



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that there will be an annual meeting of the stockholders of **Tagaytay Midlands Golf Club, Inc.** (the "Corporation") on **18 October 2021**, Monday at 11:45 A.M. In light of the COVID-19 global pandemic resulting in the government's imposition of regulations limiting mass gatherings, the meeting will be conducted virtually, in accordance with the SEC rules, to consider the following:

AGENDA¹

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders
5. Approval of Fiscal Year 2020 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

The Board of Directors has fixed the close of business on **18 September 2021, Saturday**, as the record date for the determination of the stockholders entitled to notice of, participation via remote communication, and voting in absentia at such meeting, and any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote in absentia by registering online at www.tagaytayhighlands.com/asm-registration from **01 October 2021, Friday** until **11 October 2021, Monday, at 5:30 P.M.** Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may access and watch the livestream of the annual stockholders' meeting and/or cast their votes on matters to be taken up during the meeting using the Corporation's e-voting platform to be set up for the purpose. The e-voting platform will be accessible until 9:00 A.M. of **18 October 2021, Monday**. Participants may send in questions or remarks via the livestream portal.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to membership.th@tagaytayhighlands.com on or before 5:30 p.m. on **14 October 2021, Thursday**. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on **15 October 2021, Friday, at 5:30 P.M.** The votes already cast using the e-voting platform by that time will also be tallied on said date.

City of Pasig, Metro Manila, **21 September 2021.**

(Sgd.) ANN MARGARET K. LORENZO
Assistant Corporate Secretary

Our Definitive Statement, Financial Reports and Minutes of 2020 Annual Stockholders' Meeting can be downloaded at www.tagaytayhighlands.com/asm-registration.

To access or view **Tagaytay Midlands Golf Club, Inc.'s 20-IS Definitive Statement**, you may use any of the following methods:

Via www.tagaytayhighlands.com/asm-registration website:

- Click on [Tagaytay Midlands Golf Club, Inc.](http://www.tagaytayhighlands.com/asm-registration) from the list under DEFINITIVE INFORMATION STATEMENT AND FINANCIAL REPORTS.

Via QR Code*

- Go to your mobile app store (App Store or Play Store) using your smart phone.
- Type in **QR Code Reader**. Choose an application under the category then download and install in your phone.
- Once installed, simply open the App, point the camera and scan the QR code.
- Once the QR code is in focus, the App will connect you to the site where you can download the 2021 Definitive Information Statement.
- Download the 2021 Definitive Information Statement.

QR CODE



Request for a soft copy

You may reach our team at membership.th@tagaytayhighlands.com to request for soft copy. Please provide your complete name and a valid email address.

Request for a hard copy

The hard copy of the 20-IS Definitive Information Statement shall be made available upon request of the shareholder. Please contact our team membership.th@tagaytayhighlands.com or call us (0917) 189-2410 and look for Ms. Lorela A. Digno. Please provide your complete name and postal address.

COVER SHEET

A 1 9 9 7 - 9 1 9 6
S.E.C. Registration Number

T A G A Y T A Y M I D L A N D S
G O L F C L U B , I N C .
(Company's Full Name)

B R G Y . T R A N C A T A L I S A Y B A T A N G A S
(Business Address: No. Street City / Town / Province)

Kristine Marie Liberato Contact Person
8632-0905/10 Company Telephone Number

1 2 - 3 1
Month Day Fiscal Year
Month Day Annual Meeting

S E C F O R M 2 0 - I S
(D E F I N I T I V E)

N/A
Secondary License Type, If Applicable

S E C Dept. Requiring this Doc.
Amended Articles Number/Section

Total No. of Stockholders
Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC personnel concerned

File Number LCU

Document I.D. Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

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City of Pasig, Metro Manila, **21 September 2021**.


ANN MARGARET K. LORENZO
Assistant Corporate Secretary

¹ See next page for the explanation for each agenda item.

RATIONALE FOR AGENDA ITEMS

Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders held last 11 December 2020

Copies of the Minutes of the 2020 Annual Stockholders' Meeting held on 11 December 2020 will be circulated prior to the 2021 Annual Stockholders' Meeting, together with the Information Statement. Stockholders will be asked to approve the Minutes of the 2020 Annual Stockholders' Meeting as recommended by the Board of Directors.

Agenda Item No. 5. Presentation of 2020 Operations and Results

A report on the highlights of the performance of the Corporation for the year ended 2020, together with a summary of the 2020 Audited Financial Statements (AFS), will be presented to the Stockholders. The AFS has been reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who declared an unqualified opinion on the same. Stockholders will be given an opportunity to raise questions regarding the operations and report of the Corporation. The stockholders will be requested to approve the President's Report together with the AFS.

Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting.

All actions, proceedings, and contracts entered into, as well as resolutions made and adopted by the Board of Directors, the different committees, and of Management from the date of the last Stockholders Meeting held on 11 December 2020 up to the date of this stockholders' meeting (18 October 2021) shall be presented for confirmation, approval, and ratification.

Agenda Item No. 7. Election of Directors for 2020 to 2021

The candidates named in this Information Statement have been nominated for election to the Corporation's Board of Directors. Their proven expertise and qualifications based on current regulatory standards and the Corporation's own norms, will help sustain the Corporation's solid performance that will result to its stockholders' benefit. The profiles of the Directors are further detailed in the Corporation's Information Statement. If elected, they shall serve as such for one (1) year from 18 October 2021 or until their successors shall have been duly elected and qualified.

Agenda Item No. 8. Appointment of External Auditors

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the appointment of Reyes Tacandong & Co. as the Corporation's External Auditor for 2021. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2021.

PROXY FORM

The undersigned stockholder of Tagaytay Midlands Golf Club, Inc. (the "Corporation") hereby appoints, _____ or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Corporation on **18 October 2021** and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

___ 1.1. Vote for all nominees listed below:

1.1.1. Willy N. Ocier

1.1.2. Jerry C. Tiu

1.1.3. Hans T. Sy

1.1.4. Sergio C. Yu (Independent Director)

1.1.5. Manuel B. Sy (Independent Director)

1.1.6. Shirley C. Ong

1.1.7. Jacinto C. Ng, Jr.

___ 1.2. Withhold authority for all nominees listed above

___ 1.3 Withhold authority to vote for the nominees listed below:

2. Approval of minutes of previous Annual Stockholders' Meeting.

___ Yes ___ No ___ Abstain

3. Approval of the President's Report with the 2020 Audited Financial Statements.

___ Yes ___ No ___ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to 18 October 2021.

___ Yes ___ No ___ Abstain

5. Appointment of Reyes Tacandong & Co. as external auditor.

___ Yes ___ No ___ Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

___ Yes ___ No ___ Abstain

Printed Name of Stockholders

Signature of Stockholder
/Authorized Signatory

Date

This Proxy need not be notarized, and when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this Proxy will be voted "for" the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by Management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 14 OCTOBER 2021 (THURSDAY).

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of _____ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _____;
2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

"RESOLVED, that the Chairman of the Stockholders' Meeting of Tagaytay Midlands Golf Club, Inc. ("Golf Club") be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of the Golf Club whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in the Golf Club and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

"RESOLVED, FINALLY, that the Golf Club be furnished with a certified copy of this resolution and the Golf Club may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in on _____.

 Printed Name and Signature of the
 Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____. Affiant exhibited to me his Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. ____;
 Page No. ____;
 Book No. ____;
 Series of 2021.

THIS SECRETARY'S CERTIFICATE SHOULD BE ATTACHED TO PROXY FORMS SUBMITTED BY CORPORATE STOCKHOLDERS.

TAGAYTAY MIDLANDS GOLF CLUB, INC. 2021 ANNUAL STOCKHOLDERS' MEETING

Guidelines for Participating via Remote Communication and Voting *in Absentia*

The Board of Directors of Tagaytay Midlands Golf Club, Inc. (the "**Golf Club**") has set the date of the Golf Club's 2021 Annual Stockholders' Meeting (**ASM**) on **October 18, 2021** at 11:45 A.M. The end of business day on **September 18, 2021** ("**Record Date**") has also been set as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at such meeting and any adjournment thereof.

In light of the COVID-19 global pandemic resulting in the government's imposition of regulations limiting mass gatherings, the Board of Directors of the Golf Club has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote *in absentia* or by proxy.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting and/or cast their votes *in absentia* by registering until **October 11, 2021, Monday, 5:30 P.M.**

To register, the stockholders must send an e-mail to membership.th@tagaytayhighlands.com and submit the following requirements and documents, subject to verification and validation:

1. Individual Stockholders
 - 1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others, in order to validate the registration of the shareholder.
 - 1.2. Stock certificate number
 - 1.3. Active e-mail address/es
 - 1.4. Active contact number/s, with area and country codes

2. Multiple Stockholders or with joint accounts
 - 2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders
 - 2.2. Stock certificate number/s
 - 2.3. Active e-mail addresses of the stockholders
 - 2.4. Active contact numbers, with area and country codes
 - 2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account

3. Corporate Stockholders
 - 3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to participate and vote for and on behalf of the corporation
 - 3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others, to validate the registration of the authorized representative
 - 3.3. Active e-mail address/es of the authorized representative
 - 3.4. Active contact number of an authorized representative, with area and country codes

By providing the Golf Club with the foregoing documents for the purpose of validating credentials and registration to participate and vote at the Golf Club's annual stockholders' meeting, **the registering stockholder is deemed to have consented to the Club's processing of his personal data in accordance with the Data Privacy Act.**

For ease of validation, the registering stockholder shall note the following:

- a. The ID submitted must clearly show his/her photo, full name, signature, residential address, and other personal details.
- b. Any duplicate submission and/or inconsistent information/documents may result to a failed registration.

ONLINE VOTING

1. After registration and upon verification of registration credentials, a link to the voting portal, with instructions, will be sent by the Golf Club to the qualified stockholder's registered e-mail address.
 2. Log-in to the voting portal by clicking the link.
 3. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of Meeting.
 - 2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.
 - 2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.
- Note: A stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (7 directors) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.*
4. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the "Submit" button. After the electronic ballot has been submitted, the registered stockholder may no longer make any changes.

Please be advised that the voting platform will be made available until 9:00 in the morning of **18 October 2021 (Tuesday).**

ASM LIVESTREAM

The ASM will be broadcasted live. Upon verification of registration credentials, the registered stockholder shall receive from the Golf Club an email confirmation containing the link and password to the livestream, and instructions on how to access the livestream.

OPEN FORUM

During the virtual meeting, after all items in the agenda have been discussed, the Golf Club will have the Question and Answer Portion, during which, the meeting's moderator will read and where representatives of the Golf Club shall answer questions and comments received from stockholders, as time will allow.

A section for stockholder comments/questions or a "chatbox" will be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Golf Club via email.

For any concerns, please email us at membership.th@tagaytayhighlands.com

For complete information on the annual meeting, please visit www.tagaytayhighlands.com.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **Tagaytay Midlands Golf Club, Inc.**
("the Golf Club" or "TMGCI")
3. **Brgy. Tranca, Talisay, Batangas**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: **A1997-9196**
5. BIR Tax identification Code: **005-008-526-000**
6. Address of principal office: **Brgy. Tranca, Talisay, Batangas**
7. Registrant's telephone number, including area code: **(632) 635-3016**
8. Date, time and place of the meeting of security holders:
Date: **18 October 2021**
Time: **11:45 a.m.**
Place: **Not Applicable (via Remote Communication)**
9. Approximate date on which the Information Statement is to be sent or given to security holders: **27 September 2021**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Section 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | <u>Title of Each Class</u> | <u>Number of Shares of Common Stock Outstanding
and Amount of Debt Outstanding</u> |
|----------------------------|--|
| Proprietary Shares | 6,000 (As of 31 August 2021) |
11. Are any or all registrant's securities listed on a Stock Exchange?
Yes No

GENERAL INFORMATION

ITEM 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

DATE: **18 October 2021**

TIME: **11:45 a.m.**

PLACE: **Video conferencing in accordance with SEC rules**

Mailing address: **Brgy. Tranca, Talisay Batangas**

Approximate date on which the Information Statement is to be sent or given to security holders: **27 September 2021**

ITEM 2. DISSENTER'S RIGHT OF APPRAISAL

The matters to be voted upon in the Annual Stockholders' Meeting on **18 October 2021** are not among the instances enumerated in Sections 41 and 80 of the Revised Corporation Code whereby the right of appraisal, defined to be the right of any stockholder to dissent and demand payment of the fair value of his shares, may be exercised. The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
3. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

In case the right of appraisal may be exercised, Section 81 of the Revised Corporation Code provides for the appropriate procedure, viz:

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares; Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree

on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; Provided further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

- a. No person who has been a director or officer or a nominee for election as director of the Golf Club or associate of such persons, have a substantial interest, direct or indirect in any matter to be acted upon.
- b. No director of the Golf Club has informed the Club in writing that he intends to oppose any action to be taken by the Golf Club at the meeting.

CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

- a. The Golf Club has **6,000** outstanding shares as of **31 August 2021**. Each common share shall be entitled to one (1) vote with respect to all matters to be taken up during the annual stockholders' meeting with the exception of the election of directors as indicated in item (c) below.
- b. The record date for determining stockholders entitled to notice of and to vote during the annual stockholder's meeting is on **18 September 2021**.
- c. In the forthcoming annual stockholders' meeting, stockholders shall be entitled to elect seven (7) members to the Board of Directors. Each stockholder may vote such number of shares for as many as seven (7) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by seven (7).
- d. Security Ownership of Certain Record and Beneficial Owners

The following table shows the record and beneficial owners owning more than 5% of the outstanding capital stock of the Golf Club as of **31 August 2021**:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONS WITH THE ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENT OF CLASS
Proprietary share	Belle Corporation* 5th Flr., Tower A., Two E-Com Center, Palm	Same as record owner	Filipino	2,881 shares	48.03%

	Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila, Philippines				
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*Belle Corporation is a publicly listed corporation. It's Board of Directors is composed of Willy N. Ocier, Elizabeth Anne C. Uychaco, Emilio S. De Quiros, Jr., Manuel A. Gana, Gregorio U. Kilayko, Jacinto C. Ng, Jr., Rocardo L. Moldez, Jose T. Sio, Amando M. Tetangco, Jr., Cesar E. A. Virata, Virginia A. Yap. Belle Corporation, having 46.44% shareholdings, is an associate of the Club. All the members of the board are all Filipino citizens.

Mr. Willy N. Ocier has been designated by Belle Corporation to vote on its behalf.

The top 20 stockholders of Belle Corporation as of **31 August 2021** are as follows:

	STOCKHOLDERS	TYPE / CLASS	OUTSTANDING & ISSUED SHARES
1	Belleshare Holdings, Inc.	Common	2,604,740,622
2	PCD Nominee Corporation (Filipino)	Common	2,508,292,424
3	PCD Nominee Corporation (Non-Filipino)	Common	1,999,343,767
4.	Sysmart Corporation	Common	1,629,355,469
5	Sybase Equity Investment Corporation.	Common	531,320,577
6	Social Security System	Common	442,402,786
7	Ng, Jacinto C. Jr.	Common	135,860,666
8	Eastern Securities Dev. Corp.	Common	111,730,866
9	Premium Leisure Corporation (form. Sinophil Corp)	Common	99,987,719
10	Ng, Jacinto L. Sr.	Common	88,835,833
11	Parallax Resources Inc.	Common	86,308,131
12	SLW Development Corporation	Common	66,082,333
13	F. Yap Securities, Inc.	Common	57,803,732
14	Eastern Securities Devt. Corp.	Common	50,000,000
15	Willy N. Ocier	Common	32,092,709
16	Ng, Jacinto C. Jr. and/or Ng, Anita C.	Common	18,293,333
17	Lim Siew Kim	Common	6,200,000
18	James Go	Common	4,816,999
19	William T. Gabaldon	Common	4,000,000
20	Pacita K. Yap or Philip K. Yap	Common	3,500,000

Security Ownership of Management

The following is a tabular presentation of the shares beneficially owned by all directors, executive officers and nominees of the Golf Club as of **31 August 2021**:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	Willy N. Ocier	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Hans T. Sy	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Ruben C. Tan	1 share/Beneficial	Filipino	0.02%

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	Joseph T. Chua	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Jacinto C. Na, Jr.	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Shirley C. Ong	1 share/Beneficial	Filipino	0.02%
Proprietary Share	A. Bavani K. Tan	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Sergio C. Yu	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Manuel B. Sy	1 share/Beneficial	Filipino	0.02%
Aggregate Security Ownership of Directors and Officers		9 shares		0.18%

Notes:

- Mr. Sergio c. Yu to replace Mr. Joseph Chua as Independent Director.
- Mr. Manuel B. Sy to replace Mr. Ruben C. Tan as Independent Director.

Voting Trust Holders of 5% or more

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

Changes in Control

From its incorporation to date there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

a. Directors, Executive Officers, Promoters and Control Persons

The following are the incumbent Directors of the Golf Club, who, except for the independent directors whose terms are expiring, are nominated for re-election as members of the Board of Directors for 2021-2022:

NAME	AGE	POSITION	CITIZENSHIP	TERM OF SERVICE
Willy N. Ocier	64	Director & Chairman	Filipino	1992 to present
Jerry C. Tiu	64	Director & President	Filipino	2001 to present
Hans T. Sy	65	Director	Filipino	2001 to present

Joseph T. Chua	65	Independent Director	Filipino	2008 to present
Ruben C. Tan	65	Independent Director	Filipino	2017 to present
Shirley C. Ong	59	Director	Filipino	2010 to present
Jacinto C. Ng, Jr.	52	Director	Filipino	2001 to present

The following are the incumbent officers of the Golf Club:

NAME	AGE	POSITION	CITIZENSHIP	TERM OF SERVICE
Willy N. Ocier	64	Chairman	Filipino	1992 to present
Jerry C. Tiu	64	President	Filipino	2001 to present
Manuel A. Gana	64	Vice President /Treasurer	Filipino	2000 to present
A. Bayani K. Tan	66	Corporate Secretary	Filipino	1992 to present
Ma. Clara T. Kramer	60	General Manager	Filipino	2010 to present
Ruben C. Tan	65	Independent Director	Filipino	2017 to present

Upon recommendation of the Company's Corporate Governance Committee composed of Messrs. Joseph T. Chua (Chairman), Mr. Ruben C. Tan and Mr. Hans T. Sy, as required by the Golf Club's Manual of Corporate Governance, the following persons are nominated for election to the positions above-stated for the year 2021-2022, to hold office as such for one year or until their successors shall have been duly elected and qualified.

The nominees for independent directors, Mr. Sergio C. Yu and Mr. Manuel B. Sy, were nominated by Mr. Willy N. Ocier and Mr. A. Bayani K. Tan, respectively. Except as fellow stockholders of the Golf Club, the nominees for independent director are not related to the persons nominating them.

Presented below are brief write-ups on the nominees' business experience for at least the past five (5) years:

WILLY N. OCIER

Mr. Ocier, 64, is the Chairman and Director of Tagaytay Midlands Golf Club, Inc. He is the Chairman and Director of The Country Club at the Tagaytay Highlands, Inc. and The Spa and Lodge at Tagaytay Highlands Inc. He is the Executive Director and Co-Vice Chairman of Belle Corporation. He is also the Chairman and Director of Premium Leisure Corp., APC Group, Inc., Premium Leisure and Amusement, Inc. and the Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., Chairman and President of Pacific Online Systems Corporation, and Chairman of Total Gaming and Technologies, Inc. He is a Director of Leisure and Resorts World Corporation. He also sits as a Director for the following unaffiliated corporations: IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation. Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.

