COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

6 1 7 9 0

Company Name

V A L L E   V E R D E   C O U N T R Y

C L U B ,   I N C .

Principal Office (No./Street/Barangay/City/Town)Province)

C A P T A I N   H E N R Y   P .   J A V I E R   S T .

B A R R I O   U G O N G ,   P A S I G   C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
corsec@valleverdecountryclub.com	86311711-13	09209319146

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
N/A	Not later than last Sunday of February	SEPTEMBER 30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Ernesto L. Viovicente	corsec@valleverdecountryclub.com	86311711-13	09052215176

CONTACT PERSON'S ADDRESS

CAPT. HENRY P., JAVIER ST., BARRIO UGONG, PASIG CITY

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

2: All Boxes must 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 Deficiences shall not excuses the corporation from liability for its deficiencies.

VALLE VERDE COUNTRY CLUB, INC.
Capt. Henry P. Javier St., Bo. Ugong, Pasig City
Trunkline: 8631-1711 to 13 8634-3401 to 05

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Valle Verde Country Club, Inc.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended September 30, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

AMC & Associates, the independent auditor appointed by the stockholders, has audited the financial statements of the Club in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

FRANCISCO C. EIZMENDI, JR.
Chairman of the Board

RODOLFO ENRICO A. LOZADA
President

EDMIDIO V. RAMOS, JR.
Treasurer

Signed this 13th day of January 2025

Financial Statements

VALLE VERDE COUNTRY CLUB, INC.

(A Non-Profit Proprietary Club)

September 30, 2024 and 2023

AMC & ASSOCIATES

Aquino, Mata, Calica & Associates
Certified Public Accountants
Suite 1805 - 1807 Cityland Condominium 10 Tower 2
H.V. Dela Costa St., Makati City, 1227 Philippines
T +63 2 8841 0462 • +63 2 8893 0287

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Members
Valle Verde Country Club, Inc.
(A Non-Profit Proprietary Club)

Captain Henry P. Javier St.
Barrio Ugong, Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Valle Verde Country Club, Inc.**, (the "Club") which comprise the statements of financial position as at September 30, 2024 and 2023, and the statements of comprehensive income, statements of changes in members' equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

AMC & ASSOCIATES

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

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Club to cease to continue as a going concern.

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

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

AMC & ASSOCIATES

Aquino, Mata, Calica & Associates
Certified Public Accountants
Suite 1805 - 1807 Cityland Condominium 10 Tower 2
H.V. Dela Costa St., Makati City, 1227 Philippines
T +63 2 8841 0462 • +63 2 8893 0287

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information for the year ended September 30, 2024 required by the Bureau of Internal Revenue as disclosed in Note 24 of the financial statements is presented for purposes of additional analysis and is not a required part of the financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

AMC & ASSOCIATES

By: **Joseph Cedric V. Calica**
Partner
CPA Cert. No. 94541
TIN 163-257-226-000
PTR No. 10469766, Jan. 7, 2025, Makati City
BIR Accreditation No. 08-002582-001-2023
(issued on Oct. 12, 2023 valid until Oct. 11, 2026)
SEC Accreditation No. 94541-SEC (Group A)
(valid to audit 2023 to 2027 financial statements)
IC Accreditation No. 94541-IC (Group A)
(valid to audit 2020 to 2024 financial statements)
BSP Accreditation No. 94541-BSP (Group B)
(valid to audit 2021 to 2025 financial statements)

January 13, 2025

VALLE VERDE COUNTRY CLUB, INC.
(A Non-Profit Proprietary Club)
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Peso)

	2024	2023
A S S E T S		
CURRENT ASSETS		
Cash *(Note 4)*	P 11,184,450	P 21,819,596
Short-term investments *(Note 5)*	5,173,761	5,032,222
Trade and other receivables *(Note 6)*	21,309,427	18,786,948
Financial assets at amortized cost *(Note 7)*	4,345,948	6,103,724
Inventories *(Note 8)*	1,863,051	2,047,611
Prepayments and other current assets *(Note 9)*	2,800,949	2,527,369
Total Current Assets	46,677,586	56,317,470
NON-CURRENT ASSETS		
Trade and other receivables *(Note 6)*	378,242	-
Financial assets at amortized cost *(Note 7)*	2,000,000	-
Property and equipment *(Note 10)*	49,571,471	48,986,240
Intangible assets *(Note 11)*	384,493	501,937
Deferred tax asset *(Note 17)*	1,251,329	2,662,932
Total Non-current Assets	53,585,535	52,151,109
TOTAL ASSETS	P 100,263,121	P 108,468,579
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITY		
Trade and other payables *(Note 12)*	P 39,531,054	P 46,680,151
NON-CURRENT LIABILITIES		
Retirement benefit obligation *(Note 13)*	6,256,644	10,651,730
Deposit for membership fee certificates subscription *(Note 18)*	27,479,806	27,479,806
Total Non-current Liabilities	33,736,450	38,131,536
Total Liabilities	73,267,504	84,811,687
MEMBERS' EQUITY		
Membership fee certificates *(Note 18)*	51,260,849	51,260,849
Additional paid-in *(Note 18)*	19,246,673	19,246,673
Accumulated comprehensive loss *(Note 18)*	(2,129,610)	(2,271,584)
Deficit	(41,382,295)	(44,579,046)
Total Members' Equity	26,995,617	23,656,892
TOTAL LIABILITIES AND MEMBERS' EQUITY	P 100,263,121	P 108,468,579

See Notes to Financial Statements.

VALLE VERDE COUNTRY CLUB, INC.
(A Non-Profit Proprietary Club)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Peso)

		2024		2023
REVENUES				
Sale of food and beverages	P	94,758,951	P	81,681,489
Membership dues		56,619,841		56,495,893
Service fees		17,372,936		13,594,534
Rentals *(Note 20)*		5,250,361		6,679,779
Other revenues *(Note 15)*		7,326,712		7,663,768
		181,328,801		166,115,463
COST AND OPERATING EXPENSES				
Salaries and employees' benefits *(Note 13)*		70,001,927		64,956,273
Cost of food and beverages *(Note 14)*		39,288,524		34,922,706
Fuel, light and water		15,710,763		14,164,655
Depreciation and amortization *(Notes 10 and 11)*		7,409,348		6,988,014
Taxes and licenses *(Note 24)*		6,504,189		5,242,786
Outside services		4,309,144		3,739,684
Other operating expenses *(Note 15)*		33,286,299		32,842,187
		176,510,194		162,856,305
PROFIT FROM OPERATIONS		4,818,607		3,259,158
FINANCE INCOME *(Note 16)*		598,006		480,545
PROFIT BEFORE TAX		5,416,613		3,739,703
TAX EXPENSE *(Note 17)*		2,219,862		561,747
NET PROFIT		3,196,751		3,177,956
OTHER COMPREHENSIVE INCOME				
Remeasurement of deferred tax of accumulated other comprehensive loss *(Note 17)*		141,974		270,560
Actuarial gain on retirement benefit obligation *(Note 13)*		-		2,382,419
Tax expense *(Note 17)*		-	(	595,605)
		141,974		2,057,374
TOTAL COMPREHENSIVE INCOME	P	3,338,725	P	5,235,330

See Notes to Financial Statements.

