at fair value, net of transaction costs incurred, which normally equal its nominal amount. Financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition

Financial liabilities are derecognized when extinguished, that is, when the obligation specified in a contract is discharged or cancelled or when the obligation expires.

23.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement 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.

The Club has no existing offsetting arrangement as at December 31, 2022 and 2021.

23.6 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 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 held by the Club is the current bid price. These instruments are included in Level 1.

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.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of financial assets and liabilities presented in Note 21 approximate their fair values at reporting period, as the impact of discounting is not significant considering that financial assets and liabilities generally have short-term maturities.

Non-financial assets

For non-financial assets, the Club uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

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.

Significant non-financial asset of the Club is land which is carried at fair value under Level 3 hierarchy.

The Club has no other significant non-financial assets and liabilities carried at fair value.

23.7 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 the date of acquisition and that are subject to an insignificant risk of change in value.

Relevant accounting policies for classification, recognition, measurement, impairment and derecognition are presented in Note 23.3.

23.8 Receivables

Receivables arising from regular service, with average credit term of 30 to 90 days, are initially recognized at transaction price and subsequently measured at amortized cost less provision for impairment, if any.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment, if any.

The relevant policies on classification, recognition, measurement, impairment and derecognition are further disclosed in Note 23.3.

23.9 Inventories

Inventories comprise mainly of golf equipment and apparel. Inventories are initially recorded at cost and are valued at the lower of cost and net realizable value (NRV). Costs are accounted for using first-in, first-out basis. The NRV of inventories is its current replacement cost. As at December 31, 2022, cost of inventories which is lower than NRV amounted to P2,877,155 (2021 - P3,029,502).

Inventories are periodically reviewed and evaluated for obsolescence. An allowance for inventory obsolescence is provided for slow moving, obsolete, defective or damaged inventories based on physical inspection and management evaluation. Obsolete inventories are scrapped or disposed of and related costs are charged to profit or loss.

Write-offs represent the release of previously recorded provision from the allowance account and credited to the inventory account following the disposal of the inventories.

Reversals of previously recorded provisions are credited in profit or loss based on the result of management's update assessment, considering available facts and circumstances, including but not limited to net realizable value at the time of disposal.

Inventories are derecognized when they are sold. The carrying amount of those inventories is recognized as an expense (reported as cost of sales in profit or loss) in the period in which the related revenue is recognized.

23.10 Prepayments and other current assets

Prepayments are recognized in the statement of financial position in the event that payment has been made in advance of obtaining right of access to goods or receipt of services and measured at nominal amounts. These are derecognized in the statement of financial position upon delivery of goods or when services have been rendered, through amortization over a certain period of time, and use or consumption.

Prepaid taxes consist substantially of creditable withholding tax which is recognized as assets in the period when creditable withholding tax become available as tax credits to the Club and carried over to the extent that it is probable that the benefit will flow to the Club. These are derecognized in the statement of financial position when they are applied as a tax credit to reduce output VAT payable and income tax payable, respectively.

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

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss within other expenses.

23.11 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The initial cost of property and equipment consists of the purchase price and any directly attributable costs in bringing the property and equipment to its location and condition necessary for it to be capable of operating in the manner intended by management. The cost of replacing a part is included if the recognition criteria are met. Likewise, when major repairs and maintenance is performed, its cost is recognized in the carrying amount of the item of property and equipment as a replacement if the recognition criteria are satisfied. Such major repairs and maintenance is capitalized and amortized over the remaining useful life of the asset.

All other repair and maintenance is recognized in the profit or loss as incurred.

Land is not depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

	Number of years
Land improvements	5 to 10 buildings and structures
Buildings	47
Facilities and equipment	3 to 10
Furniture and fixtures	5
Kitchen equipment	5

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 property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the property and equipment is derecognized.

The residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end to ensure that the residual values, periods and the method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use.

Construction in-progress represents properties under construction and is stated at cost. This includes costs of construction and other direct costs. Construction in-progress is not depreciated until such time as the relevant assets are completed and are put into operational use.