HANST. SY

Mr. Sy, 65, is the Director of the Tagaytay Midlands Golf Club, Inc. ("TMGCI") since 1992 up to present and The Country Club at Tagaytay Highlands, Inc. ("TCCATHI") from 1996 up to

present and of The Spa & Lodge at Tagaytay Highlands, Inc. ("TSL") from 1996 to present. Also he is the Chairman of the Board of the Golf Club from 1992 up to present. He is currently the Chairman of the Executive Committee of SM Prime and has been a Director since 1994. He previously held the position of President until September 2016. He has held key positions in businesses related to banking, real estate development, mall operations, as well as leisure and entertainment. In the SM Group, his other current positions include Adviser to the Board of SM Investments Corporation, Chairman of China Banking Corporation, and Chairman of National University. Mr. Sy is a B.S. Mechanical Engineering graduate from De La Salle University.

JERRY C. TIU

Mr. Tiu, 64, is the President of the Club, as well as THIGCI, TCCATHI and TSL since year 1994 up to present. He is also the President and Director of THCCAI, TMCHAI, and GCHAI. He is also the Vice-President and Director of THPCCOAI, THHCOAI, and THTHCHAI. Concurrently, he is Chairman of Mega Magazine Publishing, Inc. from year 1992 up to present. He is a Director of Pacific Online Systems Corporation, Philippine Global Communications Inc. and PLDT-Philcom, Inc. He is also the former Director of Manila Polo Club from year 1996 to 1998. He holds a Bachelor of Science degree in Commerce (Marketing) from the University of British Columbia.

SHIRLEY C. ONG

Ms. Ong, 59, is a Director of the Club (since January 2010). She is a former Senior Vice President and the COO for Operations of Highlands Prime, Inc. (Jan 2010-May 2013), former Senior Vice President of SM Land (May 2013-Oct 2013), former Senior Vice President of SM Prime Holdings Inc. for Residential Leisure (Oct 2013-May 2016) and currently, the Executive Vice President from May 2016 up to present. Before joining the Company, she was First Vice President for Business Development of Filinvest Alabang, Inc. (1995-2010). She brings with her over 27 years of experience, 21 years of which has been in various areas of real estate from city development, office/residential, high rise development, residential village development including finance, marketing, sales and property management. She earned her degree in Bachelor of Arts, Major in Economics from University of Sto. Tomas (Class of 1983) where she graduated as Cum Laude and took an Advance Bank Management Program from Asian Institute of Management (Class of 1993).

JACINTO C. NG, JR.

Mr. Ng, 52, is a Director of the Club. He is concurrently the Group CEO of Joy~Nostalgy Group. He is also a Director of Belle Corporation and Highlands Prime, Inc., the Chairman of Quantavis Resources Corporation and Elanvital Enclaves, Inc and currently, the President of Extraordinary Enclaves, Inc. and Everyhome Enclaves, Inc., also the President and Chairman of Fortis Investment Corporation. Mr. Ng serve as the Chairman of Extraordinary Development Corporation and Earth+Style Corporation. He holds a Bachelor of Science degree in Architecture from the University of the Philippines.

MANUEL B. SY – Independent Director

Mr. Sy, 63, Filipino, is the President of New Golden City Builders & Development Corporation and President and CEO of Citigold Resources and Development Corporation. He studied B.S. Civil Engineering at Mapua Inst. Of Tech. Mr. Sy is nominated by Mr. A. Bayani K. Tan as Independent Director.

SERGIO C. YU – Independent Director

Mr. Yu, 63, Filipino, is currently a Chief Executive Officer (CEO) and President of Hyundai Elevator Services Philippines and Hyco Industrial Sales Corporation – the exclusive distributor and after sales provider of Hyundai Elevators & Escalators. He is also the Managing Director of Twingates Corporation, and Managing Director at the University Athletic Association of the Philippines (“UAAP”).

Key Officers

Manuel A. Gana

Mr. Gana, 64 is the Vice President and Treasurer of the Club. Mr. Gana is the President and Chief Executive Officer of Belle Corporation. He joined Belle in 1997 as Vice President for Corporate Development and Special Projects, during which time he was also assigned as the Vice President-Finance and Chief Financial Officer for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (now called Premium Leisure Corporation), a subsidiary of Belle. He is also a Director, Vice-President and Treasurer of Tagaytay Highlands International Golf Club, Inc. Previously, he was Director of Investment Banking at Nesbitt Burns Securities Inc. in New York. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York), and for Procter & Gamble Philippine Manufacturing Corporation. Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

Ma. Clara T. Kramer

Ms. Kramer, 60, is the General Manager of the Club since July 2010. She is also the concurrent General Manager of THIGC, TCCATHI, TSL, THCCAI, TMCHAI, GCHAI, THPCCOAI, THHCOAI and THTHCHAI. She serves as the Business Unit Head and Senior Vice-President of Tagaytay Highlands Estate (Belle Corporation). She was a consistent Dean's Lister in Assumption College (San Lorenzo Village, Makati City MA) where she earned her bachelor's degree. She started her career in hotel industry back in December of 1983 when she joined the sales department of Manila Hotel as Sales Executive. In July 1990, she was hired by L'Fisher Hotel as Front Office Manager and later as PR & Promotions Manager until she got promoted in June 2001 and was tasked to manage the Sales and Marketing Department. As member of the management team, she actively took part in the formulation of major policies and procedures of the Hotel. Ms. Kramer is also involved in various civic and social activities as member and resource speaker focusing on family, marriage and parenting.

A. Bayani K. Tan

Mr. A. Bayani K. Tan, 66, Filipino, is the Corporate Secretary of the Corporation (since June 1997). He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Coal Asia Holdings, Inc. (since July 2012, Publicly-Listed), Discovery World Corporation (since March 2013, Publicly-Listed), , Sterling Bank of Asia Inc (A Savings Bank) (since December 2006), Tagaytay Highlands International Golf Club, Inc. (since November 1993), and The Spa and Lodge at Tagaytay Highlands, Inc. (since December 1999). He is a Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988),

Managing Director/President of Shamrock Development Corporation (since May 1988), Director of Destiny LendFund, Inc. (since December 2005), Pascual Laboratories, Inc. (since March 2014), and Pure Energy Holdings Corporation (since October 2016), Managing Trustee of the SCTan Foundation, Inc. (since 1986), President of Catarman Chamber Elementary School Foundation, Inc. (since August 2012), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013), Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011) and Trustee of Guimaras Forest Foundation, Inc. (since September 2019), Reintegration for Care and Wholeness (RCW) Foundation, Inc. (since April 2014) and St. Scholastica's College Manila (since October 2019).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society). Mr. Tan placed 6th in the bar examinations in 1981. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

b. Material Pending Legal Proceedings

As of **31 August 2021**, there are no pending material legal proceedings, which the Golf Club is a party to.

c. Significant Employees

The Golf Club has no significant employees.

d. Involvement in Certain Legal Proceedings

The Golf Club is not aware of any of the following events wherein any of its directors, executive officers, nominees for election as director, executive officers, underwriter or control persons were involved during the past five (5) years up to the latest date.

- (a) any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and,
- (c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

e. Certain Relationships and Related Transactions

The Golf Club has not been involved in any transaction during the last two (2) years in which any of its directors, executive officers, nominees or security holders has direct or indirect material interest.

Belle Corporation owns 2,881 shares or 48.03% of the total outstanding shares of the Golf Club.

f. Disagreement with Director

None of the directors have resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of a disagreement with the Golf Club on any matter relating to the Golf Club's operations, policies or practices.

g. Family Relationships

None of the Directors, Executive Officers or persons nominated are related up to the fourth civil degree either by consanguinity or affinity.

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The Club has no other arrangements with regards to the remuneration of its existing directors aside from the compensation received as above stated.

Except for the General Manager and President, the Directors do not receive any compensation from the Golf Club. The Directors do not receive any per diem.

SUMMARY COMPENSATION TABLE
Annual Compensation

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Others
A Jerry C. Tiu** (President)				
B Ma. Clara T. Kramer** (General Manager)				
TOTAL	2021			
	2020			
	2019			

**estimate amounts*

***these are the only top compensation Executives or Directors of the Company*

The Golf Club has no other arrangements, including consulting contracts, pursuant to which any director of the Golf Club was compensated, or is to be compensated, directly or indirectly, during the Golf Club's last completed calendar year, and the ensuing year.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

The Corporation's Audit Committee has recommended, and the Board of Directors has endorsed

the recommendation for approval by the shareholders, that the auditing firm of Reyes Tacandong & Co. (RTC) be engaged and appointed as the Corporation's External Auditor beginning 2021. The stockholders will also be requested to delegate to the Board/Executive Committee the authority to approve the appropriate audit fee for 2021.

Previously, SyCip Gorres Velayo & Co. (SGV) rendered the same services for the Corporation, with Mr. Bienvenido M. Rebullido II assigned as SGV's engagement partner for the Club.

The change in external auditors has been proposed to comply with the policy on rotation of external auditors as well as to align the Corporation with the other member-companies under the Belle Corporation Group which will also be audited by Reyes Tacandong & Co.

Over the past five (5) years, there was no event where SGV and the Club had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

OTHER MATTERS

ITEM 15. ACTION WITH RESPECT TO REPORTS

The Golf Club will seek the approval by the stockholders of the Minutes of the previous Stockholders' Meeting during which the following were taken up:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders
5. Approval of Fiscal Year 2019 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of SyCip Gorres & Velayo & Co. as External Auditors
9. Other Matters
10. Adjournment

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

1. Resignations and Appointments of Officers;
2. Approval of the Corporation's audited Financial Statements for 2020;
3. Approval of Midlands Deep Well Project;
4. Budget for Capital Expenditure/Renovation and Other Projects;
5. Appointment of Authorized Representatives with the SEC; and
6. Appointment of Authorized Representatives with the BIR;

Management reports which summarize the acts of management for the year 2020 are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Annual Report during the period covered thereby.

Management reports will be submitted for approval by the stockholders at the meeting. Approval of the reports will constitute approval and ratification of the acts of management for the past

year.

ITEM 19. VOTING PROCEDURES

Each stockholder shall be entitled to one vote, in person or thru proxy for each share with voting right. All elections and all questions, except as otherwise provided by law, shall be decided by the plurality vote of the stockholders present in person or by proxy, a quorum (majority of the issued and outstanding capital stock having voting powers) being present.

In the election of directors, the seven (7) nominees with the greatest number of votes will be elected directors. If the number of nominees for election as directors does not exceed the number of directors to be elected, the Secretary of the Meeting shall be instructed to cast all votes represented at the Meeting equally in favor of all such nominees. However, if the number of nominees for election as directors exceeds the number of directors to be elected, voting shall be done by ballot, and counting of votes shall be done by two (2) election inspectors appointed by the Chairman of the Meeting.

For motions on other corporate matters that will be submitted for approval and for such other matters as may properly come before the Meeting, a vote of the majority of the shares present or represented by proxy at the meeting is necessary for their approval. For the purpose of this year's annual stockholders' meeting, which will be held only in a virtual format, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by either of the following:

- i. by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City, or or via electronic copy by sending an e-mail membership.th@tagaytayhighlands.com on or before **14 October 2021, Thursday, at 5:30 P.M.**

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

- ii. by registering their votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose. The e-voting portal will be open **9:00 A.M. of 18 October 2021, Monday**. The votes for or against the matter submitted shall be tallied by the Secretary.

Items 8, 9, 10, 11, 12, 13, 14, 16, 17 and 18 are not responded to in this report, the Golf Club having no intention to take any action with respect to the information required therein.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Tagaytay on **13 September 2021**.

TAGAYTAY MIDLANDS GOLF CLUB, INC.

By:



JERRY C. TIU
President



TAGAYTAY MIDLANDS GOLF CLUB, INC, BUSINESS AND GENERAL INFORMATION

The Business

Tagaytay Midlands Golf Club, Inc. (Golf Club) was incorporated on June 10, 1997 as an exclusive membership club operating on a non-profit basis. Its primary purpose is to promote social, recreational and athletic activities among its shareholders on a non-profit basis, the nucleus of which will be the construction, development, and maintenance of golf course and other sports and recreational facilities.

The Golf Club entered into a Development Agreement (DA) with Belle Corporation (Belle) for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The project cost in accordance with the amended DA will no less than be P2.65 billion. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progresses will be at a ratio of one club share for every pre-agreed amount of development cost, inclusive of the initial capital contribution. The excess of such development cost over the Golf Club's entire capital stock value shall constitute additional paid-in capital of the Golf Club. As of December 31, 2019, the Golf Club has a 27-hole championship golf course.

For the development of the Golf Club's golf course, Belle Corporation (Belle), as the developer thereof, has contracted the American golf architect, Richard Bigler, to design the Golf Club's all-weather golf course. Given the Golf Club's gentler terrain, Bigler designed the golf course as a walking course, designed for normal golf from the front tees yet suitable for top-level international tournament play from the tournament tees.

The degree of competition in the industry varies considerably by sector and geography. Belle, the Golf Club's developer, competes with other developers for purchase of land. Although there are other clubs engaged in the same line of business as the Golf Club, such clubs do not have the facilities being offered by the Golf Club such as the country's first Funicular System, an all-weather and world-class championship golf course which features a two-hectare man-made lake and a golf clubhouse with an unobstructed view of the majestic Taal Volcano. One of the highlights of being a member at the Golf Club is the reciprocity arrangement with Tagaytay Highlands. The Golf Club members are entitled to the use of Tagaytay Highlands facilities and vice versa.

The Golf Club started commercial operations on April 16, 2000. The 5,200 sq. m. Golf Clubhouse, which opened to the members in November 1999, houses the 70-seater Golfer's Lounge which is exclusive for golfers only; The Veranda, a 170-seater restaurant serving continental and Filipino cuisine, overlooking the majestic Taal Lake; a pro shop; and male & female locker rooms equipped with steam and massage rooms.

Bankruptcy, Receivership or Similar Proceedings

The Midlands Golf Club has not been involved in any bankruptcy, receivership or similar proceedings for the past three (3) years.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

The Midlands Golf Club has not engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets (not ordinary) for the past three (3) years.

Competition

There is no formal or organized secondary market for the purchase and sale of golf and country club shares in the Philippines. As such, holders of shares in the Golf Club who may wish to sell or dispose of their shares may not readily find a counterparty for the transaction at the desired asking price. At present, there is a growing number of golf and country clubs being established in various parts of the country. This may affect appreciation in the value of investment in the Golf Club.

Investments in leisure-oriented developments such as golf and country clubs are influenced by the economic and political conditions in the country. Any adverse economic and political developments in the country may affect the demand for such leisure facilities, and any anticipated appreciation in the prices of golf and country club shares.

Although there are other clubs engaged in the same line of business, the Golf Club has the only funicular system in the Philippines which has 48 seats.

Sources and availability of raw materials

The Golf Club's principal suppliers include Werdenberg International Corporation, Scanasia Overseas Inc., ESV International Corporation, RGL33 Fruits & Vegetable Dealer, Delos Reyes Trading, and JC Seafoods Supply. There is no existing major supply contracts entered into by the Club.

Transactions with and/or dependence on related parties

In the ordinary course of business, the Golf Club has transactions with affiliates which consist mainly of usage of Golf Club's facilities and services as well as reimbursement of certain operating expenses such as utilities, contract services and repairs and maintenance.

Government Regulations

The Golf Club has complied with licensing and regulatory requirements necessary for its development and operations.

Compliance with Environmental Laws

The Golf Club has complied with pertinent environmental laws and regulations and has received the Environmental Certificate Clearance issued by the Department of Energy and Natural Resources.

Employees

The Golf Club is run by a team of regular employees as follows:

Regular Employees (based on head count as of (30 September 2020)

GM & Department Heads	20
Supervisors	34
Rank and File	<u>25</u>
Total	<u>79</u>

All regular rank and file employees are subject to the Collective Bargaining Agreement which expires in June 30, 2024.

There has been no strike brought about by the Golf Club's employees in the past twenty (20) years.

Major Business Risks

The Golf Club has been sustaining its operational requirements through the collection of monthly dues from each member and the operation of restaurants and golf facilities. The Golf Club has no foreign currency exposures or obligations that will have a material impact on its short-term or long-term liquidity due to the depreciation of the peso. During the early part of the COVID-19 pandemic, the Club was experiencing reduced consumer demand owing to lost income and/or restrictions on consumers' ability to move freely and limitation of the Club's activities such as Country tournament, wedding and corporate events. When the government announced a more relaxed community quarantine, the Club's revenues are picking up and are expected to return to its normal earning stream within the next one to two years.

Directors and Executive Officers

Please refer to discussion on *Directors and Executive Officers*.

Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

Market Information

The Golf Club has authorized and subscribed 6,000 proprietary shares, of which 48.03% is owned by Belle Corporation and the remaining shares are owned by other Golf Club members.

Top 20 shareholders are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES	%
Belle Corporation	3,556	59.27%
Highlands Prime, Inc.	36	0.60%
Klaas Holdings, Corp.	5	0.08%
Northwest Development Corporation	5	0.08%
Solid Manila Corporation	4	0.07%
Lancor Realty & Development Corp.	3	0.05%
Ajinamoto Philippines Corp.	3	0.05%
Yek Holdings, Inc.	3	0.05%
Nikkoshi Philippines Corp.	3	0.05%
Others	2,382	39.70%
Grand Total	6,000	100.00%

Below are the high and low bid prices for the past three (3) years based on newspapers publications:

	HIGH	LOW
Quarter ended March 2018	550,000	500,000
Quarter ended June 2018	650,000	500,000
Quarter ended September 2018	650,000	500,000
Quarter ended December 2018	650,000	500,000
Quarter ended March 2019	650,000	650,000
Quarter ended June 2019	650,000	650,000
Quarter ended September 2019	730,000	650,000
Quarter ended December 2019	750,000	700,000

Quarter ended March 2020	820,000	700,000
Quarter ended June 2020	820,000	800,000
Quarter ended September 2020	750,000	700,000
Quarter ended December 2020	550,000	550,000
Quarter ended March 2021	650,000	650,000
Quarter ended June 2021	650,000	650,000

The Golf Club's securities are not traded in the Philippine Stock Exchange.

Dividends

The Midlands Golf Club does not declare dividends. In accordance with the Midlands Golf Club's Articles of Incorporation and By-Laws, no profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Golf Club at the time of the dissolution or liquidation of the Midlands Golf Club.

Recent Sales of Unregistered or Exempt Securities

All the Club's securities are registered under the Securities Regulation Code. The Golf Club issued 587 shares to Belle for the construction and development costs of the additional nine holes. Moreover, there was no sale of reacquired securities, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities for the past three (3) years.

Management's Discussion and Analysis

The Golf Club derived its revenues from membership dues, food and beverage sales, and income from golf operations.

TMGCI

Financial Highlights

(In Million Pesos)

	<u>30-Jun</u> <u>2021</u>	<u>30-Jun</u> <u>2020</u>	<u>Dec 31</u> <u>2020</u>	<u>Dec 31</u> <u>2019</u>	<u>Dec 31</u> <u>2018</u>
<u>Balance Sheet</u>					
Total Assets	1,767.70	1,793.13	1,745.29	1,802.88	1,518.75
Total Liabilities	102.59	158.62	91.51	142.46	108.72
Total Members' Equity	1,665.11	1,634.51	1,653.78	1,660.42	1,410.03
<u>Income Statement</u>					
Total Revenues	123.39	101.06	215.85	248.35	202.27
Total Cost and Operating Expenses	125.49	132.76	239.63	296.02	223.16
Depreciation and amortization	26.46	36.03	63.98	72.75	54.26
Excess (Deficiency) of Revenue over Expenses	11.37	(25.57)	(4.86)	(8.14)	18.31

RESULTS OF OPERATIONS

Six-Month Period Ended June 30, 2021 compared to June 30, 2020

REVENUES

Total revenue of ₱136.86 million for the six months ended June 30, 2021 was higher by ₱29.67 million or 27.68%, compared to ₱107.19 million of the same period in 2020 due mainly to the increase in club operations revenue by ₱23.7 million or 23.44% which include increase in food, beverage and sundries by ₱7.45 million or 542.70%; green fees by ₱8.29 million or 392%; and golf cart, locker rental and others by ₱7.95 million or 504.24%. Also, there is a significant increase in membership transfer fee by ₱6.35 million or 564.40%, assignment fee by ₱0.94 million or 319.15%, and miscellaneous income by ₱1.61 million or 54.18%. On the other hand, there is a decreased in membership dues by ₱1.36 million or -1.42% and in interest income by ₱1.55million or -89.47%.