VALLE VERDE COUNTRY CLUB, INC.
AUDITED SEGREGATED STATEMENT OF COMPREHENSIVE INCOME
SEPTEMBER 30, 2024
(Amounts in Philippine Peso)

	2024		
	Non-taxable Revenue	Taxable Revenues	Total
REVENUES			
Membership dues	P 56,619,841	P -	P 56,619,841
Sale of food and beverages	-	94,758,951	94,758,951
Rentals *(Note 20)*	-	5,250,361	5,250,361
Service fees	-	17,372,936	17,372,936
Other revenues *(Note 15)*	-	7,326,712	7,326,712
	56,619,841	124,708,960	181,328,801
COST AND OTHER OPERATING EXPENSES			
Salaries and employees' benefits *(Note 13)*	27,402,595	42,599,332	70,001,927
Cost of food and beverages *(Note 14)*	-	39,288,524	39,288,524
Fuel, light and water	728,411	14,982,352	15,710,763
Depreciation and amortization *(Notes 10 and 11)*	2,034,621	5,374,727	7,409,348
Taxes and licenses *(Note 24)*	1,050,157	5,454,032	6,504,189
Outside services	1,345,528	2,963,616	4,309,144
Other operating expenses *(Note 15)*	16,946,393	16,339,906	33,286,299
	49,507,705	127,002,489	176,510,194
PROFIT (LOSS) FROM OPERATIONS	7,112,136	(2,293,529)	4,818,607
FINANCE INCOME *(Note 16)*	-	598,006	598,006
PROFIT (LOSS) BEFORE TAX	7,112,136	(1,695,523)	5,416,613
TAX EXPENSE *(Note 17)*	-	2,219,862	2,219,862
NET PROFIT (LOSS)	P 7,112,136	(P 3,915,385)	P 3,196,751

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Sa Tamang Buwis Pag-asenso'y Mabilis
THAIRA D. PAROCHA (Collection Section)

See Notes to Financial Statements.

VALLE VERDE COUNTRY CLUB, INC.
(A Non-Profit Proprietary Club)
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Pesos)

	Membership Fee Certificate (Note 18)	Additional Paid-in (Note 18)	Accumulated Comprehensive Loss (Note 18)	Deficit (Note 18)	Total
Balance at October 1, 2023	P 51,260,849	P 19,196,673	(P 2,271,584)	(P 44,579,046)	P 23,606,892
Total comprehensive income for the year	-	-	141,974	3,196,751	3,338,725
Balance at September 30, 2024	P 51,260,849	P 19,196,673	(P 2,129,610)	(P 41,382,295)	P 26,945,617
Balance at October 1, 2022	P 50,827,790	P 16,459,722	(P 4,228,958)	(P 47,757,002)	P 15,301,551
Additions for the year	433,059	2,736,951	-	-	3,170,010
Total comprehensive income for the year	-	-	1,957,374	3,177,956	5,135,330
Balance at September 30, 2023	P 51,260,849	P 19,196,673	(P 2,271,584)	(P 44,579,046)	P 23,606,892

See Notes to Financial Statements.

VALLE VERDE COUNTRY CLUB, INC.

(A Non-Profit Proprietary Club)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts in Philippine Peso)

		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	P	5,416,613	P	3,739,703
Adjustments for:				
Depreciation and amortization *(Note 10)*		6,934,761		6,322,697
Retirement expense *(Note 13)*		3,043,830		2,653,639
Amortization of intangible assets *(Note 11)*		474,547		665,317
Impairment loss *(Note 6)*		2,591		11,422
Interest income *(Note 16)*	(	497,596)	(	201,710)
Operating profit before working capital changes		15,374,746		13,191,069
Increase in trade and other receivables	(	2,903,312)	(	1,296,951)
Decrease (increase) in inventories		184,560	(	671,563)
Decrease (increase) in prepayments and other current assets	(	273,580)		26,074
Increase (decrease) in trade and other payables	(	7,149,097)		12,692,555
Cash generated from operations		5,233,357		23,941,183
Interest received *(Note 16)*		497,596		201,710
Retirement benefit paid *(Note 13)*	(	4,838,916)	(	844,023)
Contributions to retirement fund *(Note 13)*	(	2,600,000)	(	4,800,000)
Cash paid for income taxes *(Note 17)*	(	666,285)	(	344,817)
Net Cash From (Used in) Operating Activities	(	2,374,248)		18,154,053
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to short-term financial assets *(Note 5)*	(	141,539)	(	5,032,222)
Additions to financial assets at amortized cost *(Note 7)*	(	242,224)	(	6,103,724)
Additions to intangible assets *(Note 11)*	(	357,143)		-
Acquisitions of property and equipment *(Note 10)*	(	7,519,992)	(	11,008,432)
Net Cash Used in Investing Activities	(	8,260,898)	(	22,144,378)
CASH FLOWS FROM FINANCING ACTIVITIES *(Note 18)*				
Proceeds from special assessment fund		-		2,756,951
Reissuance of membership fee certificates		-		453,050
Net Cash From Financing Activities		-		3,210,001
NET DECREASE IN CASH	(	10,635,146)	(	780,324)
CASH AT BEGINNING OF YEAR		21,819,596		22,599,920
CASH AT END OF YEAR *(Note 4)*	P	11,184,450	P	21,819,596

See Notes to Financial Statements.

VALLE VERDE COUNTRY CLUB, INC.
(A Non-Profit Proprietary Club)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Peso)

1. GENERAL INFORMATION

Corporate Information

Valle Verde Country Club, Inc. (the "Club") is a proprietary membership club organized primarily to promote sports, recreational and social activities. The Club was incorporated in the Philippines on May 30, 1975, and started its commercial operations on April 1, 1978.

Republic Act (RA) No. 11232, also known as the Revised Corporation Code of the Philippines, took effect on March 8, 2019. Under this law, a corporation, including a club, is automatically granted perpetual existence, unless its Articles of Incorporation explicitly provide for a limited duration.

The registered office of the Club, which is also its principal place of business, is located at Captain Henry P. Javier Street, Barrio Ugong, Pasig City.

Approval of Financial Statements

The financial statements of the Club as at and for the year ended September 30, 2024 (including the comparatives as at and for the year ended September 30, 2023) were authorized for issue by the Board of Directors (BOD) on January 13, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

a. *Statement of Compliance with Philippine Financial Reporting Standards*

   The financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS is adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy (BOA).

   The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, income, and expense. The measurement bases are more fully described in the accounting policies that follow.

b. *Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Club presents all items of income and expenses in a single statement of comprehensive income.

The Club presents the third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

c. *Functional and Presentation Currency*

These financial statements are presented in Philippine peso, the Club's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Club are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Club operates.

Adoption of New and Amended PFRS

a. *Effective in 2024 that are not Relevant to the Club*

Among the amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2024, below are not relevant to the Club's financial statements:

PAS 1 (Amendments) :	Presentation of Financial Statements – Non-current Liabilities with Covenants
PAS 7 (Amendments) :	Cash Flow Statements
PFRS 7 (Amendments) :	Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments) :	Leases – Lease Liability in a Sale and Leaseback

b. *Effective Subsequent to 2024 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have a significant impact on the Club's financial statements:

i. PFRS 17, *Insurance Contracts – Insurance Contracts* (effective from January 1, 2025)

ii. PFRS 17 (Amendments), *Insurance Contracts – Initial Application of PFRS 17 and PFRS 9 – Comparative Information* (effective from January 1, 2025)

iii. PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

Current versus Non-Current Classification

The Club presents assets and liabilites in the statements of financial position based on current and non-current classification. An asset is current when it is:

All other assets are classified as non current.

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

A liability is current when:

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

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

Financial Instruments

a. Financial Assets

Financial assets are recognized when the Club becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments

Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets are driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described below and in the succeeding pages.

i. *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of the business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVTPL. Also, equity securities are classified as financial assets at FVTPL, unless the Club designates an equity investment that is not held for trading as at FVOCI at initial recognition.

Financial assets at FVTPL are measured at fair value with gains or losses recognized in profit or loss as part of Finance income in the statements of profit or loss. The fair values of these financial assets are determined by reference to active market transactions or using a valuation technique where no active market exists.

Interest earned on these investments is included in the net fair value gains (losses) on these assets presented as part of Finance income in profit or loss.

As at September 30, 2024 and 2023, the Club does not have financial assets designated at FVTPL.

ii. *Financial assets at fair value through other comprehensive income (FVOCI)*

The Club accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell ("hold to collect and sell"); and,

- the contractual terms of the financial assets give rise to cash flows that are SPPI on the principal amount outstanding.

At initial recognition, the Club can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Club for trading or as mandatorily required to be classified as FVTPL.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of Revaluation reserves account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation reserves account is not reclassified to profit or loss but is reclassified directly to Retained earnings account, except for those debt securities classified as FVOCI wherein cumulative fair value gains or losses are recycled to profit or loss.