Land at revalued amount

Land is initially measured at cost which consist of the purchase price and any directly attributable cost.

Land is subsequently measured at revalued amount less any accumulated impairment in value and subsequently measured using the revaluation method. Land is not depreciated.

Revalued amounts are determined through the appraisal of an external, independent and SEC-accredited appraisal company. Revaluations are made in every two years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The net appraisal increment resulting from the revaluation was credited to "Revaluation increment on land" account shown in the members' equity section of the statement of financial position and the statement of changes in members' equity.

Any decrease in the carrying amount resulting from a revaluation is recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income (OCI) also reduces the “Revaluation increment on land” account in the members’ equity section of the statement of financial position.

23.12 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that an asset (e.g., land at revalued amount, property and equipment) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

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

After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

23.13 Accounts payable and other liabilities

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Club is established. These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using effective interest method. These are derecognized when extinguished, that is, when the obligation specified in the contract is settled, discharged, cancelled or when the obligation expires.

23.14 Contract liabilities and deposits from assignees and others

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities also include payments received by the Club from the customer for which revenue recognition has not yet commenced.

Deposits from assignees and others

Deposits from assignees and others represent refundable deposits from assignees for playing rights and deposits from food and beverage concessionaires. Deposits from assignees are being recognized by the Club once the member assigned its playing rights to the assignee. These are refundable at the end of assignment term.

23.15 Employee Benefits

Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Club has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Net retirement benefits liability

The net defined benefits liability is the aggregate of the present value of the defined benefits obligation (DBO) at the end of the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefits asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefits plans is actuarially determined using the projected unit credit method.

Defined benefits costs comprise the following:

(a) Service cost
(b) Net interest on the net defined benefits liability or asset
(c) Remeasurements of net defined benefits liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefits liability or asset is the change during the period in the net defined benefits 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 benefits liability or asset. Net interest on the net defined benefits liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses 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.

23.16 Capital stock

Capital stock has no par value. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Proceeds and/or fair value of consideration received are recognized as capital stock.

Excess of proceeds over cost from re-issuance of shares of delinquent members

Excess of proceeds over cost from re-issuance of shares of delinquent members is the excess between the consideration received and the cost of reacquired shares from delinquent members.

Shares of delinquent members acquired through auctions

This represents the shares of delinquent members which were acquired by the Club through auctions pursuant to the Club's Article of Incorporation and By-laws in settlement of member's long outstanding receivables.

Cumulative excess of expenses over receipts

Cumulative excess of expenses over members' contribution and fees includes current and prior years' results, net of transactions with shareholders, if any.

Other comprehensive income (OCI)

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS.

23.17 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. Revenue is recognized when the Club satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The Club assesses its revenue against specific criteria in order to determine if it is acting as principal or agent. The Club has concluded that, it is the principal in all of its revenue arrangements since it is the primary obligor in the revenue arrangements, has pricing latitude and is also exposed to inventory risks.

The following specific recognition criteria must also be met before revenue is recognized.

Membership Dues. Membership dues are billed one month in advance and are recognized over time when earned and when no significant doubt as to its collectability exists. Advance collection of membership dues are recognized as "Contract liabilities" account in the statement of financial position.

Assignment fees. Assignment fees are revenue related to playing rights being transferred from a member to an assignee for a period of time. These are recognized over time when services related to the assignment of playing rights are rendered.

Transfer Fees. Transfer fees represent income from registration of transfer of ownership of a golf share in the Club's stock and transfer book. Revenues are recognized over time when services related to the transfer of ownership are rendered.

Green Fees. Revenue from the use of the Club's golf course by non-members is recognized over time when the golf course is used.

Tournament fees. Tournament fees 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.

Grand raffle tickets. Revenue is recognized at point in time when the customers receive raffle tickets which coincides with the receipt and acknowledgement of the customer on the same day of the grand raffle event.

Recreational Facilities Fees and Facilities Rental. Revenue from the use of the Club's facilities is recognized over time when facilities are used.