COST AND OPERATING EXPENSES

The cost and operating expenses showed an increase of ₱2.30 million or 2.38% from ₱96.73 million for the six months ended June 30, 2020 compared to ₱99.03 million for the six months ended June 30, 2021 due mainly to the following: food, beverage and sundry cost increased by ₱5.34 million or 215.10% from ₱2.48 million for the six months ended June 30, 2020 compared to ₱7.82 million for the same quarter in 2021, communication, light and water by ₱2.36 million or 15.87% from ₱14.84million in June 30, 2020 to ₱17.20 million in June 30, 2021. On the other hand, salaries, wages and employee benefits decreased by ₱6.48 million or -19.70% from ₱32.87 million for the six month ended June 30, 2020 to ₱26.40 million for the six months ended June 30, 2021; and taxes and licenses by ₱1.96 million or -25.52% from ₱7.67 million in June 30, 2020 to ₱5.71 million in June 30, 2021.

NET INCOME

The Golf Club's operation resulted to a net income of ₱11.33 million for the six-month ended June 30, 2021, as compared to ₱25.92 million net loss of the same period in 2020.

December 2020 compared to December 2019

REVENUES

Gross revenue for the year December 31, 2020 decreased by ₱32.50 million or 13.09% from ₱248.35 million as of December 31, 2019 to ₱215.85 million for the same period of 2020. The decrease in revenue is due to the following: decrease on food, beverage, and sundry by ₱10.59 million or 54.23% from ₱19.52 million in 2019 to ₱8.93 million in 2020; green fees by ₱15.26 million or 63.02% from ₱24.21 million in 2019 to ₱8.95 million in 2020; and decrease on golf cart, locker rental and others by ₱8.72 million or 52.53% from ₱16.60 million in 2019 to ₱7.88 million in 2020. On the other hand, membership dues increased by ₱2.07 million or 1.10% from activation of membership for the year.

COST AND OPERATING EXPENSES

The cost and operating expenses showed a decrease of ₱56.25 million or 19.01% from ₱295.86 million for the year ended December 31, 2019 to ₱239.61 million for the year ended December 31, 2020 which is mainly due to decrease of the following: salaries, wages and employee benefits by ₱9.57 million or 14.11% from ₱67.79 million in 2019 to ₱58.23 million in 2020; repairs and maintenance by ₱11.43 million or 27.67% from ₱41.29 million in 2019 to ₱29.87 million in 2020; communication, light and water by ₱9.56 million or 33.16% from ₱28.82 million in 2019 to ₱19.27 million in 2020; taxes and licenses by ₱3.13 million or 20.81% from ₱15.02 million in 2019 to ₱11.89 million in 2020; outside services by ₱1.39 million or 8.01% from ₱17.35 million in 2019 to ₱15.96 million in 2020; club

tournament expenses by ₱6.54 million or 96.25% from ₱6.79 million in 2019 to ₱0.254 million in 2020; food, beverage and sundry cost by ₱1.99 million or 17.34% from ₱11.49 million in 2019 to ₱9.50 million in 2020; supplies by ₱2.52 million or 37.68% from ₱6.69 million in 2019 to ₱4.17 million in 2020; bank charges, fuel and oil, laundry, insurance, entertainment, amusement and recreation, transportation and travel, waste disposal and caddy expenses by ₱4.31 million or 30.72% from ₱14.02 million in 2019 to ₱9.71 million in 2020; lastly due to decrease in miscellaneous expenses by ₱2.82 million or 23.82% from ₱11.82 million in 2019 to ₱9.01 million in 2020. On the other hand, there is an increase in share in common expenses by ₱5.37 million or 266.43% from ₱2.02 million in 2019 to ₱7.39 million in 2020.

NET INCOME

The Club's operation in 2020 resulted to a net loss of ₱5.33 million as compared to 2019 net loss of ₱11.29 million.

December 2019 compared to December 2018

REVENUES

For the year ended December 31, 2019, revenue of ₱248.35 million increased by ₱46.08 million or 23% as compared to December 31, 2018 revenue of ₱202.27. The increase in revenue is due to the following: membership dues increased by ₱54.15 million or 40% from activation of membership for the year; clubhouse operations like food and beverage and sundries increase by ₱0.56 million or 3% from ₱18.96 million in 2018 to ₱19.52 million in 2019. On the other hand, green fees, golf cart, locker rental and others showed a decrease of ₱8.64 million or 17.04% from ₱50.71 million in 2018 to ₱45.33 million in 2019 due to the decrease in number of registered golfers by 16,311 or 42.39%, from 38,477 in 2018 to 22,166 in 2019.

COST AND OPERATING EXPENSES

The cost and operating expenses showed an increase of ₱73.15 million or 32.84% from ₱222.72 million for the year ended December 31, 2018 to ₱295.86 million for the year ended December 31, 2019 which is mainly due to increase in communication, light and water by ₱7.13 million or 33% from ₱21.70 million in 2018 to ₱28.82 million in 2019 due to higher water consumption in golf course irrigation and water consumption in third nine holes. Moreover, salaries, wages and employee benefits increase by ₱16.83 million or 33% from ₱50.96 million for the year ended December 31, 2018 to ₱67.79 million for the year ended December 31, 2019. Also repairs and maintenance, outside services and food, beverage and sundry cost increase by ₱18.66 million or from ₱51.47 million in 2018 to ₱70.13 million in 2019. Taxes and licenses also increase by ₱1.96 million or 15% from ₱13.06 million for the year ended December 31, 2018 to ₱15.02 million for the year ended December 31, 2019 due to increase in Real property tax by ₱1.57 million or 11.53%. Club tournament expense and supplies increase by ₱2.93 million or 27.99% from ₱10.54 million for the year ended December 31, 2018 to ₱13.46 million for the year ended December 31, 2019. On the other hand there is a decrease in Interest expense by ₱0.29 million or 64.73% from ₱0.45 million for the year ended December 31, 2018 to ₱0.16 million for the year ended December 31, 2019.

NET INCOME

The Club's operation in 2019 resulted to a net loss of ₱11.29 million as compared to 2018 net income of ₱12.76 million.

December 2018 compared to December 2017

REVENUES

For the year ended December 31, 2018, revenue of ₱202.27 million increased by ₱7.98 or 4.11% as compared to December 31, 2017 revenue of ₱194.29. The increase in revenue is due to the following: membership dues increased by ₱4.77 million or 3.70% from activation of membership for

the year; clubhouse operations like green fees, golf cart, locker rental and others showed an increase of P3.62 million or 14.64% from P45.84 million in 2017 to P49.45 million in 2018 due to the increase in number of registered golfers by 1,061 or 2.84%, from 37,416 in 2017 to 38,477 in 2018. Food and beverage and sundries decreased by ₱0.41 million or 2.11% from ₱19.36 million in 2017 to ₱18.96 million in 2018. Also, other income posted a net decrease of ₱0.08 million or 0.14% from 34.91 million in 2017 to P34.86 million in 2018.

COST AND OPERATING EXPENSES

The cost and operating expenses showed an increase of ₱2.90 million or 1.32% from ₱219.82 million for the year ended December 31, 2017 to ₱222.72 million for the year ended December 31, 2018 which is mainly due to increase in communication, light and water by P3.91 million or 21.97% from P17.79 million in 2017 to P21.70 million in 2018 due to higher water consumption in golf course irrigation. Moreover, taxes and licenses, club tournament expense and provision for tax deficiency increase by ₱0.05 million or 0.26% from ₱18.51 million in 2017 to ₱18.56 million in 2018 due to increase in real property tax by ₱0.17 million or 1.41%. On the other hand, salaries, wages and employee benefits posted a decrease by ₱0.23 million or 0.45% from ₱51.19 million in 2017 to ₱50.96 million in 2018. Repairs and maintenance also decrease by ₱0.83 million or 2.65% from ₱31.40 million in 2017 to ₱30.56 million in 2018 due to decrease in landscaping contract service. Outside services also posted a decrease of ₱1.10 million or 7.30% from ₱15.09 million in 2017 to ₱13.99 million in 2018 mainly due to decrease in security services by ₱0.75 million or 9.34%. Likewise, supplies, insurance, laundry and entertainment, amusement & recreation (EAR) and miscellaneous expense showed a decrease of ₱2.86 million or 12.11% from ₱23.60 million in 2017 to ₱20.73 million in 2018. Meanwhile, fuel & oil and bank charges increase by ₱0.63 million or 14.40% from ₱4.40 million in 2017 to ₱5.03 million in 2018.

NET INCOME

The Club's operation in 2018 resulted to a net income of ₱18.31 million which is ₱7.32 million or 66.65% higher as compared to 2017.

Financial Condition and Changes in Financial Condition

September 30, 2020 compared to September 30, 2019

ASSETS

The Golf Club has total current assets of ₱413.41 million as of September 30, 2020 compared to ₱396.21 million for the same period of 2019. The Golf Club has current ratio of ₱3.90 for each peso of current liabilities as of September 30, 2020 compared to ₱3.15 as of September 30, 2019.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by ₱29.04 million or -17.26% from ₱168.27 million as of September 30, 2019 to ₱139.23 million of September 30, 2020. This is due to the net cash used in operating activities of ₱8.99 million, net cash used in investing activities of ₱11.75 million, and net cash used in financing activities of ₱0.81 million.

RECEIVABLES

Receivables increased by ₱45.93 million or 26.88% from ₱168.75 million as of September 30, 2019 to ₱214.11 million as of September 30, 2020 due to the increase in receivables from members and related parties.

OTHER CURRENT ASSETS

Other current assets increased by ₱1.56 million or 2.67% from ₱58.35 million as of September 30, 2019 compared to ₱59.91 million of the same period in 2020 mainly due to the increase in net

deferred input vat - OPEX of ₱1.30 million or 1.87% and deferred output vat by ₱2.16 million or 11.78%. This was offset by the decrease in prepaid expense others by ₱0.929 million or -25.87%.

NONCURRENT ASSETS

Property and equipment increased by ₱46.61 million or 1.88% from ₱2.48 billion as of September 30, 2019 to ₱2.53 billion as of September 30, 2020 which pertains to increase in land, buildings and improvements by ₱31.88 million or 1.70%, facilities & equipment by ₱12.64 million or 2.23% and increase in office, furniture, fixtures and equipment by ₱2.03 million or 14.02%. This was offset in the decrease of other noncurrent assets by ₱8.06 million or -47.98% from ₱16.80 million as of September 30, 2019 to ₱8.74 million as of September 30, 2020.

LIABILITIES

Total liabilities increased by ₱14.50 million or 10.55% from ₱137.48 million as of September 30, 2019 to ₱151.98 million as of September 30, 2020, due to increase in accounts payables and other current liabilities by ₱9.62 million from the increase in related party by ₱11.34 million or 289.67%, accrued expenses by ₱2.16 million or 14.75%, unclaimed GC by ₱1.40 million or 24.71%, and deferred income from consumables by ₱3.52 million or 126.51%. This was offset by the decrease mainly in trade payables by ₱1.57 million or -8.91%, statutory payables by ₱5.45 million or -213.07%, and membership dues collected in advance by ₱7.89 million or -17.30%.

EQUITY

Members' equity decreased by ₱28.93 million or -1.74% from ₱1.667 billion as of September 30, 2019 to ₱1.638 billion as of September 30, 2020 due mainly to the net loss recorded as of September 30, 2020.

December 2019 compared to December 2018

ASSETS

The Golf club has current ratio of ₱3.10 for each peso of current liabilities as at December 31, 2019 as compared to ₱3.72 as at December 31, 2018. The decrease in the current ratio was brought about by the increase in current liabilities by ₱27.09 million, from ₱97.95 million in 2018 to ₱125.04 million in 2019.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by ₱7.61 million or 5% from ₱168.42 million as at December 31, 2018 to ₱160.81 million as at December 31, 2019 due to the net cash provided by operating activities of ₱48.54 million, net cash used in investing activities of ₱53.45 million, and net cash used in financing activities of ₱2.67 million.

RECEIVABLES

Receivables increased by ₱19.02 million or 13% from ₱148.36 million as at December 31, 2018 to ₱167.37 million as at December 31, 2019 which was the result of increase in related party receivables of ₱35.05 million or 40.40% and receivables from others of ₱1.45 million or 43.28% from ₱3.36 million in 2018 to ₱4.81 million in 2019. On the other hand, it was also the result of collection of receivables from members of ₱17.53 million from ₱58.78 million in 2018 to ₱41.24 million in 2019.

OTHER CURRENT ASSETS

Other current assets increased by ₱11.72 million or 24.38% from ₱48.07 million in 2018 to ₱59.81 million in 2019 due to increase in creditable withholding tax and deferred input vat for the year.

NONCURRENT ASSETS

The increase in noncurrent assets is mainly due to the increase in net property and equipment amounting to ₱263.93 million or 23% from ₱1.144 billion in 2018 to ₱1.408 billion in 2019.

LIABILITIES

Total liabilities increased by ₱33.74 million or 31% from ₱108.72 million as at December 31, 2018 to 142.46 million as at December 31, 2019, mainly due to increase in accounts payable and other current liabilities by ₱28.80 million or 30% which mainly pertains to increase in trade payables of ₱11.05 million. Also, pension liability increased by ₱7.44 million or 75% from ₱9.98 million in 2018 to ₱17.42 million in 2019. On the other hand, payable to related parties decreased by of ₱1.29 million or -8% from ₱15.74 million as at December 31, 2018 to ₱14.45 million as at December 31, 2019.

EQUITY

Members' equity increased by ₱250.40 million or 18% from ₱1.41 billion as at December 31, 2018 to ₱1.66 billion as at December 31, 2019 which is mainly due to increase in proprietary certificates and additional paid-in capital of ₱264.53 million.

December 2018 compared to December 2017

ASSETS

The Golf club has current ratio of ₱3.72 for each peso of current liabilities as at December 31, 2018 as compared to ₱4.07 as at December 31, 2017 due to the effect of reclassification of advances to contractors from current to noncurrent asset. The decrease in the current ratio was brought about by the increase in current liabilities by ₱12.48 million, from ₱85.47 million in 2017 to ₱97.95 million in 2018.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by ₱0.25 million or 0.15% from ₱168.66 million as at December 31, 2017 to ₱168.42 million as at December 31, 2018 due to the net cash provided by operating activities of ₱61.95 million, net cash used in investing activities of ₱57.64 million, and net cash used in financing activities of ₱4.60 million.

RECEIVABLES

Receivables decreased by ₱2.54 million or 2% from ₱149.67 million as at December 31, 2017 to ₱147.13 million as at December 31, 2018 which was the result of collection of related party receivables of ₱13.18 million or 13.19% and receivables from members and others of ₱10.49 million or 20.80% from ₱50.42 million in 2017 to ₱60.91 million in 2018.

OTHER CURRENT ASSETS

Other current assets increased by ₱19.68 million or 69.29% from ₱28.39 million in 2017 to ₱48.07 million in 2018 due to increase in creditable withholding tax and deferred input vat for the year.

NONCURRENT ASSETS

The increase in noncurrent assets is mainly due to the increase in net property and equipment amounting to ₱2.69 million or 0.24% from ₱1.141 billion in 2017 to ₱1.144 in 2018.

LIABILITIES

Total liabilities increased by ₱5.22 million or 5.04% from ₱103.51 million as at December 31, 2017 to ₱108.72 million as at December 31, 2018, mainly due to increase in accounts payable and other

current liabilities by ₱14.12 million or 17.35% which pertains to payment made from related party payables of ₱1.78 million and payment made from prior-year real property taxes of ₱2.92 million. On the other hand, trade payable increased by of ₱9.94 million or 145.20% from ₱6.85 million as at December 31, 2017 to ₱16.79 million as at December 31, 2018.

EQUITY

Members' equity increased by ₱15.09 million or 1.08% from ₱1.39 billion as at December 31, 2017 to ₱1.41 billion as at December 31, 2018 which is mainly due to total comprehensive income recognized during the year which amounts to ₱15.09 million.

December 2017 compared to December 2016

ASSETS

The Golf club has current ratio of ₱4.11 for each peso of current liabilities as of December 31, 2017 as compared to ₱2.67 as of December 31, 2016. The increase in the current ratio was brought about by the decrease in current liabilities by ₱59.66 million, from ₱145.14 million in 2016 to ₱85.47 million in 2017 which resulted to the payment made on trade and accrued expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by ₱7.17 million or 4.08% from ₱175.83 million as of December 31, 2016 to ₱168.66 million as of December 31, 2017 due to the net cash provided by operating activities of ₱32.53 million, net cash used in investing activities of ₱40.98 million, and net cash used in financing activities of ₱1.28 million.

RECEIVABLES

Receivables decreased by ₱47.59 million or 24.12% from ₱197.26 million as of December 31, 2016 to ₱149.67 million as of December 31, 2017 which was the result of collection of related party receivables of ₱45.23 million or 31.16% and receivables from members and others of ₱2.30 million or 4.37% from ₱52.73 million to ₱50.42 million.

OTHER CURRENT ASSETS

Other current assets increased by ₱17.58 million or 124.41% from ₱14.13 million to ₱31.71 million due to increase in creditable withholding tax and deferred input vat for the year.

NONCURRENT ASSETS

Net of property and equipment decreased by ₱9.76 million or 0.85% from ₱1.15 billion to ₱1.14 billion which pertains to the depreciation expense for the year 2017.

LIABILITIES

Total liabilities decreased by ₱56.37 million or 35.26% from ₱159.88 million as of December 31, 2016 to ₱103.51 million as of December 31, 2017, mainly due to decrease in accounts payable and other current liabilities by ₱61.43 million or 43.03% which pertains to payment made from prior-year real property taxes of ₱32.05 million, related party payables of ₱25.05 million and trade payables of ₱3.70 million. On the other hand, loans payable increased by of ₱1.86 million or 33.30% from ₱5.68 million as of December 31, 2016 to ₱7.43 million as of December 31, 2017 from financing institution in acquiring of new company vehicles for the year.

EQUITY

Members' equity increased by ₱9.41 million or 0.68% from ₱1.39 billion as of December 31, 2016 to ₱1.40 billion as of December 31, 2017 which derived from the total comprehensive income for the year.

Below are the comparative key performance indicators of the Golf Club:

Performance Indicators	Formula for Calculation	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	December 31, 2020 (Audited)
Current ratio	Current assets over current liabilities	4.30: 1.00	2.90: 1.00	4.60: 1.00
Acid-test ratio	Quick assets*** over current liabilities	3.67: 1.00	2.43: 1.00	3.86: 1.00
Solvency ratio	Net income(loss) before depreciation over total liabilities	0.34: 1.00	0.10: 1.00	0.65: 1.00
Debt to equity ratio	Total liabilities over total members' equity	0.06: 1.00	0.09: 1.00	0.05: 1.00
Asset-to-Equity ratio	Total Asset over Total Equity	1.06: 1.00	1.10: 1.00	1.05: 1.00
Interest rate coverage ratio	Income from operations before depreciation over interest expense	n/a	-1460.04: 1.00	160.60: 1.00
Net Profit Margin	Net income/loss over total revenue	0.09: 1.00	-0.24: 1.00	-0.02: 1.00
Return on equity	Net income (loss) over ave. members' equity	0.01: 1.00	-0.0159: 1.00	-0.003: 1.00
Return on assets	Net income (loss) over ave. total assets	0.007: 1.00	-0.014: 1.00	-0.003: 1.00
EBITDA * per share	Excess of Revenue Over Expenses before Interest, Tax, Depreciation and Amortization over weighted average number of shares	₱ 7,103.93	₱ 1,967.26	₱ 11,098.97

* Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

***Cash plus receivables

As of the second quarter ended June 30, 2021, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact

on past performance, or that would have a material impact on future operations, in respect of the following:

- i. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Golf Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Golf Club, including any default or acceleration of an obligation;
- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Golf Club with unconsolidated entities or other persons created during the reporting period;
- iv. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Golf Club's short-term or long-term liquidity;
- v. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- vi. Significant elements of income or loss that did not arise from the Golf Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Golf Club's results of operations; and
- viii. Material changes in the financial statements of the Golf Club from the interim period ended June 30, 2021, except as reported in the MD&A.