Interest income is calculated by applying the effective interest rate (EIR) to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in profit or loss as part of Finance income

Any dividends earned on holding equity instruments are recognized in profit or loss as part of Miscellaneous under Other operating income account, when the Club's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Club, and, the amount of the dividend can be measured reliably unless the dividends clearly represent a recovery of a part of the cost of the investment.

iii. *Financial Assets at Amortized Cost*

Financial assets are measured at amortized cost if both of the following conditions are met (and are not designated as FVTPL):

- the asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL).

The Club's financial assets measured at amortized cost comprise Cash, Short-term investments, Trade and other receivables and Debt securities presented as Financial assets at amortized cost in the statements of financial position.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, cash and cash equivalents comprise accounts with original maturities of three months or less, including cash. These generally include cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash includes cash on hand and in banks held to meet short-term cash commitments rather than for investment or other purposes. Cash in banks pertains to cash deposits held at call with bank that are subject to an insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received. Short-term placements are time deposits with original maturities of three months or less.

Short-term investments are time deposits with original maturities of more than three months to one year. Deposits with original maturities of more than one year are classified as long-term financial assets.

Financial assets at amortized costs, consisting mainly of debt securities are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Club provides money or services directly to a debtor with no intention of trading the receivables. Included in this category are those arising from direct loans to customers and all receivables from customers and other companies.

Trade and other receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses, if any. Any change in their value is recognized in profit or loss. Increases in estimates of future cash receipts from such financial assets shall be recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than as an adjustment to the carrying amount of the financial asset at the date of the change in estimate.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in of profit or loss as part of Finance income.

b. *Impairment of Financial Assets*

PFRS 9's new impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss' (ECL) model. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Club first identifying a credit loss event. Instead, the Club considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of the likelihood of default over a given time horizon.

- *Loss given default* – It is an estimate of loss arising in a case where default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Club would expect to receive, including the realization of any collateral.

- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

The Club recognizes an impairment loss in profit or loss for all financial instruments subject to impairment assessment with corresponding adjustments to their carrying amount through a loss allowance account, except for debt instruments measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in Revaluation reserves account, and does not reduce the carrying amount of the financial asset in the statements of financial position.

The Club considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

c. *Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Club neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Club recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Club retains substantially all the risks and rewards of ownership of a transferred financial asset, the Club continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

d. *Classification and Measurement of Financial Liabilities*

Financial liabilities are classified as financial liabilities at FVTPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Club determines the classification of its financial liabilities at initial recognition.

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

As at September 30, 2024 and 2023, the Club did not have financial liabilities at FVTPL or derivative liabilities designated as hedging instruments.

The Club's financial liabilities include Trade and other payables [excluding Output Value-added Tax (VAT) payable shown under Other payables] and deposit for membership fee certificates subscription.

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost for maturities beyond one year, less settlement payments.

Deposit for membership fee certificates subscription pertains to the amount of cash received from members as payment for future issuance of membership fee certificate. The Club classifies a deposit for membership fee certificates subscription if it satisfies all of the following elements:

- the unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;

- there is a BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the Club;

- there is members approval of said proposed increase; and

- the application for the approval of the proposed increase has been filed with the SEC.

If any or all of the foregoing elements are not present, the deposit for membership fee certificates subscription is recognized as a liability.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Club does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

e. *Derecognition of Financial Liabilities*

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

f. *Offsetting Financial Instruments*

Financial assets and liabilities are set-offs and the resulting net amount is 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. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Inventories

At the end of the reporting period, inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition is accounted for at purchase cost on a weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

When inventory is sold, the carrying amount of inventory is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventory to net realizable value and all losses of inventory is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventory, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventory recognized as an expense in the period in which the reversal occurs.

Prepayments and Other Current Assets

Prepayments and other current assets pertain to other resources controlled by the Club as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

Prepayments and other current assets include prepaid expenses which are paid in advance and recorded as an asset before these are utilized, deposits that pertain to advance payments to suppliers to be applied for future purchases, and prepaid income tax, which will be applied in the following year against corporate income tax. Prepaid expenses are amortized over time and recognized as an expense as the benefit is derived from the asset. Prepayments and other current assets are recognized and measured at transaction cost or the amount of cash paid. Subsequently, these are charged to income as they are consumed in operations or expire with the passage of time.

Property and Equipment

Land is stated at cost. All other property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements, and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

Clubhouse	10 to 53 years
Kitchen, office and other equipment	5 to 10 years
Building furniture and fixtures	10 to 15 years
Land improvements	10 to 25 years
Service vehicle	5 years

Construction in progress represents properties under construction. This account is not depreciated until such time that the asset is completed and available for use.

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

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

Intangible Assets

Intangible assets of the Club include acquired licenses and software which are accounted for under the cost model. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire an asset at the time of its acquisition or production. Capitalized costs are amortized on a straight-line basis over the estimated useful lives (ranging from 3 to 7 years) as the lives of these intangible assets are considered finite.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software and those costs associated with research activities are recognized as an expense in profit or loss as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss.

Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. 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. When the time value of money is material, long-term provisions are discounted to their present values using a pre-tax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Club can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Revenue and Cost Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured. Revenue comprises membership dues and revenue from the sale of food and is measured by reference to the fair value of the consideration received or receivable by the Club for food and beverages sold and services rendered, excluding VAT.

The Club follows a 5-step process to determine whether to recognize revenue:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations;
5. Recognizing revenue when/as a performance obligation(s) are satisfied.

Revenue is recognized either at a point in time or over time, when (or as) the Club satisfies performance obligations by transferring the promised goods or services to its customers.

The Club recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Club satisfies a performance obligation before it receives the consideration, the Club recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Income that was recognized under the above criteria are discussed as follows:

a. *Membership dues* - Revenue is recognized monthly as the fees become due upon billing to Club members of their monthly dues.

b. *Sale of food and beverages* – Revenue is recognized when control of the goods or services are transferred to the customer or member at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services

c. *Rentals* – Revenue from the lease of land and building is recognized and accounted for in profit or loss on a straight-line basis over the lease term.

d. *Service fees* - Revenue is recognized when sports training services have been rendered.

e. *Patronage fees* - Revenue is recognized when the paid consumables of the member have been forfeited.

f. *Transfer and processing fees* - Revenue is recognized as the service fees become due upon members' payment for processing of documents relative to memberships.

g. *Late payment charges* - Revenue is recognized as the fees become due upon billing to Club members.

h. *Interest* - Revenue is recognized as the interest accrues (taking into account the effective yield on the asset).

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in the profit or loss on an accrual basis.

Leases - Club as a Lessor

Leases that do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income in profit or loss on a straight-line basis over the lease.

The Club determines whether an arrangement is, or contains a lease based on the substance of the arrangement. It makes 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.

Impairment of Non-financial Assets

The Club's property and equipment are subject to impairment testing.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flow. Impairment loss is charged pro-rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Employee Benefits

The Club provides short term benefits and post-employment benefits to employees through a defined benefit plan, as well as various defined contribution plans.

a. *Short-term Benefits*

Wages, salaries and bonuses are recognized as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognized when the absences occur.

b. *Post employment Defined Benefit Plan*

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Club, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Club's post-employment defined benefit plan covers all regular full-time employees. The post-employment plan is tax-qualified, noncontributory, and administered by a trustee.

The liability recognized in the statement of financial position for post-employment benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated every two years by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return of plan assets (excluding amount included in net interest) are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Net interest is reported as part of retirement benefits in the statement of comprehensive income.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment and curtailment.

As at September 30, 2024 and 2023, the Club recognized its liability for a post-employment benefit plan based on the provisions of the Collective Bargaining Agreement with its employees at the end of the reporting period less the fair value of plan assets.

c. *Defined Contribution Plan*

A defined contribution plan under which the Club pays fixed contributions into an independent entity such as Social Security System (SSS), Philhealth and Pag-ibig. The Club has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

d. *Termination Benefits*

Termination benefits are payable when employment is terminated by the Club before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Club recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in member's equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is provided, using the liability method, on temporary differences at the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that the future taxable profit will be available to allow such deferred tax assets to be reassessed.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting periods. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Club expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the profit or loss. Only changes in deferred tax assets or liabilities that relate to a change in the value of assets or liabilities are charged or credited directly to a member's equity

Deferred tax assets and deferred tax liabilities are offset if the Club has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes related to the same entity and the same taxation authority.