Sale of Pro Shop Goods and Pro Shop Commission. Revenue is recognized at point in time when customer obtains control of the goods which coincides with the receipt and acknowledgment of the customer of the goods. Commission is computed as a certain percentage of the consignor's selling price.

Concessionaire's Fee. Income derived from entities allowed to do business within the Club premises are recognized in accordance with the terms of the agreement. Commission is recognized over time and is computed as a certain percentage of the sales of the concessionaire.

Interest Income. Revenue is recognized as the interest accrues and collection is reasonably assured.

Miscellaneous Income. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

23.18 Costs and expenses recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset, or an increase in a liability has arisen, that can be measured reliably.

Costs and expenses are recognized:

(i) on the basis of a direct association between the costs incurred and the earning of specific items of income;
(ii) on the basis of systematic and rational allocation procedures (i.e., when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined); or
(iii) immediately (i.e., when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position).

Costs and expenses are presented in profit or loss according to their function.

23.19 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset even if the right is not explicitly specified in the arrangement.

Club as a Lessor

Leases where the Club does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

23.20 Current and deferred income tax

The 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 the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized.

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 taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of total comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

23.21 Provisions

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. Provisions are not recognized for future operating losses.

Where that Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

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 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.

Provisions are reviewed at each reporting date and adjusted to reflect management's current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized from the statement of financial position.

23.22 Foreign currency transactions and translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

23.23 Earnings/loss per Share

Basic earnings/loss per share amounts are calculated by dividing income (loss) for the year by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

23.24 Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

23.25 Events after the reporting period

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

Note 24 - Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by RR No. 15-2010:

(i) Output VAT

Output VAT declared for the year ended December 31, 2022 and the gross revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT declared
Subject to 12% VAT	168,677,990	20,241,359
Sale to government	101,563	12,188
Exempt	86,442	-
Zero rated	172,496,166	-
Total	341,362,161	20,253,547

(ii) Input VAT

Movement in input VAT for the year ended December 31, 2022 is as follows:

Beginning of the year	-
Current year's domestic purchases:	
Purchases of Capital Goods not exceeding 1 million	184,049
Purchases of Capital Goods exceeding 1 million	1,490,415
Domestic purchases of goods other than capital goods	5,395,644
Domestic purchase of services	17,110,563
Capital goods subject to amortization	1,551,599
Less deductions from input VAT:	
Input Tax on Purchases of Capital Goods exceeding 1million	(1,045,411)
Input tax allocated to exempt sales	(9,281,076)
Application against output VAT	(15,405,783)
End of the year	-

(iii) Importations

The Club has no importations for the year ended December 31, 2022, hence no tariffs and custom duties paid.

(iv) Excise taxes

The Club is not engaged in the manufacture or production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition.

(v) Documentary stamp taxes

The Club did not pay for any documentary stamp taxes for the year ended December 31, 2022.

(vi) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2022 consists of:

Real property taxes	8,839,341
Licenses and permit fees	1,839,923
	10,679,264

(vii) Withholding taxes

Withholding taxes accrued and paid as at and for the year ended December 31, 2022 consists of:

	Paid	Accrued	Total
Withholding tax on compensation	4,164,973	367,494	4,532,467
Expanded withholding tax	3,597,600	357,727	3,955,327
Final withholding tax	221,099	891,607	1,112,706
	7,983,672	1,616,828	9,600,500

(viii) Tax assessments

The Club settled outstanding tax assessment for taxable year 2019 and 2020 amounting to P2,001,254 and P2,416,083, respectively.

Other than the above, the Club did not receive any Final Assessment Notice for the year ended December 31, 2022.

(ix) Tax cases

The Club did not have any outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2022.

SECOND SECTION

The Orchard Golf & Country Club, Inc.

Financial Statements with Supplementary Schedules for the Securities and Exchange Commission
December 31, 2022

SCHEDULE A

The Orchard Golf & Country Club, Inc.