Disagreements with Accountants on Accounting and Financial Disclosure

No principal accountant or independent accountant of the Golf Club has resigned, was dismissed or has ceased to perform services during the calendar year covered by this report.

There was no disagreement with the accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope procedure.

Mergers, Consolidations, Acquisitions and Similar Matters

There is no action to be taken with respect to any transaction involving the following:

- i. the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
- ii. the acquisition by the registrant or any of its security holders of securities of another person;
- iii. the acquisition by the registrant or any other going business or of the assets thereof;
- iv. the sale or other transfer of all or any substantial part of the assets of the registrar; or
- v. the liquidation or dissolution of the registrant.

ACQUISITION OR DISPOSITION OF PROPERTY

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

RESTATEMENT OF ACCOUNTS

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

DISCUSSION ON CORPORATE GOVERNANCE

The Golf Club remains focused on ensuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

In compliance with the initiative of the Securities and Exchange Commission ("SEC"), The Golf Club submitted its Revised Corporate Governance Manual (the "Manual") to the SEC on September 30, 2020, in compliance with the Code of Corporate Governance for Public Companies and Registered Issuers (SEC Memorandum Circular No. 24, Series of 2019) issued by the SEC on December 19, 2019, and made effective on January 12, 2020. This manual institutionalizes the principles of good corporate governance in the entire Company. The Golf Club believes that corporate governance, the framework of rules, systems and processes governing the performance of the Board of Directors and Management of their respective duties and responsibilities, and from which the organization's values and ethics emerge, is of utmost importance to the Company's shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government and community in which it operates. The Company undertakes every effort possible to create awareness throughout the entire organization.

The Board establishes the major goals, policies and objectives of the Golf Club, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that adequate internal control mechanisms are implemented and properly complied in all levels.

The Golf Club is not aware of any non-compliance with its Revised Manual on Corporate Governance, by any of its officers or employees.

UNDERTAKING TO PROVIDE COPIES OF THE ANNUAL REPORT

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT AND ANNUAL REPORT (SEC FORM 17-A) WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

THE CORPORATE SECRETARY
TAGAYTAY MIDLANDS GOLF CLUB, INC.
BRGY. TRANCA, TALISAY, BATANGAS
PHILIPPINES

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	1	9	9	7	-	9	1	9	6
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COMPANY NAME

T	A	G	A	Y	T	A	Y		M	I	D	L	A	N	D	S		G	O	L	F		C	L	U	B	,		I		
N	C	.			(A			N	O	N	P	R	O	F	I	T		C	O	R	P	O	R	A	T	I	O	N)	

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

B	A	R	A	N	G	A	Y		T	R	A	N	C	A	,		T	A	L	I	S	A	Y	,		B	A	T	A	N
G	A	S																												

Form Type
A A F S

Department requiring the report
S E C

Secondary License Type, If Applicable
N / A

COMPANY INFORMATION

Golf Club's Email Address -	Golf Club's Telephone Number (046) 8483-0829	Mobile Number -
No. of Stockholders 2,554	Annual Meeting (Month / Day) Last Saturday of May	Fiscal Year (Month / Day) 12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person Mr. Frederick D. Deocariza	Email Address frederick.deocariza@tagaytayhighlands.com	Telephone Number/s (046) 8483-0829	Mobile Number -
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CONTACT PERSON'S ADDRESS

Barangay Tranca, Talisay, Batangas

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

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



Re: Tagaytay Midlands Golf Club, Inc_SEC Form 17-A_01June2021

ICTD Submission [ictdsubmission+canned.response@sec.gov.ph]

Sent: Tuesday, June 01, 2021 5:01 PM

To: Mariel Eve Manimtim

Dear Customer,

SUCCESSFULLY ACCEPTED

(subject to verification and review of the quality of the attached document)

Thank you.

SEC ICTD.



Midlands Golf Club Tagaytay <tagaytay.midlandsgolf@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: TAGAYTAY.MIDLANDSGOLF@gmail.com
Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Sat, May 29, 2021 at 4:56 PM

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

Valid files

- EAFS005008526OTHTY122020.pdf
- EAFS005008526RPTY122020.pdf
- EAFS005008526ITRTY122020.pdf
- EAFS005008526AFSTY122020.pdf

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- <None>

Transaction Code: **AFS-0-PY2XSSVR09DF59JB8NPTP1YMS0N1VR2MVN**Submission Date/Time: **May 29, 2021 04:56 PM**Company TIN: **005-008-526**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.



Midlands Golf Club Tagaytay <tagaytay.midlandsgolf@gmail.com>

Your BIR AFS eSubmission uploads were received

6 messages

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: TAGAYTAY.MIDLANDSGOLF@gmail.com
Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Sat, May 29, 2021 at 5:07 PM

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

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Transaction Code: **AFS-0-32W11R1M02W3RVZWPQQ44V22088LCC6FJ**
Submission Date/Time: **May 30, 2021 09:07 AM**
Company TIN: **005-008-526**

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Transaction Code: **AFS-0-44S4W2YZ08H96967EMNWZVWQN0GDKHC99**

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INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Tagaytay Midlands Golf Club, Inc.
Brgy. Tranca, Talisay, Batangas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tagaytay Midlands Golf Club, Inc. (the Golf Club), a nonprofit corporation, which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in members' equity and statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Golf Club as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Golf Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audits of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Golf 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 Golf Club or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Golf 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 Golf Club's ability to continue as a going concern.



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Golf Club to cease to continue as a going concern.

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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

The supplementary information required under Revenue Regulations No. 15 2010 for purposes of filing with the Bureau of Internal Revenue is presented by the Golf Club in a separate schedule. Revenue Regulations No. 15-2010 require the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Revised Securities Regulation Code Rule 68. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

SYCIP GORRES VELAYO & CO.

Bienvenido M. Rebullido II

Bienvenido M. Rebullido II

Partner

CPA Certificate No. 0119460

SEC Accreditation No. 1801-A (Group A),

December 17, 2019, valid until December 16, 2022

Tax Identification No. 248-415-617

BIR Accreditation No. 08-001998-136-2020,

February 20, 2020, valid until February 19, 2023

PTR No. 8534352, January 4, 2021, Makati City

May 28, 2021



TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 21)	₱139,781,660	₱160,806,112
Receivables (Notes 6, 17 and 21)	190,818,196	167,179,444
Inventories - at cost (Note 7)	314,135	523,137
Other current assets (Notes 8)	62,518,121	59,282,962
Total Current Assets	393,432,112	387,791,655
Noncurrent Assets		
Property and equipment (Note 9)	1,345,732,863	1,408,457,881
Other noncurrent assets (Note 10)	6,122,420	6,437,271
Total Noncurrent Assets	1,351,855,283	1,414,895,152
TOTAL ASSETS	₱1,745,287,395	₱1,802,686,807
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 11, 17 and 21)	₱85,520,550	₱124,046,537
Loans payable - current (Notes 12, 21 and 24)	-	791,988
Total Current Liabilities	85,520,550	124,838,525
Noncurrent Liability		
Pension liability (Note 18)	5,984,958	17,424,360
Total Liabilities	91,505,508	142,262,885
Members' Equity		
Proprietary certificates (Notes 13 and 21)	532,500,000	532,500,000
Additional paid-in capital (Notes 13 and 21)	1,810,633,418	1,810,633,418
Deficit (Note 21)	(686,493,882)	(681,164,062)
Accumulated rereasurement loss on defined benefit pension plan - net of tax (Note 18)	(2,857,649)	(1,545,434)
Net Members' Equity	1,653,781,887	1,660,423,922
TOTAL LIABILITIES AND MEMBERS' EQUITY	₱1,745,287,395	₱1,802,686,807

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2020	2019	2018
REVENUES (Note 17)			
Membership dues (Note 13)	₱190,081,735	₱188,016,612	₱133,863,874
Clubhouse operations:			
Green fees	8,952,527	24,212,256	29,992,758
Food, beverage and sundries	8,934,532	19,521,546	18,955,616
Golf cart and locker rental	7,522,758	15,005,303	17,697,455
Others	358,976	1,596,893	1,762,728
	215,850,528	248,352,610	202,272,431
COST OF SALES AND SERVICES (Note 14)	(208,211,388)	(259,804,586)	(190,762,060)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	(31,397,481)	(36,059,103)	(31,953,755)
INTEREST INCOME (Note 5)	2,367,063	5,718,560	4,297,271
FOREIGN EXCHANGE GAIN (LOSS)	(42,400)	(32,308)	39,408
INTEREST EXPENSE (Notes 12 and 24)	(17,514)	(157,180)	(448,507)
OTHER INCOME (Note 16)	16,594,797	33,842,455	34,864,852
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INCOME TAX	(4,856,395)	(8,139,552)	18,309,640
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current	473,425	1,143,709	7,452,591
Deferred	-	2,008,515	(1,904,794)
	473,425	3,152,224	5,547,797
NET INCOME (LOSS)	(5,329,820)	(11,291,776)	12,761,843
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit pension plan (Note 18)	(1,312,215)	(4,847,342)	3,326,666
Income tax effect	-	2,008,515	(998,000)
	(1,312,215)	(2,838,827)	2,328,666
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱6,642,035)	(₱14,130,603)	₱15,090,509
NET INCOME (LOSS) PER SHARE (Note 20)	(₱1,001)	(₱2,121)	₱2,694

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.

(A Nonprofit Corporation)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Proprietary Certificates (Notes 13 and 21)	Additional Paid-in Capital (Notes 13 and 21)	Deficit (Note 21)	Accumulated Remeasurement Gain (Loss) on Defined Benefit Pension Plan - Net of tax (Note 18)	Net Members' Equity
Balances at January 1, 2018	₱473,800,000	₱1,604,806,549	(₱682,634,129)	(₱1,035,273)	₱1,394,937,147
Net income	-	-	12,761,843	-	12,761,843
Other comprehensive income - net of tax	-	-	-	2,328,666	2,328,666
Total comprehensive income	-	-	12,761,843	2,328,666	15,090,509
Balances at December 31, 2018	₱473,800,000	₱1,604,806,549	(₱669,872,286)	₱1,293,393	₱1,410,027,656
Balances at January 1, 2019	₱473,800,000	₱1,604,806,549	(₱669,872,286)	₱1,293,393	₱1,410,027,656
Net loss	-	-	(11,291,776)	-	(11,291,776)
Other comprehensive loss	-	-	-	(2,838,827)	(2,838,827)
Total comprehensive loss	-	-	(11,291,776)	(2,838,827)	(14,130,603)
Issuance of shares	58,700,000	205,826,869	-	-	264,526,869
Balances at December 31, 2019	₱532,500,000	₱1,810,633,418	(₱681,164,062)	(₱1,545,434)	₱1,660,423,922
Balances at January 1, 2020	₱532,500,000	₱1,810,633,418	(₱681,164,062)	(₱1,545,434)	₱1,660,423,922
Net loss	-	-	(5,329,820)	-	(5,329,820)
Other comprehensive loss	-	-	-	(1,312,215)	(1,312,215)
Total comprehensive loss	-	-	(5,329,820)	(1,312,215)	(6,642,035)
Balances at December 31, 2020	₱532,500,000	₱1,810,633,418	(₱686,493,882)	(₱2,857,649)	₱1,653,781,887

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenue over expenses before income tax	(P4,856,395)	(P8,139,552)	P18,309,640
Adjustments for:			
Depreciation (Notes 9, 14, and 15)	63,975,913	72,753,524	54,264,870
Retirement benefits cost (Notes 15 and 18)	3,126,103	2,595,915	2,629,044
Interest income (Note 5)	(2,367,063)	(5,718,560)	(4,297,271)
Unrealized foreign exchange loss (gain)	42,400	32,308	(39,408)
Interest expense (Notes 12 and 24)	17,514	157,180	448,507
Income before working capital changes	59,938,472	61,680,815	71,315,382
Decrease (increase) in:			
Receivables	(23,826,831)	(20,020,478)	2,541,246
Inventories	209,002	714,539	(48,858)
Other current assets	(3,235,159)	(11,766,732)	(18,714,635)
Increase (decrease) in accounts payable and other current liabilities	(27,945,348)	13,031,776	14,131,209
Cash generated from (used in) operations	5,140,136	43,639,920	69,224,344
Contribution to the plan (Note 18)	(11,421,351)	–	(3,807,117)
Benefits paid (Note 18)	(4,456,369)	–	(255,070)
Interest received	2,555,142	6,718,840	3,336,669
Income taxes paid	(473,425)	(1,814,821)	(6,545,797)
Net cash provided by (used in) operating activities	(8,655,867)	48,543,939	61,953,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (Note 9)	(11,595,083)	(56,381,417)	(56,954,834)
Decrease (increase) in other noncurrent assets	79,005	2,926,478	(681,806)
Net cash used in investing activities	(11,516,078)	(53,454,939)	(57,636,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans (Note 24)	(791,988)	(2,501,731)	(4,140,197)
Interest (Notes 12 and 24)	(18,119)	(164,771)	(464,518)
Cash used in financing activities	(810,107)	(2,666,502)	(4,604,715)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,982,052)	(7,577,502)	(288,326)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(42,400)	(32,308)	39,408
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	160,806,112	168,415,922	168,664,840
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	P139,781,660	P160,806,112	P168,415,922

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for the Issuance of Financial Statements

Corporate Information

Tagaytay Midlands Golf Club, Inc. (the Golf Club), a nonprofit corporation, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 10, 1997. The Golf Club's primary purpose is to promote social, recreational and athletic activities among its members by providing and maintaining clubhouses and a golf course on a nonprofit basis, the nucleus of which will be the construction, development and maintenance of golf course and other sports and recreational facilities.

The registered office address of the Golf Club is Brgy. Tranca, Talisay, Batangas.

Belle Corporation (Belle), a publicly-listed Golf Club in the Philippines, owns 66.80% and 60.17% of the Golf Club's proprietary certificates as at December 31, 2020 and 2019, respectively.

Authorization for the Issuance of Financial Statements

The financial statements were approved and authorized for issuance by the Board of Directors (BOD) on May 28, 2021.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The financial statements of the Golf Club have been prepared on a historical cost basis and are presented in Philippine Peso (Peso), which is the Golf Club's functional currency. All values are rounded to the nearest Peso, unless otherwise stated.

Statement of Compliance

The financial statements of the Golf Club are prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Golf Club has adopted the following new accounting pronouncements starting January 1, 2020. Adoption of these pronouncements did not have a significant impact on the Golf Club's financial position or performance unless otherwise indicated.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*

The amendments to PFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments may impact future periods should the Golf Club enter into any business combinations.



- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

- Amendments to Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.



Future Changes in Accounting Policies

Pronouncements issued but not yet effective as at December 31, 2020 are listed below. Unless otherwise indicated, the Golf Club does not expect the future adoption of the said pronouncements to have a significant impact on its financial statements. The Golf Club intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in Fair Value Measurements*

Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Golf Club continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to the December 31, 2020 financial statements. Additional disclosures required by these amendments will be included in the notes to the financial statements when these become effective.

3. Summary of Significant Accounting and Financial Reporting Policies

Current and Noncurrent Classification

The Golf Club presents assets and liabilities in the statement of financial position based on current or noncurrent classification.

An asset is current when it is:

- 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

All other assets are classified as noncurrent.



A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Golf Club.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Golf Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Golf Club determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Golf Club determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Golf Club has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.



“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Golf Club recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Golf Club determines the appropriate method of recognizing the “Day 1” difference amount.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in bank earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from date of acquisition and are subject to an insignificant risk of change in value.

Financial Instruments

Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Golf Club’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Golf Club has applied the practical expedient, the Golf Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Golf Club has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at instrument level.

The Golf Club’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the Golf Club commits to purchase or sell the asset.



Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

The Golf Club has no financial assets at FVOCI and FVPL as at December 31, 2020 and 2019.

Financial Assets at Amortized Cost (Debt Instruments)

The Golf Club measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Golf Club's financial assets at amortized cost include cash and cash equivalents, receivables and interest receivable (included under "Other current assets" account) (see Notes 5, 6, and 10).

Impairment of Financial Assets

The Golf Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Golf Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures with no significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Golf Club applies a simplified approach in calculating ECLs. The Golf Club does not track changes in credit risk, instead, recognizes a loss allowance based on lifetime ECLs at each reporting date. The Golf Club uses specific identification approach in determining provision for ECL, through determining the Loss Given Default (LGD) (recoverable amount/outstanding balance).

The Golf Club considers a financial asset in default generally when contractual payments are past due. However, in certain cases, the Golf Club may also consider a financial asset to be in default when internal or external information indicates that the Golf Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Golf Club.



Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Golf Club has no financial liabilities at FVPL as at December 31, 2020 and 2019.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the statement of comprehensive income.

This category includes the accounts payable and other current liabilities (excluding membership dues collected in advance, unclaimed gift certificates and statutory payables) and loans payable.

Derecognition of Financial Assets and Financial Liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Golf Club's statement of financial position) when:

- The Golf Club's right to receive cash flows from the asset has expired; or
- the Golf Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Golf Club has transferred substantially all the risks and rewards of the asset, or, (b) the Golf Club has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Golf Club has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Golf Club continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Golf Club also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Golf Club has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Golf Club could be required to repay.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Golf Club assesses that it has a currently enforceable right to offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Golf Club and all of the counterparties.

Inventories

Inventories include food, beverage and supplies. Inventories are carried at lower of cost or net realizable value (NRV). The Golf Club's current practice of reporting its ending inventory is based on the moving average method for storeroom items, while weighted average method for direct issuance to outlets. NRV for food and beverage is the estimated selling price in the ordinary course of business, less estimated costs of marketing and distribution. NRV for supplies is the current replacement cost. In determining the NRV, the Golf Club considers any adjustments necessary for obsolescence.

Prepaid Expenses

Prepaid expenses, which are presented under "Other current assets" are carried at cost, less amortized portion. These include prepayments of insurance for the Golf Club's properties, health insurance of directors and officers, advance payments for the monthly golf course maintenance and other prepayments.

Property and Equipment

Property and equipment, except for land, are measured at cost, including transaction costs, less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met. Land is measured at cost, including transaction costs less any accumulated impairment in value. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the item has been put into operations, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the asset beyond the originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation begin when the item of the property and equipment becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases when the assets are fully depreciated at the earlier of the date that the item is classified as held for sale or included in a disposal group that is classified as held for sale in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.



Depreciation of property equipment commences once the property and equipment are available for use and is computed using the straight-line method over the following estimated useful lives of the assets:

	Years
Buildings and improvements	20
Facilities and equipment	2 to 10
Office furniture, fixtures and equipment	5
Transportation equipment	5

The residual values, useful lives and method of depreciation of the assets are reviewed and adjusted, if appropriate, at each financial year-end.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to current operation.

When each major inspection is performed, the cost is recognized in the carrying amount of property and equipment as a replacement, if the recognition criteria are met.

Construction in progress represents structures under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and are ready for use.

Property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of property and equipment are recognized in the statement of comprehensive income in the year of retirement or disposal.

Computer Software

Computer software is capitalized on the basis of the cost incurred to acquire and install the specific software. Computer software is included in the “Other noncurrent assets” in the statement of financial position. Costs associated with maintaining the computer software are expensed as incurred. Capitalized costs are amortized on a straight-line basis over its estimated useful life of five years.