Related Party Transactions and Relationships

Related party transactions are the transfer of resources, services or obligations between the Club and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Club; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Club that gives them significant influence over the Club and close members of the family of any such individual.

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

Members' Equity

Membership fee certificates represent the nominal value of certificates that have been issued adjusted for any cancellations and re-issuances.

Additional paid-in includes any premiums received on the issuance of cancelled membership certificates and special assessment funds.

Accumulated comprehensive loss represents the accumulated actuarial losses of retirement benefit obligation, net of applicable tax.

Deficit includes all current and prior period results of operations as reported in profit or loss in the statement of comprehensive income.

Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Club's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Club's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

Critical Management Judgments in Applying Accounting Policies

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimation, which has the most significant effect on the amounts recognized in the financial statements:

a. *Assessment of Contractual Terms of a Financial Asset*

The Club determines whether the contractual terms of a financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Club considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets excluding financial assets at fair value through other comprehensive income are solely payments of principal and interest and consistent with the basic lending arrangement.

b. *Distinction between Operating and Finance Leases*

The Club has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management judgment, current lease arrangements were determined to be operating leases.

c. *Evaluating Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of relevant provisions and contingencies are discussed in Notes 2 and 20 respectively.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next reporting period.

a. *Impairment of Trade and Other Receivables*

The Club uses a provision matrix to calculate ECL for trade and other receivables. The provision rates are based on days past due for groupings of various members. The Club evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Club's relationship with the members, the members' current credit status, the average age of accounts, collection experience and historical loss experience.

The provision matrix is based on the Club's historical observed default rates. The Club's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Club's trade and other receivables and its carrying value are shown in Note 6.

b. *Determination of Net Realizable Value of Inventories*

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made as well as the factors that affect the realizability of inventories.

c. *Estimation of Useful Lives 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. In addition, estimation of the useful lives of property and equipment is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment and investment property would increase recorded operating expenses and decrease non-current assets.

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

Clubhouse	10 to 53 years
Kitchen, office and other equipment	5 to 10 years
Building, furniture and fixtures	10 to 15 years
Land improvements	10 to 25 years
Service vehicles	5 years

The carrying amounts of property and equipment are analyzed in Note 10.

d. *Determination of Realizable Amount of Deferred Tax Asset*

The Club reviews its deferred tax asset at the end of each reporting period and reduces the carrying amount 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.

Deferred tax asset relating to minimum corporate income tax (MCIT) and allowance for impairment of receivables was not recognized as management believes that it cannot be utilized in the foreseeable future.

The carrying value of deferred tax assets as at September 30, 2024 and 2023 is disclosed in Note 17.

e. *Valuation Post-employment Defined Benefit Obligation*

Prior to 2018, the determination of the Club's obligation and cost of the post-employment benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 13 and include, among others, discount rates, expected rate of return on plan assets, salary increase rate and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post employment benefit obligation in the next reporting period.

In 2024 and 2023, the Club computed its retirement benefit obligation based on the provisions of the Club's Collective Bargaining Agreement (CBA) with its employees. The Club's CBA is in compliance with the minimum provisions of Republic Act 7641, *Retirement Pay Law*.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of the post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 13.

f. *Determination of Termination Benefits*

The determination of the Club's obligation for termination benefits is measured based on the number of employees that are expected to receive them and the amount of benefits each employee is to receive based on management's decision. For involuntary termination plans, the entity establishes the number of employees whose services will be terminated. The measurement of the Club's obligation for termination payments in case of an offer made to encourage voluntary termination is based on the number of employees expected to accept the offer or where management intends to reduce staff numbers by a given amount, the cost of doing so.

g. *Impairment of Non-Financial Assets*

Except for intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indicators are present. The Club's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

4. CASH

The details of this account are as follows:

		2024		2023
Cash in banks	P	10,754,450	P	21,389,596
Cash on hand		430,000		430,000
	P	11,184,450	P	21,819,596

Cash in banks generally earns interest at rates based on daily bank deposit rates.

The interest earned on cash in banks amounted to P17,892 in 2024 and P31,778 in 2023 and are presented as part of Finance income in the statements of comprehensive income *(see Note 16)*.

5. SHORT-TERM INVESTMENTS

This account pertains to time deposit placement with a local bank amounting to P5,173,761 and P5,032,222 as at September 30, 2024 and 2023, respectively, which will mature in 181 days and 96 days, earning an effective annual interest rate of 5.3% in 2024 and 4% in 2023.

The interest earned on these investments amounted to P176,924 in 2024 and P40,278 in 2023 is presented as part of Finance income in the statements of comprehensive income *(see Note 16)*.

6. TRADE AND OTHER RECEIVABLES

The details of this account are as follows:

	2024	2023
Current:		
Trade	P 11,536,163	P 10,840,036
Others	10,135,544	8,309,192
	21,671,707	19,149,228
Non-current:		
Others	378,242	-
	22,049,949	19,149,228
Allowance for impairment	(362,280)	(362,280)
	P 21,687,669	P 18,786,948

The outstanding trade receivables as at September 30, 2024 and 2023 pertains to the dues and charges from members which are due within one month from the billing date.

Other receivables include loans to employees with maturities ranging from 1 year to 3 years, bearing annual interest ranging form 6% to 12% per annum in 2024 and P1,200,000 representing unauthorized payment of attorney's fees and expenses made by previous Boards of Directors (BOD). On November 18, 2013, the Club has sent a demand letter to immediately pay, jointly and solidarily the said amount against the previous BOD and their legal counsel. No impairment loss was provided as the Club has some available recourse to settle such account.

There is no additional allowance for impairment provided in 2024 and 2023. All of the Club's trade and other receivables have been reviewed for indicators of impairment. Certain trade and other receivables which are mostly due from delinquent members were found to be impaired; hence, adequate amounts of allowance for impairment have been recognized. The By-Laws states that if the proceeds derived from the sale of the Certificates are not sufficient to pay in full the indebtedness of the member, the member shall continue to be obligated to the Club for the unpaid balance.

Based on management's evaluation, the Club recognized impairment loss on other receivables amounting to P2,591 in 2024 and P11,422 in 2023 *(see Note 15)*.

7. FINANCIAL ASSETS AT AMORTIZED COST

This account pertains to investment securities represents below:

	2024	2023
Current	P 4,345,948	P 6,103,724
Non-current	2,000,000	-
	P 6,345,948	P 6,103,724

This account consists of T-bills with terms ranging from 30 days to 5 years terms in 2024 and 56 to 98 days in 2023 and bears interest ranging from 4.50% to 4.70% in 2024 and 4.40% to 5.50% in 2023.

The interest earned on these investments amounted to P302,780 in 2024 and P129,654 in 2023 and as presented as part of Finance income in the statements of comprehensive income *(see Note 16)*.

8. INVENTORIES

This account represents the following:

	2024		2023	
Food	P	1,490,628	P	1,590,088
Beverages		372,423		457,523
	P	1,863,051	P	2,047,611

The cost of inventories recognized as an expense in 2024 and 2023 are shown in Note 14. There were no expenses recognized related to the impairment of inventories in both years.

9. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	2024		2023	
Prepaid income tax	P	1,525,046	P	1,234,816
Deposits		753,688		766,043
Unused supplies		522,215		526,510
	P	2,800,949	P	2,527,369

Prepaid income tax, which are claimed against income tax due, are carried over in the succeeding period for the same purpose.

Deposits consist of deposit to public utilities and deposit of containers/bottles to San Miguel Corporation.

Unused supplies pertains to inventory of supplies consist of supplies on hand for guest, cleaning and kitchen.

No provision for impairment losses on prepayments and other current assets was recognized in 2024 and 2023.