Financial Assets
December 31, 2022

Title of Issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash on hand	Not applicable	500,000	Not applicable	-
Cash in banks				
BDO Unibank, Inc.	Not applicable	17,856,356	Not applicable	37,936
China Banking Corporation	Not applicable	5,229,280	Not applicable	1,535
Bank of the Philippine Islands	Not applicable	3,206,549	Not applicable	1,375
Short-term deposits				
BDO Unibank, Inc.	Not applicable	45,286,991	Not applicable	486,131
China Banking Corporation	Not applicable	5,067,739	Not applicable	172,366
Bank of the Philippine Islands	Not applicable	-	Not applicable	23,611
Total cash and cash equivalents		77,146,915		722,954
Receivables, gross of allowance	Not applicable	64,117,207	Not applicable	153,825
Total financial assets		141,264,122		876,779

SCHEDULE B

The Orchard Golf & Country Club, Inc.

Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Shareholders (other than Related Parties)
December 31, 2022

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of year
Various officers and employees	3,577,624	8,357,394	(7,079,447)	-	4,855,571	-	4,855,571

The Orchard Golf & Country Club, Inc.

Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2022

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of year
			Not applicable				

SCHEDULE D

The Orchard Golf & Country Club, Inc.

Long-Term Debt
December 31, 2022

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under "Borrowing, current portion" in the statement of financial position	Amount shown under "Borrowing, net of current portion" in the statement of financial position
Not applicable			

SCHEDULE E

The Orchard Golf & Country Club, Inc.

Indebtedness to Related Parties
December 31, 2022

Name of related party	Balance at beginning of year	Balance at end of year
Various related parties	191,719	226,604

SCHEDULE F

The Orchard Golf & Country Club, Inc.

Guarantees of Securities of Other Issuers
December 31, 2022

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

SCHEDULE G

The Orchard Golf & Country Club, Inc.

Capital Stock
December 31, 2022

Title of issue	Number of shares authorized	Number of shares issued and outstanding shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Class A	1,800	1,800	-	-	8	1,792
Class B	700	700	-	-	-	700
Class C	500	500	-	-	-	500
	3,000	3,000	-	-	8	2,992

The Orchard Golf & Country Club, Inc.

Schedule of Financial Soundness Indicators
December 31, 2022 and 2021

Ratio	Formula	2022	2021
Current Ratio	Total current assets	114,167,367	90,650,325
	Divided by: Total current liabilities	86,690,930	85,649,925
	Current ratio	1.32	1.06
Acid test ratio	Total current assets	114,167,367	90,650,325
	Less: Other current assets	18,991,987	15,831,695
	Quick assets	95,175,380	74,818,630
	Divided by: Total current liabilities	86,690,930	85,649,925
	Acid test ratio	1.1	0.87
Solvency ratio	Profit (loss) after tax	33,986,072	3,941,229
	Add: Depreciation expense	41,746,221	39,285,837
	Income after tax, before depreciation	75,732,293	43,227,066
	Divided by: Total liabilities	2,127,767,168	1,890,705,167
	Solvency ratio	0.04	0.02
Debt-to-equity ratio	Total liabilities	2,127,767,168	1,890,705,167
	Divided by: Total equity	6,705,206,534	5,945,814,727
	Debt-to-equity ratio	0.32	0.32
Asset-to-equity ratio	Total assets	8,832,973,702	7,836,519,894
	Divided by: Total equity	6,705,206,534	5,945,814,727
	Asset-to-equity ratio	1.32	1.32
Interest rate coverage ratio	Profit (loss) before interest and tax	34,577,640	4,241,769
	Divided by: Interest expenses	-	-
	Interest rate coverage ratio	N/A	N/A
Return on equity	Profit (loss) after tax	33,986,072	3,941,229
	Divided by: Average total equity	6,325,510,631	5,763,484,284
	Return on equity	0.005	0.001
Return on asset	Profit (loss) after tax	33,986,072	3,941,229
	Divided by: Average total assets	8,334,746,798	7,833,590,503
	Return on asset	0.004	0.001
Net profit margin	Profit (loss) after tax	33,986,072	3,941,229
	Divided by: Net revenue	305,129,432	238,429,006
	Net profit margin	0.11	0.02