The estimated useful life of the asset is reviewed, and adjusted if appropriate, at each financial reporting date to ensure that this is consistent with the expected pattern of economic benefits from the items of software.

Advances to Contractors and Suppliers

Advances to contractors and suppliers, which is included in the “Other noncurrent assets” in the statement of financial position, is carried at cost. These represent advance payment for construction of an item of property and equipment which will be recouped upon every progress billing payment depending on the percentage of accomplishment.

The Golf Club classifies the advances as current if it will be applied as payment for assets to be classified as current and as noncurrent if it will be applied as payment for assets to be classified as property and equipment.



Impairment of Non-financial Assets

The carrying values of property and equipment and computer software are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units (CGUs) are written down to their recoverable amounts. The recoverable amount is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed, only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income. After such a reversal, the depreciation charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Members' Equity

Proprietary certificates are measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from proceeds, net of any tax effects. Proceeds and/or fair value of consideration received in excess of par value are recognized as additional paid-in capital (APIC).

Deficit represents cumulative excess of expenses over revenues.

Other Comprehensive Income (OCI)

OCI comprises items of income and expenses that are not recognized in profit or loss as required or permitted by other PFRS. The Golf Clubs' OCI pertains to actuarial gains or losses from pension benefits that are recognized in full in the period in which they occur.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Golf Club expects to be entitled in exchange for those goods and services. The Golf Club has generally concluded that it is the principal in all of its revenue arrangements.

Sale of Food, Beverage and Sundries

Revenue from sale of food, beverage and sundries is recognized when the transfer of control has been passed to the buyer at the time when the performance obligation has been satisfied. The performance obligation is generally satisfied when the customer purchases the goods. Payment of the transaction price is due immediately at the point when the customer purchases the goods. Sales returns and discounts are deducted from gross sales to arrive at net sales as presented under "Food, beverage and sundries" in the statement of comprehensive income.



Green Fees, Golf Cart, Locker Rental and Others

Revenue from green fees, golf cart, locker rental and others are recognized upon satisfaction of performance obligation transferring of the promised services to the customers.

Membership Dues

Membership dues are recognized in the applicable membership period. Advance collection of membership dues are recognized in the “Membership dues collected in advance” presented under “Accounts payable and other current liabilities” account in the statement of financial position.

Membership Transfer and Assignment Fees

Revenue is recognized upon transfer and assignment of member shares.

Commission Income

Revenue is recognized when the related services are rendered. Commission is computed as a certain percentage of the rental income of units owned by related party.

Interest Income

Interest income from bank deposits is recognized as interest accrues using the effective interest method.

Other Income

Revenue is recognized when there is an incremental economic benefit, other than from the usual business operations, that will flow to the Golf Club and the amount of the revenue can be measured reliably.

Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in the statement of comprehensive income on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined or immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the statement of financial position as an asset.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Golf Club as Lessor

Leases where the Golf Club retains substantially all the risks and benefits of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Effective beginning on or after January 1, 2019

Golf Club as Lessee

The Golf Club assess the lease contract if they have the right to control the assets based on terms and conditions indicated in the contract. The Golf Club applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value



assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Effective prior to January 1, 2019

Golf Club as Lessee

Leases which do not transfer to the Golf Club substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statement of comprehensive income on a straight-line basis over the lease term or based on the terms of the lease, as applicable. Associated costs, such as maintenance and insurance, are expensed as incurred.

Capitalized lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Golf Club will obtain ownership by the end of the lease term.

Pension Benefits

The Golf Club has a noncontributory defined benefit pension plan administered by a trustee, covering its regular and permanent employees. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

Defined benefit costs comprise the following:

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

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

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.



Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Golf Club, nor can they be paid directly to the Golf Club. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Golf Club's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.



The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Unrecognized deferred tax assets, if any, are measured at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

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, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

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

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of “Other current assets” or “Accounts payable and other current liabilities” accounts, respectively, in the statement of financial position.

Deferred input VAT represents the set-up of input VAT from the Golf Club’s unpaid purchases, and will be reclassified to current input VAT upon payment, and purchases of capital goods exceeding one (1) million pesos. The related input VAT is recognized over five (5) years or the useful life of the capital goods, whichever is shorter. Deferred output VAT represents the set-up of output VAT from the Golf Club’s uncollected sales, and will be reclassified to output VAT upon collection.

The net amount of deferred VAT recoverable from, or payable to, the taxation authority is included as part of “Other current assets” or “Accounts payable and other current liabilities” accounts, respectively, in the statement of financial position.

Net Income (Loss) Per Share

Net income (loss) per share is computed by dividing the net income or loss by the weighted average number of shares issued and outstanding during the year.

Provisions

Provisions are recognized when the Golf Club has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of



the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Golf Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

Contingencies

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

Events after the Reporting Period

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

4. Significant Accounting Judgments and Estimates

The preparation of the Golf Club's financial statements requires management to make judgments and estimates that affect certain reported amounts and disclosures. However, uncertainty about these judgments and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future.

Judgments

In the process of applying the Golf Club's accounting policies, management has made judgments on lease commitments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Evaluation of Operating Lease - Golf Club as Lessor.

The Golf Club has entered into leases on its land, equipment and room for cellular satellites and functions. The Golf Club has determined that it retains all the significant risks and rewards of ownership of the leased properties because of the following factors: a) the lessees will not acquire ownership of the leased properties upon termination of the leases; and b) the Golf Club has not given an option to the lessees to purchase the assets at a price that is sufficiently lower than the fair value at the date of the option. Thus, the leases are accounted as operating leases. Rent income amounted to ₱204,840 and ₱208,929 in 2020 and 2019, respectively (see Note 16 and 23).

Determination of Impairment Indicators of Nonfinancial Assets

The Golf Club assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Golf Club considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends

The Golf Club assessed that there were no impairment indicators on its nonfinancial assets in 2019. As at December 31, 2019, the carrying values of property and equipment, and computer software amounted to ₱1,408,457,881 (see Note 9) and ₱1,415,072 (see Note 10), respectively.



Estimates

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

Impairment Testing of Nonfinancial Assets. In 2020, the management determined that reduced operating capacity resulting in lower operating results as direct impact of COVID-19 is an indicator of impairment of the nonfinancial assets. Accordingly, management performed impairment testing of its nonfinancial assets primarily pertaining to its property and equipment. Management concluded that the recoverable amount using the fair value less costs to sell (FVLCTS) as the recoverable amount is more relevant considering the nature of the Golf Club's business. In determining FVLCTS, management used the market approach specifically the market capitalization method, which requires estimation of the indicative equity value adjusted to determine the operating value of the nonfinancial assets.

Key assumptions used in the determination of recoverable amount

- *Indicative equity value* – The indicative equity value represents the fair value of all equity claims. The management had estimated the value by the aggregate value of total issued golf shares and published price as of reporting date.
- *Enterprise value* – The enterprise value represents the fair value of all equity and non-equity financial claims attributable to all capital providers. Net debt, which is the market value of net financial debt, was added to the indicative equity value to derive the value. Management used the book value of the Golf Club's debt as it is not highly levered.
- *Operating value* – The operating value represents the value of the productive operations of the Golf Club and is derived by deducting the current assets (excluding cash and cash equivalents) from and adding the current liabilities to the operating value at entity level.

Management believes that the assumptions used are appropriate and any reasonable possible changes in these assumptions will not materially affect the assessment of recoverable value. Further, management believes that the costs to sell are negligible.

Based on the impairment testing performed, the recoverable amount is higher than the carrying value of the nonfinancial assets; thus, no impairment was recognized in 2020. The nonfinancial assets subjected to impairment review in 2020 pertain to property and equipment and computer software with carrying values of ₱1,345,732,863 (see Note 9) and ₱1,179,227 (see Note 10), respectively.

Provision for ECLs (PFRS 9)

For receivable from members, the Golf Club uses specific identification approach in determining the balance of receivables from each members to be potentially uncollectible, when it meets the following criteria: (a) the member is more than 120 days past due on its contractual payments, i.e. principal and interest including penalties; and (b) the current market value of the shares of each member is below its outstanding receivables. The current market value of the shares act as collateral in case of non-payment of members, as the Golf Club has the current rights to rescind the shares and put it in an auction. The Golf Club determine the loss given default (recoverable amount/outstanding receivables) in computing the provision for ECL.



For receivable from related parties, the Golf Club uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing provision for ECL. The provision for ECL are re-evaluated and adjusted as additional information is received.

For cash and cash equivalents, the Golf Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Golf Club's policy to measure ECLs on such instruments on a 12-month basis.

Provision for ECL recognized in 2020, 2019 and 2018 amounted to ₱392,266, nil and nil, respectively. Income from reversal of allowance for impairment of receivables amounted to ₱70,000, ₱50,000 and ₱150,000 in 2020, 2019 and 2018, respectively (see Notes 6 and 16). The carrying value of cash and cash equivalents amounted to ₱139,781,660 and ₱160,806,112 as of December 31, 2020 and 2019, respectively (see Note 5). The carrying value of receivables, net of allowance for impairment, amounted to ₱190,818,196 and ₱167,179,444 in 2020 and 2019, respectively (see Note 6 and 21).

Determination of NRV of Inventories

The Golf Club writes down the carrying value of inventories whenever NRV of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in prices level or other causes. The carrying value of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in the statement of comprehensive income.

No provision for inventory write-down was recognized in 2020, 2019 and 2018. The carrying value of inventories amounted to ₱314,135 and ₱523,137 in 2020 and 2019, respectively (see Note 7).

Estimation of Useful Lives of Property and Equipment

The useful life of each Golf Club's property and equipment is estimated based on the period over which the property and equipment are expected to be available for use. Such estimation is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property and equipment are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. It is possible, however, that future financial performance could be materially affected by changes and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded depreciation expense and decrease property and equipment.

There were no changes in the estimated useful lives of property and equipment in 2020, 2019 and 2018.

Determination and Computation of Pension Costs. The present value of the pension liability is determined using actuarial valuation which involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, pension liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Golf Club determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension liability. In determining the appropriate discount rate, the Golf Club considers the interest rates on government bonds that are denominated in the currency in which the



benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension liability are based in part on current market conditions. While it is believed that the Golf Club's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Golf Club's pension liability.

Pension liability amounted to ₱5,984,958 and ₱17,424,360 as at 2020 and 2019, respectively (see Note 18).

Recognition of Deferred Tax Assets

The carrying amount of deferred tax assets is reviewed at each reporting period. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The forecasted availability of taxable profit is based on past and future expectations on revenue and expenses. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Golf Club recognized deferred tax assets to the extent of deferred tax liabilities amounting ₱1,857,170 and ₱1,787,959 as at December 31, 2020 and 2019, respectively. Deferred tax assets amounting ₱121,577,470 and ₱61,424,837 as at December 31, 2020 and 2019, respectively, were not recognized in the financial statements because the management believes that future taxable profit will not be available against which the deferred income tax assets can be utilized (see Note 19).

5. Cash and Cash Equivalents

	2020	2019
Cash on hand and in banks	₱42,108,635	₱20,966,893
Short-term deposits	97,673,025	139,839,219
	₱139,781,660	₱160,806,112

Interest income on cash in banks and short-term deposits amounted to ₱2,367,063, ₱5,718,560 and ₱4,297,271 in 2020, 2019 and 2018, respectively. Interest receivable, included in the "Others" of "Receivables" account in the statements of financial position, amounted to ₱36,287 and ₱224,366 as at December 31, 2020 and 2019, respectively (see Note 6).

6. Receivables

	2020	2019
Related parties (Note 17)	₱136,608,575	₱121,801,169
Members	49,013,207	41,244,565
Others	6,004,712	4,619,742
	191,626,494	167,665,476
Less allowance for impairment	808,298	486,032
	₱190,818,196	₱167,179,444



Receivable from related parties consists of charges for the affiliates and members of the affiliates' use of the Golf Club's facilities. This also consists of reimbursement of operating expenses from related parties. These receivables are noninterest-bearing and are due and demandable.

Members' account pertains to uncollected charges for membership dues, guest fees, sale of food and beverage and services rendered and is normally on a 30 to 60 days' term. Unsettled members' account for 60 days are considered past due. The Golf Club has the option to put members' proprietary shares into auction in case of nonpayment of members' accounts.

Other receivables mainly pertain to interest receivables and advances to employees and third parties, which are noninterest-bearing and generally have 30 to 90 days' term.

Allowance for impairment pertains to receivables from members. Movements in the allowance for impairment of receivables are as follows:

	2020	2019	2018
Balance at beginning of year	₱486,032	₱536,032	₱686,032
Provision of allowance for impairment (Note 15)	392,266	-	-
Reversal of allowance for impairment (Note 16)	(70,000)	(50,000)	(150,000)
Balance at end of year	₱808,298	₱486,032	₱536,032

7. Inventories - at Cost

	2020	2019
At cost:		
Food and beverage	₱56,665	₱129,513
Supplies	257,470	393,624
	₱314,135	₱523,137

Supplies pertain to fuel, oil and lubricants and other various supplies which are expected to be utilized within a year.

The cost of inventories charged to "Cost of sales and services" account in the statements of comprehensive income amounted to ₱15,031,014, ₱21,192,391 and ₱13,984,925 in 2020, 2019 and 2018, respectively (see Note 14).

The cost of inventories charged to "Supplies" and "Fuel and oil" under "General and administrative expenses" account in the statements of comprehensive income amounted to ₱1,386,175, ₱370,606 and ₱671,918 in 2020, 2019 and 2018, respectively (see Note 15).



8. **Other Current Assets**

	2020	2019
Current portion of deferred input VAT	₱52,053,917	₱54,999,721
Creditable withholding tax (CWT)	4,713,173	3,958,710
Prepaid expenses	340,865	324,531
Input VAT	5,410,166	-
	₱62,518,121	₱59,282,962

Deferred input VAT pertains to the input VAT relating to capital expenditures which are amortized over 60 months or the life of the asset, whichever is shorter, and the input VAT from the Golf Club's unpaid purchases, which will be reclassified to current input VAT upon payment.

CWT withheld from income payments made to Golf Club is deductible against the income tax due of the Golf Club for the future taxable quarters.

Prepaid expenses pertain to unamortized portion of insurance for the Golf Club's properties, health insurance of directors and officers, advance payments for the monthly golf course maintenance and other prepayments. These are expected to be utilized and consumed within one year.



9. Property and Equipment

The roll forward analysis of this account follows:

	Land	Buildings and Improvements	Facilities and Equipment	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Cost							
Beginning balance	₱948,444,086	₱645,270,235	₱515,256,857	₱13,006,428	₱19,854,720	₱87,883,507	₱2,229,715,833
Additions	–	294,482,630	26,593,252	939,753	147,747	14,516,753	336,680,135
Reclassification	–	19,765,090	43,671,759	464,677	–	(63,901,526)	–
At December 31, 2019	948,444,086	959,517,955	585,521,868	14,410,858	20,002,467	38,498,734	2,566,395,968
Additions	–	4,464,513	4,151,935	1,789,155	8,526	1,180,954	11,595,083
Cost adjustments	–	–	(10,580,034)	–	–	–	(10,580,034)
Reclassification	–	39,276,888	–	–	–	(39,276,888)	–
At December 31, 2020	₱948,444,086	₱1,003,259,356	₱579,093,769	₱16,200,013	₱20,010,993	₱402,800	₱2,567,411,017

	Land	Buildings and Improvements	Facilities and Equipment	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Accumulated Depreciation							
January 1, 2018	₱–	₱579,904,768	₱483,508,795	₱11,216,310	₱10,554,690	₱–	₱1,085,184,563
Depreciation (Notes 14 and 15)	–	49,857,324	18,748,975	770,604	3,376,621	–	72,753,524
At December 31, 2019	–	629,762,092	502,257,770	11,986,914	13,931,311	–	1,157,938,087
Depreciation (Notes 14 and 15)	–	38,313,397	21,221,443	1,028,429	3,176,798	–	63,740,067
At December 31, 2020	₱–	₱668,075,489	₱523,479,213	₱13,015,343	₱17,108,109	₱–	₱1,221,678,154
Net Book Value							
At December 31, 2020	₱948,444,086	₱335,183,867	₱55,614,556	₱3,184,670	₱2,902,884	₱402,800	₱1,345,732,863
At December 31, 2019	948,444,086	329,755,863	83,264,098	2,423,944	6,071,156	38,498,734	1,408,457,881



Construction in progress consists of construction costs related to the development of the Golf Course Third Nine. As of December 31, 2020, the Golf Club has ongoing construction relating to the locker room of the Midland's Clubhouse. Certain transportation equipment of the Golf Club are mortgaged as a security for the Golf Club's loans payable (see Note 12).

The cost of fully depreciated property and equipment which are still being used amounted to ₱1,036,690,639 and ₱486,335,927 as at December 31, 2020 and 2019, respectively.

10. Other Noncurrent Assets

	2020	2019
Computer software		
Cost	₱1,415,072	₱1,415,072
Accumulated amortization	(235,845)	-
	1,179,227	1,415,072
Deferred input VAT net of current portion	4,727,820	4,667,313
Advances to contractors and suppliers	190,373	354,886
Refundable deposits	25,000	-
	₱6,122,420	₱6,437,271

Computer software pertains to the cost of the Golf Club's accounting and information system. No amortization recognized for 2019 since the software is still under the testing and modification phase.

Deferred input VAT pertains to the input VAT relating to capital expenditures which are amortized over 60 months or the life of the asset, whichever is shorter.

Advances to contractors and suppliers represent payment for construction of an item of property and equipment which will be recouped upon every progress billing payment depending on the percentage of accomplishment.

11. Accounts Payable and Other Current Liabilities

	2020	2019
Membership dues collected in advance	₱31,318,383	₱35,295,723
Trade payables	10,979,055	26,795,489
Refundable deposits	7,452,064	9,026,081
Auctioned membership liability	7,288,184	9,318,897
Unclaimed gift certificates	7,154,265	7,093,265
Related parties (Note 17)	5,226,053	14,448,503
Accrued expenses:		
Outside services	3,874,316	4,769,699
Employee benefits	163,191	229,134
Insurance	132,037	-
Utilities payable	115,959	842,863
Others	3,021,235	1,784,862
Retention payable	1,688,272	4,334,058
Statutory payables	1,362,827	4,380,867
Concessionaires	1,329,016	1,556,008
Others	4,415,693	4,171,088
	₱85,520,550	₱124,046,537



Membership dues collected in advance pertains to the payments received in advance from the Golf Club's members. This is expected to be realized as revenue within the next financial year.

Trade payables are noninterest-bearing and are normally on a 30 to 60 days' term.

Refundable deposits pertain to cash receipts from members upon assignment of shares which is expected to be refunded within one year. The amount paid is refundable upon completion of terms and conditions.

Auctioned membership liability refers to the unclaimed net proceeds or the excess of the bid price over the amount of receivables from delinquent members whose shares were sold at auction. These are normally claimed within 30 to 180 days.

Unclaimed gift certificate refers to the (GC) used by the Golf Club for availment of the services and products of the Golf Club. There are five kinds of GC being issued namely, paid, universal, barter, complementary and reward GC. Generally, all GC have no expiration date, some GC have expiration date but it is depends on the agreement entered into and at the discretion of the Golf Club.

Statutory payables mostly pertain to deferred output VAT, net output VAT, withholding taxes and other government taxes. These are normally settled within 30 days.

Payable to related parties arises from the use by the Golf Club's members of facilities of the related parties. This also consists of reimbursement of operating expenses to related parties. These payables are due and demandable.

Accrued expenses are noninterest-bearing with terms of 30 to 180 days.

Retention payable pertains to amount withheld to contractors of the Golf Club until the completion of specified conditions based on the agreement.

Concessionaires pertains to food and beverage sales recorded by the Club for RMD Food Corporation which are remitted every month.

Others include payables to nontrade suppliers. These payables are noninterest-bearing and are normally settled within a year.