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization at the beginning and end of 2024 and 2023 are shown below:

	Clubhouse	Kitchen, Office and Other Equipment	Building, Furniture and Fixtures	Land Improvements	Land	Construction in Progress	Service Vehicle	Total
September 30, 2024								
Cost	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]
Accumulated depreciation and amortization	([illegible])	([illegible])	([illegible])	([illegible])	-	-	([illegible])	([illegible])
Net carrying amount	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]
September 30, 2023								
Cost	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]
Accumulated depreciation and amortization	([illegible])	([illegible])	([illegible])	([illegible])	-	-	([illegible])	([illegible])
Net carrying amount	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]
September 30, 2022								
Cost	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P -	P [illegible]
Accumulated depreciation and amortization	([illegible])	([illegible])	([illegible])	([illegible])	-	-	-	([illegible])
Net carrying amount	P [illegible]	P [illegible]	P [illegible]	P -	P [illegible]	P [illegible]	P -	P [illegible]

A reconciliation of the amounts at the beginning and end of 2024 and 2023 are shown below:

	Clubhouse	Kitchen, Office and Other Equipment	Building, Furniture and Fixtures	Land Improvements	Land	Construction in Progress	Service Vehicle	Total
Balance at October 1, 2023, net of accumulated depreciation and amortization	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]
Additions		[illegible]	[illegible]	-		[illegible]		[illegible]
Depreciation and amortization charges for the year	([illegible])	([illegible])	([illegible])	([illegible])	-	-	([illegible])	([illegible])
Balance at September 30, 2024, net of accumulated depreciation and amortization	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]
Balance at October 1, 2022, net of accumulated depreciation and amortization	P [illegible]	P [illegible]	P [illegible]	P	P [illegible]	P [illegible]	P -	P [illegible]
Additions		[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Reclassification	-		[illegible]	-	-	([illegible])		-
Depreciation and amortization charges for the year	([illegible])	([illegible])	([illegible])	([illegible])	-	-	([illegible])	([illegible])
Balance at September 30, 2023, net of accumulated depreciation and amortization	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]	P [illegible]

The land under Transfer Certificate of Title No. 438487 is covered by Restrictive Covenants as follows:

a. The land shall not be subdivided and that it shall be used exclusively for artistic, sports, recreational and social as well as entertainment purposes.

b. No portion of the land or any rights and interests thereto shall be mortgaged, leased or encumbered in any manner, directly or indirectly, before December 2025 without the knowledge and express written consent of Ortigas & Company Allied Partnership (Ortigas).

c. In the event that the Club is dissolved before December 2025, for any cause whatsoever, or if the Club fails to complete the construction of the proposed buildings for the use of the Club, Ortigas, its successor or assigns, has the absolute option to repurchase the land from the Club, or its assigns the sum of not exceeding P4,600,000 without interest, free from liens and encumbrances.

d. Should the Club decide to sell or dispose the land at any time before December 2025, Ortigas, its successors or assigns, shall be entitled and has the first absolute and unconditional option to reacquire or repurchase the entire property for an amount proportions to the area being sold, if only a portion of said property is involved.

e. Should Ortigas choose to repurchase the property pursuant to the foregoing covenants, the existing improvements on the land shall be removed by and at the expense of the owner/claimant thereof within six months from the receipt of notice thereon, unless Ortigas decides to reimburse the owner/claimant the value thereof which shall be fixed at the price equivalent to the actual cost of construction or acquisition, less depreciation at the rate of 20% per year.

The Club's portion of the clubhouse with a total floor area of 588.75 square meters was held for lease. Total rentals amounted to P5,250,361 and P6,679,779 in 2024 and 2023, respectively, and are shown as Rentals in the statements of comprehensive income *(see Note 20)*.

As at September 30, 2024 and 2023, there were no property and equipment have been pledged as security for liabilities. In addition, there were no recognized impairment losses relating to these assets in both years.

11. INTANGIBLE ASSETS

Intangible assets pertain to computer software and licenses acquired by the Club. The reconciliation of intangible assets is shown below:

		2024		2023
Cost				
Balance at beginning of year	P	4,989,387	P	5,007,537
Additions		357,143		-
Adjustment		-	(	18,150)
Balance at end of year		5,346,530		4,989,387
Accumulated amortization				
Balance at beginning of year		4,487,450		3,822,133
Amortization for the year		474,587		665,317
Balance at end of year		4,962,037		4,487,450
Net carrying amounts	P	384,493	P	501,937

12. TRADE AND OTHER PAYABLES

This account is composed of the following:

		2024		2023
Trade	P	18,212,504	P	16,640,694
Accrued expenses		9,834,315		18,777,954
Refundable deposits		8,351,917		7,765,435
Other payables		3,132,318		3,496,068
	P	39,531,054	P	46,680,151

Trade payables are non-interest bearing and are normally settled within 30 days to 120 days term. Trade payables arise from the purchase of goods and supplies from third parties and are generally paid within 3 to 12 months after the end of the financial reporting period.

Accrued expenses comprise of outstanding payables to members for their auctioned shares and other accruals.

Refundable deposits pertain to deposit for playing rights, rental deposit , and deposits for breakages.

Other payables consist of outstanding payables related to output VAT, withholding taxes, Social Security System, Philhealth and other contributions which are remitted an average term of 10-15 days after end of the financial reporting period.

13. EMPLOYEE BENEFITS

Salaries and Employees' Benefits

Expenses recognized for salaries and employees' benefits are presented below:

	2024	2023
Short-term benefits	P 66,958,097	P 62,302,634
Post-employment defined benefit	3,043,830	2,653,639
	P 70,001,927	P 64,955,273

Post-employment Defined Benefit Plan

a. Characteristics of the Defined Benefit Plan

The Club's employees retirement plan is a non-contributory and defined benefit type that provides a retirement benefit equivalent to one hundred percent (100%) of Plan Salary for every year of credited service. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the Plan.

The normal retirement age is 60 with a minimum of 5 years of credited service. The plan also provides for early retirement with a minimum of 15 years of credited service and late retirement after age 60 but not beyond the age of 65, both subject to the approval of the Club's BOD.

b. Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made every two years to update the retirement benefit costs and the amount of contributions. All amounts presented below are computed based on the Club's Collective Bargaining Agreement (CBA) to its employees.

The amounts of retirement benefit obligation recognized in the statements of financial position are as follows:

	2024	2023
Present value of the obligation	P 22,612,221	P 24,407,307
Fair value of plan assets	(16,355,577)	(13,755,577)
Retirement benefit obligation	P 6,256,644	P 10,651,730

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

		2024		2023
Balance at beginning of year	P	24,407,307	P	24,068,319
Current service		3,043,830		1,964,238
Interest costs		-		1,217,857
Acturial gain		-	(	1,999,084)
Benefits paid	(	4,838,916)	(	844,023)
Balance at end of year	P	22,612,221	P	24,407,307

The movement in the fair value of plan assets is presented below:

		2024		2023
Balance at beginning of year	P	13,755,577	P	9,043,786
Contributions		2,600,000		4,800,000
Expected return on plan assets		-		528,456
Re-measurement loss on plan assets		-		383,335
Balance at end of year	P	16,355,577	P	13,755,577

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below:

		2024		2023
Cash	P	16,355,577	P	13,755,577

The plan assets of the Club consist of a special cash deposit account placed in a local bank.

The components of amounts recognized in profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

		2024		2023
Reported in profit or loss:				
Current service costs	P	3,043,830	P	1,964,238
Net interest costs		-		689,401
	P	3,043,830	P	2,653,639

	2024		2023
Reported in other comprehensive income:			
Actuarial gains (loss) arising from changes in:			
Financial assumptions	P	-	P 2,397,920
Experience adjustments		-	(398,836)
Remeasurement gain- plan assets		-	383,335
	P	-	P 2,382,419

Current service and interest costs were allocated and presented as part of operating expenses in the statements of comprehensive income.