12. Loans Payable

	2020	2019
Peso currency-denominated loan payable in 36 monthly installments or until March 5, 2020 starting March 31, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	P—	P79,091
Peso currency-denominated loan payable in 36 monthly installments or until March 5, 2020 starting March 31, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	—	79,091

(forward)



	2020	2019
Peso currency-denominated loan payable in 36 monthly installments or until June 30, 2020 starting August 2, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	P-	P211,269
Peso currency-denominated loan payable in 36 monthly installments or until June 30, 2020 starting August 2, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	-	211,269
Peso currency-denominated loan payable in 36 monthly installments or until June 30, 2020 starting August 2, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	-	211,268
Total	-	791,988
Less current portion	-	791,988
Noncurrent portion	P-	P-

In 2019, Certain transportation equipment are held as security for the three-year loans (see Note 9).

Interest expense on loans payable amounted to P17,514, P157,180 and P448,507 in 2020, 2019 and 2018, respectively (see Note 24). As at December 31, 2020 and 2019, interest payable included in "Others" in "Accounts payable and other current liabilities" account amounted to nil and P605 (see Notes 11 and 24).

13. Members' Equity

Track Record of Registration of Securities

The following summarizes the information on the Golf Club's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/Offer Price
July 23, 1997	6,000	6,000	P1,500,000 to P3,000,000

The authorized capital stock of the Golf Club amounted to P600,000,000 divided into 6,000 shares with par value of P100,000 per share. The details of the Golf Club's proprietary certificates and APIC as at December 31, 2019 and 2018 are as follow:

	2020	2019
Authorized and subscribed	P600,000,000	P600,000,000
Receivable	(67,500,000)	(67,500,000)
Proprietary certificates	P532,500,000	P532,500,000
	2020	2019
Excess of pre-agreed amount of development cost over total par value of shares	P2,044,000,000	P2,044,000,000
Receivable	(233,366,582)	(233,366,582)
Additional paid-in capital	P1,810,633,418	P1,810,633,418



Development Agreement

The Golf Club entered into a Development Agreement (DA) with Belle for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progresses will be in proportion to pre-agreed amount of development cost, inclusive of the initial capital contribution.

The excess of such development cost over the total par value of the Golf Club's shares of stock shall constitute APIC of the Golf Club. In 2013, 18 holes have been constructed however, title will be transferred to the Golf Club upon completion of the additional 9 holes. In 2015, additional nine holes were built.

In 2019, the Golf Club issued 587 shares to Belle for the construction and development costs of the additional nine holes in 2015 for total paid-up value of ₱264,526,869.

Restrictive Conditions

The Golf Club is an exclusive club and is organized on a nonprofit basis for the sole benefit of its members.

The ownership of all shares of stock of the Golf Club is subject to the following restrictive conditions:

- a. No issuance or transfer of shares of stock of the Golf Club which would reduce the stock ownership of Philippine citizens or nationals to less than the minimum percentage of the outstanding capital stock required by any applicable provisions of the Constitution, law, or regulation to be owned by Philippine citizens or nationals, shall be made or effected by, or shall be recorded in the books of the Golf Club.
- b. No holder, of any class of shares of the Golf Club shall have, as such holder any preemptive right to acquire, purchase, or subscribe for any share of the capital stock of any class of the Golf Club which it may issue or sell, whether out of the number of shares authorized by the Articles of Incorporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Golf Club acquired by it after the issue thereof; nor shall any holder of any class of shares of the Golf Club have, as such shareholder, have any preemptive right to acquire, purchase, or subscribe for any obligation which the Golf Club may issue or sell that shall be convertible into or exchangeable for any shares of the capital stock of any class of the Golf Club or to which shall be attached or appertain any warrant or any instrument that shall confer upon the owner of such obligation, warrant, or instrument the right to subscribe for, or to acquire or purchase from the Golf Club, any share of its capital stock of any class.
- c. No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Golf Club at the time of the dissolution or liquidation of the Golf Club.
- d. The members of the Golf Club shall be subject to the payment of monthly dues and other dues and assessments and subject to such rules and conditions as may be prescribed in the By-Laws or by the BOD to meet the expenses for the general operations of the Golf Club, and the maintenance and improvement of its premises and facilities, in addition to such fees as may be charged for the actual use of the facilities. In the case of a shareholder who is a corporate shareholder, the designated representative shall be initially billed for such dues. In case of nonpayment by the representative, the corporate shareholder shall be ultimately liable for the payment of such dues. Such dues together with all other obligations of the shareholders to the Golf Club, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government, and



in the event of delinquency such shares may be ordered sold by the BOD in the manner provided in the By-Laws to satisfy said dues or other obligations of the shareholders.

- e. Any shareholder selling or disposing of his/its share(s) in the Golf Club shall pay a transfer fee in such amount as may be determined by the BOD from time to time. Said transfer fee shall be levied and collected at the time of transfer in the Golf Club's Stock and Transfer Book. Any transfer of shares, except transfer by hereditary succession, made in violations of these conditions shall be null and void and shall not be recorded in the books of the Golf Club.
- f. Except in the case of legally married spouses, shares of stock of the Golf Club may be registered only in the name of a single person, firm, entity, association or corporation. One of the spouses may be entitled to apply for membership in the Golf Club. Juridical entities may also designate only one individual playing representative for each share of stock owned by them.
- g. A holder of a share of stock of the Golf Club is not an *ipso facto* member of the Golf Club, and he must file an application for Golf Club membership, which shall be subject to the approval of the BOD. If an application for membership of a shareholder is disapproved by the BOD, the shareholder shall dispose of his share within a period of 60 days from notice of such disapproval. In the event of his failure to affect such transfer, his share shall be offered for sale at auction in the manner prescribed in the By-Laws or by the BOD.
- h. In case any shareholder or member shall violate the provisions of the Articles of Incorporation or the By-Laws or the rules and regulations of the Golf Club, or the resolutions duly promulgated by the BOD or the shareholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Golf Club, such shareholder or member may be expelled by the BOD in the manner provided in the By-Laws upon proper notice and hearing. A shareholder/member who is so expelled shall then cease to be a shareholder/member and shall have no right with respect to his share except the right to demand payment therefore in accordance with these By-Laws. The Golf Club shall have a period of 30 days from the expulsion of the shareholder to make payment of his share/s, and upon such payment the shareholder shall forthwith transfer and assign the share/s held by him as directed by the Golf Club.
- i. All certificates of stock of the Golf Club shall contain an appropriate reference to the foregoing limitations and restrictions, and stock may be issued or transferred in the books of the Golf Club only in accordance with the terms and provisions of such limitations and restrictions.

14. Cost of Sales and Services

Cost of Sales (Note 7)

	2020	2019	2018
Food cost	₱7,189,539	₱8,669,084	₱4,757,455
Beverage cost	2,030,961	2,504,036	1,746,995
Sundry inventory cost	275,095	315,052	412,927
	₱9,495,595	₱11,488,172	₱6,917,377



Cost of Services

	2020	2019	2018
Depreciation (Note 9)	P62,091,762	P71,449,980	P53,039,427
Personnel costs (Note 15)	50,714,721	59,350,901	43,365,181
Repairs and maintenance (Notes 17 and 23)	27,604,985	37,771,177	28,240,285
Communication, light and water (Note 17)	18,375,269	24,541,815	21,419,586
Outside services (Note 23)	10,656,114	11,686,067	8,631,839
Taxes and licenses	5,968,619	7,531,221	6,537,849
Supplies (Note 7)	3,543,878	6,303,256	4,723,313
Fuel and oil (Note 7)	1,991,541	3,400,963	2,344,235
Rent (Note 23)	1,744,747	648,615	442,110
Laundry	1,403,775	2,215,293	1,701,255
Bank charges	1,010,446	1,485,752	1,161,698
Caddy Expense	594,218	585,131	-
Transportation and travel	539,237	1,213,281	1,080,917
Entertainment, amusement and recreation (EAR)	507,711	970,898	509,949
Dues and subscriptions	506,715	267,842	264,109
Insurance	482,755	752,978	650,833
Waste disposal	671,293	496,121	354,563
Club tournament	448,328	6,790,890	5,503,575
Others	9,859,679	10,854,233	3,873,959
	P198,715,793	P248,316,414	P183,844,683

15. General and Administrative Expenses

	2020	2019	2018
Personnel costs	P7,510,878	P8,441,573	P7,595,231
Outside services (Note 23)	6,010,205	6,073,998	5,762,732
Taxes and licenses	5,925,143	7,487,873	6,520,410
Repairs and maintenance (Note 17 and 23)	2,263,933	3,523,557	2,325,748
Depreciation (Note 9)	1,884,154	1,303,544	1,225,443
Communication, light and water (Note 17)	1,371,287	4,282,361	276,288
Bank charges	1,010,446	1,484,600	1,161,698
Waste disposal	1,007,139	506,973	303,976
Fuel and oil (Note 7)	758,965	-	360,297
Supplies (Note 7)	627,210	370,606	311,621
Rent (Note 23)	548,256	212,774	190,899
Insurance	349,582	541,881	451,894
Donations and Contributions	275,000	83,500	-
Transportation and travel	164,148	222,698	104,855
Laundry	80,570	49,544	52,638
EAR	44,181	111,117	16,599
Others	1,566,384	1,362,504	5,293,426
	P31,397,481	P36,059,103	P31,953,755



Details of “Personnel costs” are as follows:

	2020	2019	2018
Salaries and wages	₱35,809,854	₱38,154,840	₱27,987,735
Employee benefits and others	19,289,642	27,041,719	20,343,633
Pension costs (Note 18)	3,126,103	2,595,915	2,629,044
	₱58,225,599	₱67,792,474	₱50,960,412

16. Other Income

	2020	2019	2018
Membership transfer fees	₱5,544,165	₱7,821,429	₱8,875,000
Income from members’ fund assessment	3,631,711	3,306,875	3,175,089
Reversal of accruals	2,047,959	3,323,866	6,583,543
Members’ penalties and charges	1,539,679	1,831,080	2,341,751
Commission	1,042,551	10,195,362	9,537,003
Assignment fees	1,064,219	3,187,501	2,627,474
Rental Fee from Pro shop	217,695	458,891	–
Rental income (Note 23)	204,840	208,929	204,840
Claims from insurance	377,513	–	–
Income from reversal of allowance for impairment of receivables (Note 6)	70,000	50,000	150,000
Service charge revenue	–	793,919	508,527
Sundry revenue	–	467,617	–
Income from sponsorship	–	682,643	75,000
Others	854,465	1,514,343	315,225
	₱16,594,797	₱33,842,455	₱34,864,852

Membership transfer fees include income derived from transfer of right by an individual member through selling of shares and transfer of right through change of designee by a corporate member.

Income from members’ fund assessment pertains to the monthly fund assessment charged by the Golf Club to each member.

Members’ penalties and charges pertain to collection from members for late payments of membership dues and other charges.

Commission income includes share of the Golf Club to the income of its concessionaires and green fees.

Assignment fees refer to income arising from assignment of members’ right to any other party for the right to use the facilities of the Golf Club.

Service charges pertain to a percentage of food and beverage sales charged against guests and non-members.



Income from sponsorship pertains to income earned from promotional events hosted by the Golf Club.

Others pertain to income derived from various events held by the Golf Club which include wedding ceremonies, seminars, golf tournaments, among others.

17. Related Party Disclosures

Related parties are entities and individuals that have the ability to directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Golf Club, including holding companies, subsidiaries and fellow subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Golf Club that gives them significant influence over the entities, key management personnel, including directors and officers of the Golf Club and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The following table provides the summary of outstanding balances with related parties as at December 31:

Classification	Terms	Conditions	2020	2019
<i>Shareholder</i>				
Belle				
Payables	Due and demandable, noninterest-bearing	Unsecured	(₱4,828,383)	(₱9,984,757)
<i>Related party with common set of directors</i>				
Tagaytay Highlands International Golf Club, Inc. (THIGCI)				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	126,852,852	105,053,565
The Spa and Lodge at Tagaytay Highlands, Inc. (TSLTHI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	(152,542)	(3,995,067)
The Country Club at Tagaytay Highlands, Inc. (TCCTHI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	–	–
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	9,575,659	10,842,807

Forward



Classification	Terms	Conditions	2020	2019
Tagaytay Highlands				
Community Condominium Assoc., Inc. (THCCAI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	(₱545,212)	(₱468,679)
The Highlands Prime				
Community Homeowners Association, Inc. (THPCCOAI)				
Receivable	Due and demandable, noninterest-bearing	Unsecured, no impairment	157,614	–
Tagaytay Midlands				
Condominium Community Association, Inc. (TMCCAI)				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	22,450	19,550
Highlands Prime, Inc. (HPI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	(5,000)	(5,000)
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	5,678,000
Horizon Association				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	128,399
Woodridge Association/ Woodlands Point/ Woodlands Place (Woodridge)				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	71,618
Hill Side				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	12,230
Receivables (Note 6)			₱136,608,575	₱121,806,169
Payables (Note 11)			(5,226,053)	(14,453,503)

The following table provides the summary of transactions entered with related parties in 2020, 2019 and 2018:

	Classification	2020	2019	2018
Shareholder				
Belle	Payment to club	₱77,492	₱74,906	₱1,508,486
	Reimbursement of expenses	2,399,226	758,234	274,176
	Electricity expense	606,807	436,251	–
	Water/maintenance expense	779,429	7,439,803	–

Forward



	Classification	2020	2019	2018
<i>Related party with common set of directors</i>				
THIGCI	Sales	₱16,078,832	₱37,543,748	₱32,128,152
	Reimbursement of expenses	25,744,991	18,572,210	11,054,092
	Employee benefits	612,438	668,007	618,603
	Maintenance tools/Kitchen fuel/Gasoline	–	92,358	143,838
	Electricity/water	137,831	70,250	108,450
	Food cost/Beverage cost	–	68,898	–
TSLTHI	Room and Spa charges	202,152	676,137	864,501
	Employee benefits (Shuttle)	535,664	143,643	115,987
	Food cost/beverage cost	341,420	13,647	23,287
	Reimbursement of expenses	240,978	241,314	–
TCCTHI	Sales	21,537,278	51,560,602	46,309,346
	Food cost/Beverage cost	860,557	5,862,184	6,176,648
	Reimbursement of expenses	18,164,078	6,361,290	5,816,529
	Employee benefits	613,544	405,746	237,829
	General supplies	1,162,957	2,505,606	133,148
	Repairs and maintenance	–	–	–
THCCAI	House rental	–	–	258,574
	Room revenue share of members	64,996	42,548	–
	Unit maintenance/Utility charges	199,223	199,716	–
THPCCOAI	Room revenue share of members	157,614	–	737,598
	Employee benefits	22,450	–	–
HPI	Reimbursement of expenses	5,000	5,671,315	1,685
Woodridge	Reimbursement of expenses	–	12,678	58,940
Hill Side	Reimbursement of expenses	–	10,264	1,966
Horizon Association	Reimbursement of expenses	–	1,587	126,812
TMCCAI	Electricity/water	–	–	216,878

Terms and Conditions of Transactions with Related Parties

Outstanding balances of related party receivables and payables at period-end are settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

There is no allowance for impairment of receivables relating to related parties as at December 31, 2020 and 2019 (see Note 6). An assessment is undertaken each financial year through examination of the financial position of the related party and the market in which the related party operates.

Transactions with Belle

The Golf Club has an agreement with Belle wherein Belle will provide water distribution and repairs and maintenance works on the Golf Club's facilities. Other transactions with Belle consist of cost charges and Belle's use of the Golf Club's amenities and facilities and availment of services.



Transactions with THIGCI and TCCTHI

Reciprocity Agreements. On October 6, 1999, the Golf Club entered into a Reciprocity Agreement with THIGCI and TCCTHI (both are also majority-owned by Belle), whereby members of the Golf Club, THIGCI and TCCTHI will be allowed to enjoy the use of each other's facilities, subject to rules and regulations. This agreement shall remain in effect until mutually terminated by the parties.

Reimbursement of Operating Expenses. The three clubs also have transactions for reimbursement of operating expenses such as contract services, repairs and maintenance and labor cost, among others.

Transactions with TSLTHI

Transactions with TSLTHI pertain to payments of food and beverage costs, room and spa, massage charges, and shuttle services of association's employees.

Transactions with Woodridge Association/Woodlands Point/Woodlands Place and Horizon Association

Transactions with Woodridge Association/Woodlands Point/Woodlands Place and Horizon Association pertain to payments received from shuttle services of association's employees.

Transactions with Community and Condominium Homeowner's Associations

Transactions with TMCCAI, THCCAI, THPCCOAI and GCHAI pertain to share in expenses such as electric and water consumption, shuttle services of association's employees, engineering and cleaning supplies used in their operations and room revenue share of members.

On the other hand, the association collects from the Golf Club payments received from association's customers using the Golf Club's credit card terminal and association dues of the association members who are also Golf Club members.

Transactions with HPI

Transactions with HPI pertain to payments of certain expenses made by the Golf Club in behalf and subject to reimbursement by the former.

Compensation of Key Management Personnel

Total compensation paid to key management personnel representing short-term employee benefits amounted to ₱8,780,445, ₱7,051,824, and ₱6,043,034 in 2020, 2019 and 2018, respectively. There are no post-employment benefits, termination benefits, share-based payments or other long-term employee benefits granted to key management personnel.

18. Pension Costs

The Golf Club is a participant to the Tagaytay Highlands Multiemployer Retirement Plan which is non-contributory and of the final salary defined benefit type. The plan provides a retirement benefit equal to one hundred percent (100%) of plan salary for every year credited service or in accordance with the collective bargaining agreement. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

In accordance with the provisions of the Bureau of Internal Revenue (BIR) Revenue Regulations No. 1-68, it is required that a formal retirement plan be trustee; that there must be no discrimination in benefits; that forfeitures shall be retained in the retirement fund and be used as soon as possible to reduce the future contributions; and that no part of the corpus or income of the retirement fund shall be



used for, or diverted to, any purpose other than for the exclusive benefit of the plan members. The latest actuarial valuation of the plan Golf Club's retirement plan is as at December 31, 2020.

The following tables summarize the components of retirement benefits cost recognized in the statements of comprehensive income and the funded status and amounts recognized in the statements of financial position.

	2020	2019	2018
Current service cost	₱2,558,063	₱1,743,529	₱1,880,626
Net interest expense	568,040	852,386	748,418
Retirement benefits cost - net (Note 15)	₱3,126,103	₱2,595,915	₱2,629,044

Changes in net pension liability as at December 31 are as follows:

	2020	2019
Pension liability, beginning	₱17,424,360	₱9,981,103
Current service cost	2,558,063	1,743,529
Net interest expense	568,040	852,386
	3,126,103	2,595,915
Actuarial changes arising from:		
Changes in financial assumptions	2,639,877	3,907,207
Changes in demographic assumptions	2,096	-
Experience adjustments	(1,450,574)	821,398
Return on plan assets	120,816	118,737
	1,312,215	4,847,342
Contributions to plan assets	(11,421,351)	-
Benefits paid to employees	(4,456,369)	-
Pension liability, ending	₱5,984,958	₱17,424,360

The benefits paid to employees using the Golf Club's own fund amounted to ₱4,456,369 and nil, in 2020 and 2019, respectively.

Changes in the present value of the pension liability as at December 31 are as follows:

	2020	2019
Beginning balance	₱21,448,368	₱13,797,894
Current service cost	2,558,063	1,743,529
Interest expense	1,069,376	1,178,340
Benefits paid	(4,456,369)	-
Remeasurement in other comprehensive income:		
Actuarial gain - changes in financial assumptions	2,639,877	3,907,207
Actuarial (gain) loss - changes in demographical assumptions	2,096	-
Actuarial (gain) loss - experience adjustments	(1,450,574)	821,398
	₱21,810,837	₱21,448,368



Changes in the fair value of plan assets as at December 31 are as follows:

	2020	2019
Beginning balance	₱4,024,008	₱3,816,791
Contribution to the retirement fund	11,421,351	–
Interest income	501,336	325,954
Remeasurement loss on plan asset	(120,816)	(118,737)
	₱15,825,879	₱4,024,008

The Golf Club's plan assets mainly consist of debt instruments – government bonds and cash and cash equivalents. All debt instruments held have quoted prices in active markets. The fair value of plan assets amounted to ₱15,825,879 and ₱4,024,008 as at December 31, 2020 and 2019, respectively.

Actual return on plan assets amounted to ₱320,520 and ₱207,217 in 2020 and 2019, respectively.

Reconciliation of net pension liability as at December 31 are as follow:

	2020	2019
Present value of pension liability	₱21,810,837	₱21,448,368
Less: fair value of plan assets	15,825,879	4,024,008
	₱5,984,958	₱17,424,360

The retirement benefits cost and present value of the pension liability are determined using actuarial valuations. The actuarial valuation includes making various assumptions. The principal assumptions used in determining the pension liability as at December 31 are shown below:

	2020	2019
Discount rate	3.48%	5.15%
Salary increase rate	4.00%	4.00%
Mortality rate	2017 PICM Table	2001 CSO Table
Disability rate	1952 Disability Study	1952 Disability Study

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in the Philippines.

The weighted average duration of the defined benefit obligation is 6.5 years and 6.6 years as at December 31, 2020 and 2019, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit pension plan as at December 31, assuming all other assumptions were held constant:

		Impact on Pension Liability Increase (Decrease)	
		2020	2019
Discount rate	+1%	(₱1,325,048)	(₱1,319,553)
	-1%	1,494,567	1,495,528
Salary increase rate	+1%	1,471,586	1,497,809
	-1%	(1,330,870)	(1,345,422)



Maturity analysis of the undiscounted benefit payments for up to next 10 years as at December 31 are shown below:

	2020	2019
Within one year	₱5,211,673	₱5,531,107
More than one year to five years	6,966,382	9,872,035
More than five years to ten years	14,257,273	10,842,314

19. Income Taxes

a. The components of the provision for current income tax are as follows:

	2020	2019	2018
RCIT	₱-	₱-	₱6,784,011
Final tax on interest income	473,413	1,143,709	668,580
	₱473,413	₱1,143,709	₱7,452,591

On June 26, 2019, the Supreme Court (SC) released a decision discussing that membership dues, assessment fees, etc. are exempt from income tax and VAT. This is the SC case G.R. No. 228539 entitled “Association of Non-Profit Clubs, Inc. (ANPC) vs. Bureau of Internal Revenue” which was rendered final and executory with the Entry of Judgment made at the SC Second Division.

SC rule that, for as long as these membership fees, assessment dues, and the like are treated as collections by recreational clubs from their members as an inherent consequence of their membership, and are, by nature, intended for the maintenance, preservation, and upkeep of the clubs' general operations and facilities, then these fees cannot be classified as “the income of recreational clubs from whatever source” that are “subject to income tax”. Instead, they only form part of capital from which no income tax may be collected or imposed.

b. The components of deferred tax assets (liabilities) as at December 31 are as follows:

	2020	2019
Deferred tax assets:		
Pension liability	₱1,705,370	₱263,408
Members' fund assessment collected in advance	139,080	60,656
Unrealized foreign exchange loss	12,720	9,692
NOLCO	-	1,454,203
	1,857,170	1,787,959
Deferred tax liabilities:		
Receivable arising from transferred pension liability	(1,717,611)	(1,717,611)
Accrued rent income*	(139,559)	(70,348)
	(1,857,170)	(1,787,959)
Deferred tax assets - net	₱-	₱-

* Included as part of “Others” under “Receivables” account in the statements of financial position (see Note 6).



- c. Deferred tax assets on the following deductible temporary differences were not recognized since management believes that it is not probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized:

	2020	2019
NOLCO	₱396,165,760	₱192,190,149
Unamortized past service cost	7,983,781	-
Allowance for impairment of receivables (Note 6)	808,300	486,032
Pension liability (Note 18)	300,391	11,698,991
Members' fund assessment collected in advance*	-	374,283

**Included as part of "Others" under "Accounts payable and other current liabilities" account in the statements of financial position (see Note 11).*

Unrecognized deferred income tax assets from the above deductible temporary difference amounted to ₱121,577,470 and ₱61,424,837 as at December 31, 2020 and 2019, respectively.

- d. As at December 31, 2020, the carry forward benefit of NOLCO that can be claimed as deduction against taxable income is as follows:

<u>NOLCO</u>						
Period Incurred	Expiry Year	Amount	Applied in Previous Years	Expired	Applied in Current Year	Balance
12/2019	2022	₱197,037,492	₱-	₱-	₱-	₱197,037,492

The Golf Club has incurred NOLCO in taxable year 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act (RA No. 11494), as follows:

Period Incurred	Expiry Year	Amount	Applied in Previous Years	Expired	Applied in Current Year	Balance
12/2020	2025	₱198,128,267	₱-	₱-	₱-	₱198,128,267

- e. A reconciliation between the provision for income tax computed at the statutory income tax rate and the provision for income tax as shown on the statements of comprehensive income follows:

	2020	2019	2018
Provision for (benefit from) income tax at statutory tax rate of 30%	(₱1,456,919)	(₱2,441,866)	₱5,492,892
Income tax effects of:			
Change in unrecognized deferred tax assets	58,304,767	61,927,249	518,154
Nontaxable membership dues	(57,024,521)	(56,404,984)	-
Interest income subjected to final tax at a lower rate	(710,119)	(1,715,568)	(1,289,181)
Final tax on interest income	473,413	1,143,709	668,580
Nondeductible expenses	886,792	643,684	157,352
	₱473,413	₱3,152,224	₱5,547,797



20. Net Income (Loss) Per Share

The Golf Club's net income per share is computed as follows:

	2020	2019	2018
Net income (loss)	(₱5,329,820)	(₱11,291,776)	₱12,761,843
Divided by weighted average number of shares issued and outstanding	5,325	5,325	4,738
Net income (loss) per share	(₱1,001)	(₱2,121)	₱2,694

21. Financial Risk Management Objectives and Policies

The Golf Club's principal financial assets comprise of cash and cash equivalents. The main purpose of these financial assets is to raise finances for the Golf Club's operations. The Golf Club has various other financial assets and liabilities such as receivables, interest receivable, accounts payable and other current liabilities and loans payable, which arise directly from its operations.

The main risks arising from the Golf Club's financial assets and financial liabilities are liquidity risk and credit risk. The Golf Club's BOD and management review and agree on policies for managing each of these risks as summarized below.

Liquidity Risk

Liquidity risk is defined as the risk that the Golf Club will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Golf Club monitors its risk to a shortage of funds through monitoring of financial assets and projected cash flows from operations. The Golf Club's objectives to manage its liquidity profile are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

The analysis of financial assets into maturity groupings is based on the remaining period from the reporting date to the contractual maturity date or if earlier, the expected date on which the assets will be realized.

For financial liabilities, the maturity grouping is based on the remaining period from the reporting date to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Golf Club can be required to pay.

The table below summarizes the maturity profile of the Golf Club's financial liabilities as at December 31, 2020 and 2019 based on contractual undiscounted payments. The table also analyzes the maturity profile of the Golf Club's financial assets to provide a complete view of the Golf Club's contractual commitments and liquidity.

	2020			Total
	Due and Demandable	Within 1 Year	More than 1 Year	
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱139,781,660	₱-	₱-	₱139,781,660
Receivables:				
Related parties	136,608,575	-	-	136,608,575
Members	-	48,204,909	-	48,204,909
Others	-	6,004,712	-	6,004,712
	276,390,235	54,209,621	-	330,599,856

Forward



	2020			Total
	Due and Demandable	Within 1 Year	More than 1 Year	
Financial Liabilities				
Accounts payable and other current liabilities:				
Trade payables	₱–	₱8,356,068	₱–	₱8,356,068
Related parties	5,226,053	–	–	5,226,053
Accrued expenses	–	6,806,738	–	6,806,738
Refundable deposits	–	7,452,064	–	7,452,064
Auctioned membership liability	–	7,288,184	–	7,288,184
Retention payable	–	1,688,272	–	1,688,272
Concessionaires	–	1,329,016	–	1,329,016
Others	–	12,424,961	–	12,424,961
	5,226,053	45,345,303	–	50,571,356
Liquidity position (gap)	₱271,164,182	₱8,864,318	₱–	₱280,028,500

	2019			Total
	Due and Demandable	Within 1 Year	More than 1 Year	
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱160,806,112	₱–	₱–	₱160,806,112
Receivables:				
Related parties	121,801,169	–	–	121,801,169
Members	–	40,758,533	–	40,758,533
Others**	–	4,554,921	–	4,554,921
	282,607,281	45,313,454	–	327,920,735
Financial Liabilities				
Accounts payable and other current liabilities:				
Trade payables	–	26,795,489	–	26,795,489
Related parties	14,448,503	–	–	14,448,503
Auctioned membership liability	–	9,318,897	–	9,318,897
Refundable deposits	–	9,026,081	–	9,026,081
Accrued expenses	–	7,626,558	–	7,626,558
Retention payable	–	4,334,058	–	4,334,058
Concessionaires	–	1,556,008	–	1,556,008
Others	–	4,171,088	–	4,171,088
Loans payable*	–	809,502	–	809,502
	14,448,503	63,637,681	–	78,086,184
Liquidity position (gap)	₱268,158,778	(₱18,324,227)	₱–	₱249,834,551

* Including future interest payments amounting to ₱17,514 as at December 31, 2019.

**Excluding advances for liquidation amounting ₱64,821 as at December 31, 2019.

Credit Risk

Credit risk is most likely limited to the risk arising from the inability of a debtor to make payments when due. The Golf Club trades only with recognized and creditworthy third parties. It is the Golf Club's practice that all members are subject to credit verification procedures.

The Golf Club's exposure to credit risk is related primarily to the collection of members' monthly dues and receivable from related parties. The Golf Club's policy is to monitor the receivable balances on an ongoing basis, which causes the exposure to bad debts to be insignificant. The Golf Club has also the option to put into auction members' proprietary shares in case of non-payment of members account.

As at December 31, 2020 and 2019, credit risk is concentrated on the Golf Club's receivable from related parties or 71.43% and 72.80% of total receivables, respectively (see Note 6).



The table below shows the maximum exposure to credit risk for the Golf Club's financial assets as at December 31, 2020 and 2019, without taking account of any collateral and other credit enhancements:

	Gross Maximum Exposure ⁽¹⁾		Net Maximum Exposure ⁽²⁾	
	2020	2019	2020	2019
Cash and cash equivalents*	₱138,670,960	₱159,288,891	₱137,005,126	₱157,578,960
Receivables:				
Related parties	136,608,575	121,801,169	136,608,575	121,801,169
Members	48,204,909	40,758,533	–	–
Others**	6,004,712	4,554,921	6,004,712	4,554,921
	₱329,489,156	₱326,403,514	₱279,618,413	₱283,935,050

⁽¹⁾ Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements or insurance in case of bank deposits and fair market value of club shares in case of receivable from members.

⁽²⁾ Gross financial assets after taking into account any collateral held or other credit enhancements or offsetting arrangements or insurance in case of bank deposits and fair market value of club shares in case of receivable from members.

*Excluding cash on hand amounting to ₱1,110,700 and ₱1,517,221 as at December 31, 2020 and 2019, respectively.

**Excluding advances for liquidation amounting ₱64,821 as at December 31, 2019, respectively

The table below shows the aging analysis of the Golf Club's financial assets as at December 31, 2020 and 2019:

	2020							
	Neither Past Due nor Impaired	Past Due but not Impaired				Subtotal	Provision for ECL	Total
		1–30 Days	31–60 Days	Over 60 Days				
Cash and cash equivalents*	₱138,670,960	₱–	₱–	₱–	₱–	₱–	₱138,670,960	
Receivables:								
Related parties	136,608,575	–	–	–	–	–	136,608,575	
Members	24,760,371	2,858,511	17,873,042	2,712,985	49,821,505	808,298	49,013,207	
Others	6,004,712	–	–	–	–	–	6,004,712	
	₱306,044,618	₱2,858,511	₱17,873,042	₱2,712,985	₱49,821,505	₱808,298	₱330,297,454	

	2019							
	Neither Past Due nor Impaired	Past Due but not Impaired				Subtotal	Provision for ECL	Total
		1–30 Days	31–60 Days	Over 60 Days				
Cash and cash equivalents*	₱159,288,891	₱–	₱–	₱–	₱–	₱–	₱159,288,891	
Receivables:								
Related parties	121,801,169	–	–	–	–	–	121,801,169	
Members	9,327,316	11,810,423	5,729,184	13,891,610	31,431,217	486,032	41,244,565	
Others**	4,619,742	–	–	–	–	–	4,619,742	
	₱295,037,118	₱11,810,423	₱5,729,184	₱13,891,610	₱31,431,217	₱486,032	₱326,954,367	

*Excluding cash on hand amounting to ₱1,517,221 as at December 31, 2019.

**Excluding advances for liquidation amounting to ₱64,821 as at December 31, 2019.

Credit Quality

The financial assets of the Golf Club are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.



Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

The table below shows the credit quality of the Golf Club's financial assets that are neither past due nor impaired as at December 31 based on historical experience with the corresponding third parties:

	2020		
	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL	
Cash and cash equivalents*	₱138,670,960	₱-	₱138,670,960
Receivables:			
Members	27,618,882	20,586,027	48,204,909
Others	6,004,712	-	5,983,486
	₱172,294,554	₱20,586,027	₱192,859,355

*Excluding cash on hand amounting to ₱1,110,700 as at December 31, 2020.

	2019		
	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL	
Cash and cash equivalents*	₱159,288,891	₱-	₱159,288,891
Receivables:			
Members	21,137,739	19,620,794	40,758,533
Others**	4,619,742	-	4,619,742
	₱185,046,372	₱19,620,794	₱204,667,166

*Excluding cash on hand amounting to ₱1,517,221 as at December 31, 2019.

**Excluding advances for liquidation amounting ₱64,821 as at December 31, 2019.

Capital Management

The primary objective of the Golf Club's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize member value.

The Golf Club manages the capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Golf Club may increase monthly membership dues. There were no changes made in the objectives, policies or processes for the year ended December 31, 2020 and 2019.

The Golf Club considers the following as its capital:

	2020	2019
Proprietary certificates	₱532,500,000	₱532,500,000
APIC	1,810,633,418	1,810,633,418
Deficit	(686,493,882)	(681,164,062)
	₱1,656,639,536	₱1,661,969,356

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

The debt-to-equity ratio as at December 31 is as follows:

	2020	2019
Total liabilities (a)	₱91,505,508	₱142,460,498
Total members' equity (b)	1,653,781,887	1,660,423,922
Debt-to-equity ratio (a/b)	0.06:1	0.09:1



22. Fair Values

The carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities (excluding membership dues collected in advance and statutory payables) and loans payable approximate their fair values due to the short-term nature and maturities of the transactions. For refundable deposits (included as part of "Other noncurrent assets" account in the statements of financial position), these are carried at cost less allowance for any impairment loss due to the unpredictable nature of future cash flows and lack of suitable methods for arriving at reliable fair value.

In 2020, the Golf Club performed impairment testing and determined the recoverable amount to be FVLCTS. The Golf Club used the adjusted net asset approach, which requires the estimation of indicative equity value among others, in determining the FVLCTS. The Golf Club used its quoted price to determine the indicative equity value, which was used as the starting point to compute for the nonfinancial assets' operating value. The Golf Club's published quoted price is classified as Level 2 considering the volume or level of activity and sizes of transactions. There is no expectation of significant adjustments to the quoted prices as there is no significant change in the economic circumstances of the club shares. Accordingly, the Golf Club classifies the calculated FVLCTS of its nonfinancial assets as under Level 2.

23. Significant Agreements

Reciprocity Agreement

On August 24, 2001, the Golf Club entered into a Reciprocity Agreement with Mission Hills Golf Club (Mission Hills) located in Shenzhen, Guangdong Province, People's Republic of China whereby Golf Club members will be allowed to enjoy and use the Mission Hills' facilities, subject to Mission Hills' rules and regulations, and Mission Hills' members will be allowed to use the Golf Club's facilities, subject to the Golf Club's rules and regulations. This agreement shall remain in effect until mutually terminated by the parties.

Golf Course Maintenance Agreement

The Golf Club and THIGCI entered into a Golf Course Maintenance Agreement with Pacific Links Golf Development, Inc. (formerly known as Sta. Elena Properties, Inc.) for the maintenance of the Golf Club's golf course and related facilities up to August 2011. In 2016, they entered into a new contract with Golfforce Inc. which started in June 2016 until May 31, 2020. Repairs and maintenance and outside services recognized by the Golf Club amounted to ₱3,349,246, ₱18,980,449 and ₱13,376,887 in 2020, 2019 and 2018, respectively.

In 2020, the Club entered into another contract with VMJ Evergreen Golf Maintenance and Construction Corp. wherein VMJ shall perform maintenance, landscaping and ground keeping services on the golf course areas with a term effective for (5) years beginning May 24, 2020 until May 24, 2025. Repairs and maintenance and outside services recognized by the Golf Club in 2020 amounted to ₱13,633,929.

Contract Services

The Golf Club, THIGCI and TCCTHI entered into a Service Agreement (SA) with Kares International Commodities & Manpower Services Corp. (KARES) wherein Kares shall provide manpower for various projects, hotels and related services required by the Clubs. The term of the SA is effective one year beginning December 1, 2019 to November 30, 2020 and was renewed for 1 year beginning December 1, 2020 to November 30, 2021. Outside services recognized by the Golf Club amounted to ₱10,501, ₱543,577 and ₱91,557 in 2020, 2019 and 2018, respectively.



The Golf Club entered into a contract with Lifeline Ambulance Rescue, Inc. (Lifeline) wherein Lifeline will provide a dedicated ambulance standby to respond to any medical emergencies within the Club. The term of the MOA is effective from August 16, 2017 to August 15, 2020 and was renewed for 2 years beginning August 16, 2020 to August 15, 2022. Standby ambulance fees recognized by the Golf Club amounted to ₱785,417, ₱780,952 and ₱546,577 in 2020, 2019 and 2018, respectively.

Security Services

The Golf Club entered into a SA with Anthony Saint Security and Investigation Agency (SASIA) wherein SASIA will provide security and safety services to the Club. The term of the SA is effective for three years beginning August 1, 2017 to July 31, 2020. The contract was extended until December 31, 2020.

The Golf Club entered into a SA with Eagle Corinthians Integrated Security, Inc. (EAGLECOR) wherein EAGLECOR will provide security and safety services to the Club. The term of the SA is effective for three years beginning August 1, 2017 to July 31, 2020.. The contract was renewed until December 31, 2022.

Security services that had been recognized by the Golf Club amounted to ₱5,648,783, ₱6,108,342 and ₱6,849,357 in 2020, 2019 and 2018, respectively.

Maintenance Services

The Golf Club entered into a Memorandum of Agreement (MOA) with Golforce, Inc. (referred to as the “Contractor”) wherein the Contractor will provide manpower and maintenance services (specifically cleaning, gardening and landscaping services) to the Golf Club. The term of the MOA shall be for a period of four (4) years beginning October 1, 2016 to September 30, 2020, renewable for an additional term of two (2) years at the option of the Golf Club. Their contract was terminated on April 23, 2020. Repairs and maintenance and outside services recognized by the Golf Club amounted to ₱10,851,144, ₱6,884,773 and ₱5,665,168 in 2020, 2019 and 2018, respectively.

The Golf Club entered into an agreement with Creative Proverbs Enterprises, that will provide all the facilities and building maintenance needs of the Golf Club such as maintenance tools and equipment, supply of all specified materials and also, the Management, supervision and personnel with full authority. The term of the contract was effective for two (2) years beginning on November 16, 2016 and extended until November 15, 2019. The Golf Club renewed the contract with a term effective for one (1) year beginning June 1, 2020 until May 31, 2021. Facilities and building maintenance recognized by the Golf Club amounted to ₱2,300,386, ₱3,024,762 and ₱2,888,039 in 2020, 2019 and 2018, respectively.