In determining the amounts of the retirement benefit obligation, the following significant assumptions were used in 2024 and 2023:

Discount rates	6.50%
Expected rate of salary increases	3.00%

Mortality assumptions are based on published statistics and mortality tables. The average remaining working life of an individual retiring at the age of 60 is 17.1. The average age of the employees is 42.9 years for 2024, while the average years of service are 8.7 years for 2024 and 2023. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating the terms of the retirement benefit obligation. Other assumptions are based on management's historical experience

Risks Associated with the Retirement Plan

The plan exposes the Club to actuarial risks such as longevity risk and salary risk. The present value of the retirement benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the salary of the plan participants will result in an increase in the plan obligation.

Asset-liability Matching Strategies

The Club's retirement plan has no specific matching strategy between the plan assets and the plan liabilities.

Funding Arrangements and Expected Contributions

In 2023, The Club make a contribution of P4,800,000. The maturity profile of undiscounted expected benefit payments from the plan follows:

2024	P 8,496,000
2025	965,487
2026	2,380,502
2027	2,091,476
2028	3,934,077
2029 - 2033	12,293,251

14. COST OF FOOD AND BEVERAGES

The details of this account are shown below:

		2024		2023
Inventories at beginning of year	P	2,047,611	P	1,376,048
Purchases - net		39,103,964		35,594,269
Inventories at end of year *(see Note 8)*	(	1,863,051)	(	2,047,611)
	P	39,288,524	P	34,922,706

15. OTHER REVENUES AND OPERATING EXPENSES

Other Revenues

The breakdown of this account is as follows:

		2024		2023
Transfer and processing fees	P	3,870,568	P	3,934,245
Patronage fees		1,331,278		1,732,311
Late payment charges		311,100		369,948
Miscellaneous		1,813,766		1,627,264
	P	7,326,712	P	7,663,768

Miscellaneous revenues include income from parking fees, car stickers, and late payment charges.

Other Operating Expenses

This account consists of the following:

		2024		2023
Professional fees	P	6,421,976	P	4,696,764
Repairs and maintenance		6,170,743		6,659,765
Supplies and other consumables		5,621,269		5,564,595
Advertising and promotion		2,238,033		4,692,710
Postage, telephone and telegraph		1,050,242		1,753,272
Linen and laundry		975,668		603,246
Representation and entertainment		892,569		855,949
Transporation and gasoline		762,958		886,083
Trainer's fee		558,056		713,992
Insurance		366,129		385,146
Losses and breakages- food and beverages		108,944		93,364
Impairment loss *(see Note 6)*		2,591		11,422
Miscellaneous		8,117,121		5,925,879
	P	33,286,299	P	32,842,187

Supplies and other consumables include printing expenses and office, cleaning and supplies.

Miscellaneous expenses include senior citizen discount, bank charges, equipment rentals payments to pianists concessionaire food suppliers, choir, flowers for mass, Christmas decorations and sponsorship to tennis committee.

16. FINANCE INCOME

The finance income are composed of the following:

		2024		2023
Interest income- loans and receivables	P	100,410	P	278,835
Interest income- banks, short-term investments and financial asset at amortized cost *(see Notes 4, 5 and 7)*		497,596		201,710
	P	598,006	P	480,545

17. INCOME TAX

Tax Exemption

On June 26, 2019, in the case of Association of Non-profit Clubs, Inc. vs. Bureau of Internal Revenue (GR No. 228539) the Supreme Court promulgated and declared as invalid the Revenue Memorandum Circular 35-2012 issued by the BIR. The Court declares that membership fees, assessment dues and fees of similar nature collected by clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as : (a) the income of recreational clubs from whatever source that are subject to income tax, and (b) part of the gross receipts of recreational clubs that are subject to Value Added Tax. Accordingly, RMC 35-2012 should be interpreted in accordance with the Decision. Hence, the Club applied the Decision of the Supreme Court in 2024 and 2023.

Current And Deferred Taxes

The components of tax expense as reported in the statements of comprehensive income are presented below:

		2024		2023
Reported in profit or loss:				
Current tax expense				
Minimum corporate income tax (MCIT) at 2% in 2024 and 1.25% in 2023	P	566,766	P	304,475
Final tax at 20%		99,519		40,342
		666,285		344,817
Deferred tax expense relating to origination and reversal of temporary differences		1,553,577		216,930
	P	2,219,862	P	561,747

The reconciliations of tax on pretax profit computed at the applicable statutory rate to income tax in the statements of comprehensive income are as follows:

	2024	2023
Tax on pretax profit at 20% in 2024 and 25% in 2023	P 1,083,323	P 934,925
Adjustment for income subjected to lower tax rate	-	(10,085)
MCIT	566,766	304,475
Tax effects of:		
Non-deductible expenses allocated to membership dues	10,510,825	14,276,644
Unrecognized net operating loss carry-over (NOLCO)	797,122	-
Origination and reversal of temporary differences	585,794	8,299
Non-taxable revenue-membership dues	(11,323,968)	(14,123,973)
Applied net operating loss carry-over (NOLCO)	-	(828,539)
Tax expense reported in the profit and loss	P 2,219,862	P 561,747

As at September 30, 2024 and 2023, the Club's deferred tax asset on retirement benefit obligation amounted to P1,251,329 and P2,662,932, respectively. Based on management's assessments, the carrying value of deferred tax asset relating to the Club's retirement benefit obligation as at September 30, 2024 and 2023 is fully recoverable upon payment of retirement benefits to retiring employees.

The Club is subject to MCIT which is computed at 2% in 2024 and 1.25% in 2023 of gross income, as defined under the tax regulations. The details of excess MCIT, which can be applied as a deduction from the Club's future regular income tax payable three years from the year the MCIT was paid, are shown below:

Year Incurred	Original Amount	Applied Balance	Remaining Balance	Valid Until
2024	P 566,766	P -	P 566,766	2027
2023	304,475	-	304,475	2026
2022	34,502	-	34,502	2025
	P 905,743	P -	P 905,743	

The deferred tax asset amounting to P566,766 in 2024 and P304,475 in 2023 pertaining to MCIT was not recognized as management believes that the Club will not be able to generate sufficient taxable income in the foreseeable future against which deferred tax asset on MCIT can be utilized.

Moreover, the Club has not recognized the deferred tax asset relating to NOLCO and allowance for impairment of receivables as management believes that the Club may not be able to realize the related tax benefits in the foreseeable future. As at September 30, the temporary differences for which the related deferred tax assets have not been recognized are shown below:

		2024		2023
Allowance for impairment	P	90,570	P	90,570
NOLCO		10,457,614		12,076,885
	P	**10,548,184**	P	12,167,455

The details of the Club's NOLCO and its respective availment period is presented below:

Year Incurred		Amount		Applied in 2023		Unapplied	Valid Until
2024	P	3,985,612	P	-	P	3,985,612	2027
2022		9,380,992				9,380,992	2025
2021		21,046,045		-		21,046,045	2026
2020		21,194,657*		3,319,236*		17,875,421*	2025
	P	55,607,306	P	3,319,236	P	52,288,070	

*presented as part of 2021 NOLCO in the income tax return.

Pursuant to Republic Act No. 11494, Bayanihan Recover as One Act dated September 11, 2020, and Revenue Regulations No. 25-2020 dated September 30, 2020, entities which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act was approved and signed into law. Under the CREATE Act, the RCIT of domestic corporations are taxed at 25% or 20% depending on the amount of total assets and total amount of taxable income. In addition, the MCIT was reduced from 2% to 1% of gross income until June 30, 2023.

18. MEMBERS' EQUITY

Membership Fee Certificates

The Club has an authorized 1,500 proprietary membership fee certificates without par value consisting of 1,200 regular and 300 corporate certificates, of which amounting to P51,260,849 were issued and outstanding as at September 30, 2024 and 2023.

Regular proprietary members, who can either be natural or juridical persons, can designate only one representative who may vote and avail of all the Club's privileges. Corporate proprietary members can designate three representatives but are entitled to only one vote. Each representative may avail of all of the Club's privileges except to hold office.

Additional Paid-in

This account is composed of the following:

		2024		2023
Premiums received-issuance of cancelled membership certificates	P	8,068,540	P	8,068,540
Special assessment fund		11,178,133		11,178,133
	P	19,246,673	P	19,246,673

Special Assessment Fund

In November 2019, the Board of Directors approved the holding of members' Christmas Party in which all members will have a special assessment in the form of ticket selling, the net proceeds of such were used in the renovation of the Main Ballroom. The net special assessment fund amounting to P4,427,707 is presented as a special assessment fund under Additional Paid-in in the statements of members' equity. In March 2020, the additional net special assessment fund amounting to P2,050,933 is presented as a special assessment fund under Additional Paid in in the statements of members' equity. Further in 2022, the additional net special assessment fund amounting to P700,000 is presented as a special assessment fund under Additional Paid-in in the statements of members' equity. In March and June 2023, the additional net special assessment fund amounting to P2,756,951 is presented as a special assessment fund under Additional Paid-in in the statements of members' equity.

On August 29, 2015, the Board of Directors approved the special assessment for all members and assignees in the form of compulsory ticket selling, the proceeds of such were used in the improvement of Lanai. The net special assessment fund amounting to P1,242,542 is presented as a special assessment fund under Additional Paid-in in the statements of members' equity.

The changes in special assessment fund during the year are as follows:

		2024		2023
Balance at beginning of year	P	11,178,133	P	8,421,182
Additions		-		2,756,951
Balance at end of year	P	11,178,133	P	11,178,133

Deposit for Membership Fee Certificates Subscription

In a meeting held on June 22, 1979, the Board of Directors approved the increase in the Club's authorized membership fee certificates from 1,500 to 2,000. The said increase was initially filed with the Securities and Exchange Commission (SEC). However, the SEC requires the approval of the members to effect the said increase in membership certificates. Due to the Writ of Preliminary Mandatory Injunction issued by the Regional Trial Court (RTC) of Pasig City to the current Board of Directors as petitioned by the previous Board of Directors, the Club cannot hold annual membership meeting and cannot be acted upon the requirements of the said increase as of to date. On October 1, 2019, the current Board of Directors filed Petition for Review of the assailed decision rendered by the RTC of Pasig City to the Court of Appeals praying the petition be given due course.

On October 21, 2024, the Club received the decision from the RTC on the issue of whether to use the actual 1,938 membership or the original 1,500 as basis in determining quorum in the Clubs Annual Membership Meeting. The RTC rendered its decision that there are presently 1,938 issued membership certificates of the Club to be unrebutted. However, the SEC issued Financial Reporting Bulletin No. 006 dated February 16, 2012 which was revised on January 14, 2013 and May 11, 2017 regarding the treatment of deposit for membership fee certificates subscription. As mentioned in Note 2, the Club classifies a deposit for membership fee certificates subscription as equity instruments if it satisfies all of the following elements:

- the unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- there is a BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the Club;
- there is members approval of said proposed increase; and
- the application for the approval of the proposed increase has been filed with the SEC.

If any or all of the foregoing elements are not present, the deposit for membership fee certificate shall be recognized as a liability. Hence, the amount received from the members amounting to P27,479,806 is presented as Deposits for membership fee certificates subscriptions under Non-current liabilities in the statements of financial position.

Accumulated Comprehensive Loss

This account pertains to the actuarial losses on retirement benefit obligation.

As at September 30, 2024 and 2023, details of accumulated comprehensive loss is shown below:

	2024	2023
Gross amount	P 2,662,013	P 3,028,779
Tax effect	(532,403)	(757,195)
Net	P 2,129,610	P 2,271,584

The changes in accumulated comprehensive loss during the year are as follows:

		2024		2023
Balance at beginning of year	P	2,271,584	P	4,328,958
Total comprehensive gain for the year	(	141,974)	(	2,057,374)
Balance at end of year	P	2,129,610	P	2,271,584

19. RELATED PARTY TRANSACTIONS

The Club's related parties include its officers and employees. The summary of the Club's transactions and outstanding balances with its related parties follows:

	2024		2023		
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance	Terms and Condition
Officers and employees					
Cash advances	P 224,845	P 404,422	P 97,353	P 179,577	Non-interest bearing, payable in Demand, unsecured, no impairment loss
Member					
Deposit for membership fee certificates subscription	P 27,479,806	P -	P 27,479,806	P -	See Note 19
Key Management Personel					
Compensation	P 4,594,163	P -	P 6,016,426	P -	

Advances to Officers and Employees

The Club extends unsecured non-interest-bearing cash advances to its officers and employees. The outstanding balance of these advances amounted to P404,422 and P179,577 as at September 30, 2024 and 2023, respectively. These are included as part of Others under Trade and other receivables account in the statements of financial position *(see Note 6)*.

Key Management Compensation

Presented below are the details of the compensation of the Club's key management personnel which are presented as part of Salaries and employees' benefits Capotakas disclosed in Note 15.

		2024		2023
Short-term benefits	P	4,240,766	P	5,553,624
Post-employment benefits		353,397		462,802
	P	4,594,163	P	6,016,426

20. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Club:

Operating Leases – Club as Lessor

The Club is a lessor under operating leases covering certain Club spaces. Total rentals from these operating leases amounted to P5,250,361 and P6,679,779 in 2024 and 2023, respectively, and are shown as Rentals in the statements of comprehensive income.

Labor Cases

1. **Ma. Alberta Carolina A. Del Rosario vs. VVCCI, ET. AL. (NLRC LAC No. 08-002708-17)**

   A favorable decision was obtained from the NLRC which reversed and set aside the Labor Arbiter's decision, and accordingly dismissed the complaint against the Club for lack of merit. Complainant elevated the case to the Court of Appeals (CA) via Petition for Certiorari. Total bond was refunded amounting to Php2.075M to VVCCI pending decision from CA. The CA eventually dismissed the Petition for Certiorari of complainant. Complainant filed an appeal before the Supreme Court.

2. **Voluntary Arbitration Case Between Valle Verde Country Club, Inc. Employees Union and VVCCI (CA-GR SP NO.170914)**

   A dispute about the interpretation of the Club's rice subsidy provision and union leave provision in the Collective Bargaining Agreement. VA rendered favorable decision. Union filed a Petition for Review before the Court of Appeals which has denied. Awaiting the Court of Appeal's decision on the Union's Motion for Reconsideration.

3. **NFA Valle Verde Country Club Inc. Employees Union vs. VVCCI (AC-989-RCMB-NCR-LVA-17-01-06-2022)**

   A voluntary arbitration case involving alleged unfair labor practice in the implementation of redundancy program. Submitted for Voluntary Arbiter's decision. The parties entered into an amicable settlement.

Commercial Case

Commercial Case No. 14-216 – Jose Ernesto Villaluna, Victor Salta and Fortunato Dee vs. Francisco Elizmendi, et. al., [other members of the BOD] and VVCCI with application for TRO and writ for preliminary injunction. Plaintiffs pray to (a) nullify/invalidate the actions of the BOD in the annual meeting on 5 April 2014 to wit: approval of the minutes of the 23 February 2013 annual membership meeting, financial statements, expulsion and suspension of members; election of the BOD, external auditors, approval of amendment of by-laws; and declaration that defendants have no right to stay on and hold over as directors of VVCCI and that plaintiffs and the other defendants/unwilling plaintiffs [Ortigas, Santiago, Sunico and Gamboa] are the ones entitled to hold-over as such directors; (b) to declare the defendants to have no right to stay on and hold over as directors of VVCCI and to oust them from said position; and to declare plaintiffs with the unwilling co-plaintiffs as entitled to hold-over as directors and ordering their reinstatement and to continue as such until their successors are duly elected and qualified; and for damages. The Court decided to refer the case to court-assisted mediation. The case is submitted for decision.

Tax Refund/Issuance of Tax Credit Certificate

On July 14, 2020, the Club filed an application for tax refund/issuance of tax credit certificate to the BIR for the erroneous payments of Value Added Tax (VAT) as results of compliance with Revenue Memorandum Circular 35-2012 which eventually declared as invalid by the Supreme Court in the case of Association of Non-profit Clubs, Inc. vs. Bureau of Internal Revenue (GR No. 228539) for taxable period January 1, 2018 to July 31, 2019 amounting to P9,222,817.83. On July 22, 2020, the filed Petition for Review of the case to the Court of Tax Appeals. In the present case, the Court cannot simply give credence to the ICPA's unsubstantiated assertion that the total of P61,772,133 with its corresponding output tax of P7,412,656 were verified to represent the total membership dues, assessment fees, and other similar charges erroneously paid by the petitioner for the period April 2018 to July 2019.

On October 23, 2023,the present Petition for Review of the case to the Court of Tax Appeals is denied for lack of merit.

Others

There are no other commitments and contingent liabilities that may arise in the normal course of the Club's operations which are not reflected in the Club's financial statements. Management believes that losses, if any, these events and conditions will not have a material effect on the Club's financial statements.

21. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Club's principal financial instrument comprises mainly of cash in banks. The main purpose of this financial instrument is to finance the Club's operations. The Club has other financial assets and liabilities such as receivables, due from related parties, interest-bearing loans and borrowings, trade and other payables and lease liabilities.

The main risks arising from the Club's financial instruments are market risk, credit risk, and liquidity risk. The Board of Directors and management review and agree on the policies for managing each of these risks and they are summarized below.

Foreign Exchange and Interest Rate Risks

The Club does not have financial instruments denominated in foreign currencies. Also, the Club does not have financial instruments subject to floating interest rate, except cash, which has historically shown insignificant changes in interest rates. As such, the Club's management believes that the interest rate risks are not material.

Credit Risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to financial statements), are summarized below:

		2024		2023
Cash in banks	P	10,754,450	P	21,389,596
Short-term investments		5,173,761		5,032,222
Trade and other receivables		22,049,949		19,149,228
Financial assets at amortized cost		6,345,948		6,103,724
	P	44,324,108	P	51,674,770

The Club's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

In addition to impaired receivables, some of the unimpaired trade receivables are past due. The age of financial assets that are past due but not impaired as at September 30, 2024 and 2023 is as follows:

		2024		2023
Not more than 30 days	P	756,457	P	3,097,225
More than 30 days but not more than 60 days		743,843		1,010,538
More than 60 days		1,227,557		712,340
	P	2,727,857	P	4,820,103

Liquidity Risk

As at September 30, 2024 and 2023, the Club's maximum liquidity risk is the carrying amount of the trade and other payables of P36,477,583 and P40,441,323, respectively.

As at September 30, the financial liability have contractual maturities which are presented below:

	2024							
	Current				Non-current			
		Within 6 Months		6 to 12 Months		1 to 5 Years		Later 5 Years
Trade and other payables	P	36,398,736	P	3,132,318	P	-	P	-
Deposit for membership fee certificates subscription		-		-		-		27,479,806
	P	36,398,736	P	3,132,318	P	-	P	27,479,806

	2023			
	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later 5 Years
Trade and other payables	P 43,184,083	P 3,496,068	P -	P -
Deposit for membership fee certificates subscription	-	-	-	27,479,806
	P 43,184,083	P 3,496,068	P -	P 27,479,806

The Club manages its liquidity needs by liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly. The Club maintains cash to meet its liquidity requirements for up to a 60-day period.

22. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts and fair values of the categories of financial assets and liabilities presented in the statements of financial position are shown below:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	P 10,754,450	P 10,754,450	P 21,389,596	P 21,389,596
Short-term investments	5,173,761	5,173,761	5,032,222	5,032,222
Trade and other receivables	22,049,949	22,049,949	19,149,228	19,149,228
Financial assets at amortized cost	6,345,948	6,345,948	6,103,724	6,103,724
	P 44,324,108	P 44,324,108	P 51,674,770	P 51,674,770
Financial Liabilities				
Trade and other payables	P 39,531,054	P 39,531,054	P 46,680,151	P 46,680,151
Deposit for membership fee certificates subscription	27,479,806	27,479,806	27,479,806	27,479,806
	P 67,010,860	P 67,010,860	P 74,159,957	P 74,159,957

The methods and assumptions used by the Club in estimating the fair value of the financial instruments are as follows:

i. *Cash and short-term investments*

The carrying amounts approximate fair values given the short-term nature of the instruments.

ii. *Trade and other receivables and financial assets at amortized cost*

Trade and other receivables and financial assets at amortized cost are net of impairment losses. The estimated fair value of trade and receivables and financial assets at amortized cost represents the discounted amount of estimated future cash flows expected to be received. The carrying amounts approximate fair values given the short-term duration

iii. *Trade and other payables*

Trade and other payables are recognized initially at their fair value and subsequently measured at amounts to which they are to be paid. Fair value of these short-term liabilities approximates their carrying values

iii. *Deposit for membership fee certificates subscription*

The carrying amounts of deposit for membership fee certificates subscription approximates fair value.

Financial assets and liabilities measured at fair value in the statement of financial position are categorized in accordance with the fair value hierarchy based on PFRS 7. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the resource or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

There have been no significant transfers among Levels 1, 2 and 3 in the reporting periods.

As at September 30, 2024 and 2023, there were no financial assets and liabilities measured at fair value.

Fair Value Measurement for Non-financial Assets

There were no non-financial assets measured at fair value as at September 30, 2024 and 2023.

23. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Club's goal in capital management is to keep its current liabilities level at a minimum. The Club sustained its operations through internally generated funds and sound working capital management (i.e., proper balancing between receivables and payables).

To maintain or adjust the capital structure, the Club may return capital to members, issue new certificates, or sell assets to reduce liabilities.

The Club is not subject to any externally imposed capital requirements.

The Club monitors capital based on the carrying amount of which member's equity amounted to P26,995,617 and P23,656,892 as at September 30, 2024 and 2023, respectively. As mentioned in Note 18, the Club received the deposit for membership fee certificates subscription of P27,479,806, presented as non-current liabilities in the statements of financial position. Had the said deposit for membership fee certificates subscription been included as part of equity, this will increase futher Total Members' equity to P54,475,423 and P51,136,698 as at September 30, 2024 and 2023, respectively.

24. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented below is the supplementary information which is required by the BIR under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

Requirements under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 issued on November 25, 2010 are as follows:

a. *Output VAT*

In the taxable year 2024, the Club declared output VAT amounted to P14,599,913 relating to taxable sales of goods and services amounting to P121,665,943 . The Club's exempt sales/receipts pursuant to Section 109, VAT Exempt Transactions, of the 1997 Tax Code amounted to P59,235,678.

The outstanding output VAT payable amounting to P2,015,728 as at September 30, 2024 is net of input VAT which is presented as part of Other payables under Trade and other payables account in the 2024 statements of the financial position (*see Note 12*).

b. *Input VAT*

The movements in input VAT in the taxable year 2024 are summarized below:

Domestic purchase of goods	P	3,175,025
Domestic purchase of services		3,583,677
Deductions from input VAT	(	2,024,454)
Applied against output VAT	(	4,734,248)
Balance at end of year	P	-

c. *Landed Cost, Custom Duties and Tariff Fees*

The Club did not have any transactions which were subject to customs duties and tariff fees in the taxable year 2024.

d. *Excise Tax*

The Club did not have excise tax in the taxable year 2024 since it did not have any transactions which are subject to an excise tax.

e. *Documentary Stamp Tax (DST)*

The Club paid P8,224 in DST pertaining to transfer of stocks in 2024.

f. *Taxes and Licenses*

The details of taxes and licenses account are broken down as follows:

Real property taxes	P	3,376,103
Business permit		3,023,238
Management information system fees		67,455
Annual Registration		37,393
	P	6,504,189

g. *Withholding Taxes*

The details of total withholding taxes for the taxable year ended September 30, 2024 are shown below:

Compensation	P	1,495,280
Expanded		844,430
	P	2,339,710

h. *Deficiency Tax Assessments and Tax Cases*

As at September 30, 2024, the Club neither has tax assessment received with the BIR nor tax case outstanding or pending in courts or bodies outside of the BIR in any of the open years.

Requirements under Revenue Regulations (RR) 34-2020

On December 18, 2020, the BIR issued RR 34-2020 which prescribes the guidelines and procedures for the submission of BIR Form No. 1709, *Transfer Pricing Documentation* (TPD) and other supporting documents. As at September 30, 2024, the Club is not covered by the requirements and procedures for related party transactions provided under this RR.