The Golf Club entered into a janitorial and sanitation service agreement with Help U Clean Systems, Inc. The term of contract was effective for one (1) year beginning on December 1, 2016 and renewed until November 30, 2020. Their contract was terminated effective April 16, 2020 and was renewed for 1 year beginning October 16, 2020 to October 15, 2021. Janitorial and sanitation service recognized by the Golf Club amounted to ₱561,717, ₱2,738,425 and ₱2,577,221 in 2020, 2019 and 2018, respectively.

The Golf Club entered into a Contract Agreement with Belle Corporation wherein the latter will provide labor, supervision, common tools, troubleshooting and other maintenance services to the Golf Club. The contract shall be for a period of one (1) year from January 1, 2019 to December 31, 2019 and renewable every year thereafter, unless written termination is served. Repairs and maintenance recognized by the Golf Club amounted to ₱35,606,939 and ₱24,479,029 in 2020 and 2019, respectively.



Lease

The Golf Club has lease agreement with Belle for the lease of its staff house. The lease term is mutually renewed every year, unless written notice of termination or cancellation is served by either party to the other at least 30 days in advance. The Golf Club's obligations under its leases are secured by the lessor's title to the leased assets. As stated in the contract, the Golf Club shall be the sole custodian of the leased assets.

The Golf Club also leases a five-door and eight-door building with lease terms of 12 months or less and leases of office equipment that is of low value. The Golf Club applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Cell Site

The Golf Club has entered into a MOA with Smart Communications, Inc. (Smart), wherein Smart will lease the land owned by the Golf Club for cell sites situated in the area. The agreement is effective from August 12, 2013 until August 11, 2023 unless earlier terminated and may be renewed for a period to be mutually agreed upon by both parties. Cell site rental income recognized by the Golf Club amounted to ₱204,840, ₱208,929 and ₱204,840 in 2020, 2019 and 2018, respectively.

Concession

The Golf Club entered into a Concession Contract with RMD Food Corporation wherein the latter will provide food and beverage, or complete restaurant amenities at Midlands Golfers Lounge. The contract shall be for a period of two (2) years from August 1, 2019 to July 31, 2020 and renewable upon mutual agreement of the parties subject to 10% increase on concessionaire's fee. Commission income from the concession contract with RMD amounted to ₱320,729, ₱284,214 and nil in 2020, 2019 and 2018.

The Golf Club entered into a concession agreement with La-Carte Canteen wherein La-Carte will provide quality and affordable food for the Club's cafeteria. The agreement is effective from May 7, 2019 to May 6, 2020 and was renewed for 1 year beginning May 7, 2020 to May 6, 2021. Food and meal expenses recognized by the Golf Club amounted to ₱74,955 and nil in 2020 and 2019.

The Golf Club entered into a concession agreement with Natividad's Canteen wherein Natividad will provide quality and affordable food for the Club's cafeteria. The agreement is effective from April 25, 2019 to April 24, 2020 and was renewed for 1 year beginning April 25, 2020 to April 24, 2021. Food and meal expenses recognized by the Golf Club amounted to ₱37,380 and nil in 2020 and 2019.

24. Changes in Liabilities Arising from Financing Activities

2020				
	January 1, 2020	Additions	Cash Flows Used	December 31, 2020
Loans payable (Notes 12 and 21)	₱791,988	₱-	(₱791,988)	₱-
Interest payable (Note 12)	605	17,514	(18,119)	-
Total liabilities from financing activities	₱792,593	₱17,514	(₱810,107)	₱-
2019				
	January 1, 2019	Additions	Cash Flows Used	December 31, 2019
Loans payable (Notes 12 and 21)	₱3,293,719	₱-	(₱2,501,731)	₱791,988
Interest payable (Note 12)	8,196	157,180	(164,771)	605
Total liabilities from financing activities	₱3,301,915	₱157,180	(₱2,666,502)	₱792,593



25. Other Matter

Subsequent event: Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, President Rodrigo Duterte signed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Golf Club:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2011 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Golf Club would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

Based on the provisions of Revenue Memorandum Circular (RMC) No. 50-2021, dated April 5, 2021 issued by the BIR, the prorated CIT rate of the Golf Club for CY2020 is 27.5%. The provisions of the CREATE Act did not have an impact on the current income tax and income tax payable for the year ended December 31, 2020. However, this will result in lower deferred tax assets and liabilities as of December 31, 2020 by ₱154,764. These reductions will be recognized in the 2021 Golf Club's financial statements.

Continuing COVID-19 pandemic

In a move to contain the COVID-19 outbreak, on March 16, 2020, the Office of the President of the Philippines issued Proclamation No. 929, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020 which was subsequently extended until May 15, 2020. On May 12, 2020, this was further extended into a modified enhanced community quarantine, wherein certain implementing rules have been relaxed.



The community quarantine classification in the vicinity of the Gold Club was subsequently extended or changed as follows:

Classification	Effectivity
General community quarantine	June 1 to August 31, 2020
Modified enhance community quarantine	September 1 to December 31, 2020
Enhanced community quarantine	January 1 to March 28, 2021
Modified enhance community quarantine	March 29, 2021 to April 11, 2021
General community quarantine	April 12, 2021 to May 14, 2021
	May 15 to May 31, 2021

COVID-19 has caused unprecedented impact to the Golf Club's operations due to mandatory quarantine periods, community lockdowns, restrictions on mobility and domestic and international travel, events cancellations, social distancing guidance and fear of spread, which drives down hospitality, travel and tourism for business and leisure leading to sharp decline in hotel occupancies and revenues resulting to significant losses. Currently, the Golf Club operates at allowed capacity by the local government unit of Cavite. The Golf Club also institutionalized heightened cleanliness standards and invested in contactless technologies to minimize health and safety risks. While ensuring business continuity, employee welfare and protection remained of utmost priority with the adoption of remote work arrangements and a digital workplace.

The Golf Club is cognizant of COVID-19's potential material impact on its financial performance, the execution of its plans and strategies, and its customers and employees should the situation persist in the longer-term. Nevertheless, the Golf Club expects to regain its significant foothold in the market it operates in as movement restrictions ease and as consumer sentiment recovers. Furthermore, despite unprecedented headwinds, the Golf Club's financial position remains stable.

26. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

The BIR has issued RR No. 15-2010 which requires certain tax information to be disclosed in the notes to financial statements. The Golf Club presented the required supplementary tax information as a separate schedule attached to its annual income tax return.



INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Tagaytay Midlands Golf Club, Inc.
Brgy. Tranca, Talisay, Batangas

We have audited the accompanying financial statements of Tagaytay Midlands Golf Club, Inc. (a nonprofit corporation) (the Golf Club) as at December 31, 2020 and for the year then ended, on which we have rendered the attached report dated May 28, 2021.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Golf Club has only one (1) stockholder owning more than one hundred (100) shares.

SYCIP GORRES VELAYO & CO.

Bienvenido M. Rebullido II

Bienvenido M. Rebullido II

Partner

CPA Certificate No. 0119460

SEC Accreditation No. 1801-A (Group A),

December 17, 2019, valid until December 16, 2022

Tax Identification No. 248-415-617

BIR Accreditation No. 08-001998-136-2020,

February 20, 2020, valid until February 19, 2023

PTR No. 8534352, January 4, 2021, Makati City

May 28, 2021

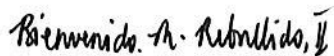


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Members and the Board of Directors
Tagaytay Midlands Golf Club, Inc.
Brgy. Tranca, Talisay, Batangas

We have audited in accordance with Philippine Standards on Auditing the financial statements of Tagaytay Midlands Golf Club, Inc. (a nonprofit corporation) (the Golf Club) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated May 28, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Golf Club's management. These schedules are presented for the purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Bienvenido M. Rebullido II
Partner

CPA Certificate No. 0119460

SEC Accreditation No. 1801-A (Group A),
December 17, 2019, valid until December 16, 2022

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February 20, 2020, valid until February 19, 2023

PTR No. 8534352, January 4, 2021, Makati City

May 28, 2021



TAGAYTAY MIDLANDS GOLF CLUB, INC.
Index to the Financial Statements and Supplementary Schedules
December 31, 2020

Schedule I: Financial soundness indicators

Schedule II: Supplementary schedules

Re: Tagaytay Midlands Golf Club, Inc_SEC Form 17-A_01June2021

ICTD Submission [ictdsubmission+canned.response@sec.gov.ph]

Sent: Tuesday, June 01, 2021 5:01 PM

To: Mariel Eve Manimtim

Dear Customer,

SUCCESSFULLY ACCEPTED

(subject to verification and review of the quality of the attached document)

Thank you.

SEC ICTD.

A 1 9 9 7 - 9 1 9 6
S.E.C. Registration Number

T A G A Y T A Y M I D L A N D S
G O L F C L U B , I N C .

(Company's Full Name)

B R G Y . T R A N C A T A L I S A Y B A T A N G A S

(Business Address: No. Street City / Town / Province)

Mr. A. Bayani K. Tan
Contact Person
632-0905
Company Telephone Number

1 2 - 3 1
Month Day
Calendar Year

1 7 - A
FORM TYPE

0 5 - 3 0
Month Day
Annual Meeting

N/A
Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

2,554
Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)
Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Calendar Year Ended December 31, 2020

TABLE OF CONTENTS

		Page No.
PART I	BUSINESS AND GENERAL INFORMATION	
Item 1	Business	1
Item 2	Properties	3
Item 3	Legal Proceedings	3
Item 4	Submission of Matters to a Vote of Security Holders	3
PART II	OPERATIONAL AND FINANCIAL INFORMATION	4
Item 5	Market for Issuer's Common Equity and Related Stockholder Matters	4
Item 6	Management's Discussion, Analysis	5
Item 7	Financial Statements	12
Item 8	Changes in and Disagreement with Accountants on Accounting and Financial Disclosure	12
PART III	CONTROL AND COMPENSATION INFORMATION	14
Item 9	Directors and Executive Officers	14
Item 10	Executive Compensation	18
Item 11	Security Ownership of Management	18
Item 12	Certain Relationships and Related Transactions	20
PART IV	CORPORATE GOVERNANCE	21
Item 13	Corporate Governance	21
PART V	EXHIBITS AND SCHEDULES	22
Item 14	Exhibits and SEC Report on SEC Form 17-C	22
	SIGNATURES	23
	INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES	25
	INDEX TO EXHIBITS	31

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the Twelve months ended **31 December 2020**
2. SEC Identification Number: **A1997-9196** 3. BIR Tax Identification Number: **005-008-526-000**
4. Exact name of issuer as specified in its charter **Tagaytay Midlands Golf Club, Inc**
5. **Makati, Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Brgy. Tranca, Talisay, Batangas** **4220**
Address of principal office Postal Code
8. Registrant's telephone number, including area code: **(046) 413-3808**
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year,
if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information
on number of shares and amount of debt is applicable only to corporate registrants):
- | <u>Title of Each Class</u> | <u>Number of Shares of Common Stock Outstanding
and Amount of Debt Outstanding</u> |
|----------------------------|--|
| Proprietary Shares | 6,000 |
11. Are any or all of Registrant's securities listed on a Stock Exchange?
[] Yes [X] No
12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or
Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code
of the Philippines during the preceding 12 months (or for such shorter period that the registrant was
required to file such reports);
[] Yes [X] No

(b) has been subject to such filing requirements for the past 90 days.
[] Yes [X] No
13. Aggregate market value of voting stock held by non-affiliates: **₱ 2,471,200,000**
- APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**
14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the SRC
subsequent to the distribution of securities under a plan confirmed by a court or the SEC. **NOT APPLICABLE**

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Tagaytay Midlands Golf Club, Inc. (Golf Club) was incorporated on June 10, 1997 as an exclusive membership club operating on a non-profit basis. Its primary purpose is to promote social, recreational and athletic activities among its shareholders on a non-profit basis, the nucleus of which will be the construction, development, and maintenance of golf course and other sports and recreational facilities.

The Golf Club entered into a Development Agreement (DA) with Belle Corporation (Belle) for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The project cost in accordance with the amended DA will no less than be P2.65 billion. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progresses will be at a ratio of one club share for every pre-agreed amount of development cost, inclusive of the initial capital contribution. The excess of such development cost over the Golf Club's entire capital stock value shall constitute additional paid-in capital of the Golf Club. As of December 31, 2020, the Golf Club has a 27-hole championship golf course.

For the development of the Golf Club's golf course, Belle Corporation (Belle), as the developer thereof, has contracted the American golf architect, Richard Bigler, to design the Golf Club's all-weather golf course. Given the Golf Club's gentler terrain, Bigler designed the golf course as a walking course, designed for normal golf from the front tees yet suitable for top-level international tournament play from the tournament tees.

The degree of competition in the industry varies considerably by sector and geography. Belle, the Golf Club's developer, competes with other developers for purchase of land. Although there are other clubs engaged in the same line of business as the Golf Club, such clubs do not have the facilities being offered by the Golf Club such as the country's first Funicular System, an all-weather and world-class championship golf course which features a two-hectare man-made lake and a golf clubhouse with an unobstructed view of the majestic Taal Volcano. One of the highlights of being a member at the Golf Club is the reciprocity arrangement with Tagaytay Highlands. The Golf Club members are entitled to the use of Tagaytay Highlands facilities and vice versa.

The Golf Club started commercial operations on April 16, 2000. The 5,200 sq. m. Golf Clubhouse, which opened to the members in November 1999, houses the 70-seater Golfer's Lounge which is exclusive for golfers only; The Veranda, a 170-seater restaurant serving continental and Filipino cuisine, overlooking the majestic Taal Lake; a pro shop; and male & female locker rooms equipped with steam and massage rooms.

Bankruptcy, Receivership or Similar Proceedings

The Midlands Golf Club has not been involved in any bankruptcy, receivership or similar proceedings for the past three (3) years.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

The Midlands Golf Club has not engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets (not ordinary) for the past three (3) years.

Competition

There is no formal or organized secondary market for the purchase and sale of golf and country club shares in the Philippines. As such, holders of shares in the Golf Club who may wish to sell or dispose of their shares in the Golf Club may not readily find a counterparty for the transaction at the desired asking price. At present, there is a growing number of golf and country clubs being established in various parts of the country. This may affect appreciation in the value of investment in the Golf Club.

Investments in leisure-oriented developments such as golf and country clubs are influenced by the economic and political conditions in the country. Any adverse economic and political developments in the country may affect the demand for such leisure facilities, and any anticipated appreciation in the prices of golf and country club shares.

Although there are other clubs engaged in the same line of business, the Golf Club has the only funicular system in the Philippines which has 48 seats.

Sources and availability of raw materials

The Golf Club's principal suppliers include Werdenberg International Corporation, ESV International Corporation, JC Seafoods Supply previously Charles Seafoods Supply, RGL 33 Fruits & Vegetable Dealer, and Delos Reyes Trading. There are no existing major supply contracts entered into by the Club.

Transactions with and/or dependence on related parties

In the ordinary course of business, the Golf Club has transactions with affiliates which consist mainly of usage of Golf Club's facilities and services as well as reimbursement of operating expenses such as utilities, contract services and repairs and maintenance.

Government Regulations

The Golf Club has complied with licensing and regulatory requirements necessary for its development and operations.

Compliance with Environmental Laws

The Golf Club has complied with pertinent environmental laws and regulations and has received the Environmental Certificate Clearance issued by the Department of Energy and Natural Resources.

Employees

The Golf Club is run by a team of regular employees as follows:
Regular Employees*

GM & Department Heads

19

Supervisors	34
Rank and File	<u>27</u>
TOTAL	<u>80</u>

* based on head count as of December 31, 2020

All regular rank and file employees are subject to the Collective Bargaining Agreement which expires in June 30, 2024.

There has been no strike brought about by the Golf Club's employees in the past twenty (20) years.

Major Business Risks

The Golf Club has been sustaining its operational requirements through the collection of monthly dues from each member and the operation of restaurants and golf facilities. The Golf Club has no foreign currency exposures or obligations that will have a material impact on its short-term or long-term liquidity due to the depreciation of the peso. During the early part of the COVID-19 pandemic, the Club was experiencing reduced consumer demand owing to lost income and/or restrictions on consumers' ability to move freely and limitation of the Club's activities such as Country tournament, wedding, and corporate events. When the government announced a more relaxed community quarantine, the Club's revenues are picking up and are expected to return to its normal earning stream within the next one to two years.

Item 2. Properties

The Golf Club is located in Tranca Talisay, Batangas. The Club has complete ownership over the property. In addition, certain transportation equipment of the Golf Club are mortgaged as a security for the Golf Club's loans payable. There are no limitations as to the ownership brought about by the terms and conditions of any encumbrances.

The principal properties include the 27-hole golf course incorporating a man-made lake, the Golf Clubhouse which houses two restaurants, a pro shop and Administrative Offices, and the 48-seater funicular system.

Item 3. Legal Proceedings

As of the year ended December 31, 2020, there is no material pending legal proceedings which the Golf Club is a party to.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of the shareholders during the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Proprietary Shares

The Golf Club has authorized and subscribed 6,000 proprietary shares, of which 66.80% is owned by Belle Corporation and the remaining shares are owned by other club members. There are 2,554 holders of the Golf Club's proprietary shares.

The top 20 shareholders are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES	%
Belle Corporation	3,557	66.80%
Highlands Prime, Inc.	29	0.54%
Klaas Holdings Corp.	5	0.09%
Northwest Development Corporation	5	0.09%
Solid Manila Corp.	4	0.08%
Lancor Realty & Development Corp.	3	0.06%
Ajinamoto Philippines Corp.	3	0.03%
Yek Holdings, Inc.	3	0.06%
Nikkoshi Philippines Corp.	3	0.06%
Others	2,388	44.85%
Grand Total	6,000	100.00%

Market Value of Security

Below are the high and low bid prices for the past three (3) years based on newspaper publications:

	HIGH	LOW
Quarter ended March 2018	550,000	500,000
Quarter ended June 2018	650,000	500,000
Quarter ended September 2018	650,000	500,000
Quarter ended December 2018	650,000	500,000
Quarter ended March 2019	650,000	650,000
Quarter ended June 2019	650,000	650,000
Quarter ended September 2019	730,000	650,000
Quarter ended December 2019	750,000	700,000
Quarter ended March 2020	820,000	700,000
Quarter ended June 2020	820,000	800,000
Quarter ended September 2020	750,000	700,000
Quarter ended December 2020	800,000	700,000

The Golf Club's securities are not traded in the Philippine Stock Exchange.

Dividends

The Golf Club does not declare dividends. In accordance with the Golf Club's Articles of Incorporation and By-Laws, no profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Golf Club at the time of the dissolution or liquidation of the Golf Club.

Recent Sales of Unregistered or Exempt Securities

All the Club's securities are registered under the Securities Regulation Code. The Golf Club issued 587 shares to Belle for the construction and development costs of the additional nine holes on 2019. Moreover, there was no sale of reacquired securities, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities for the past three (3) years.

Item 6. Management's Discussion and Analysis (MD&A)

Results of Operation

December 2020 compared to December 2019

REVENUES

Gross revenue for the year December 31, 2020 decreased by ₱32.50 million or 13.09% from ₱ 248.35 million as of December 31, 2019 to ₱215.85 million for the same period of 2020. The decrease in revenue is due to the following: decrease in food, beverage, and sundry by ₱ 10.59 million or 54.23% from ₱19.52 million in 2019 to ₱8.93 million in 2020; green fees by ₱ 15.26 million or 63.02% from ₱24.21 million in 2019 to ₱8.95 million in 2020; and decrease on golf cart, locker rental and others by ₱8.72 million or 52.53% from ₱16.60 million in 2019 to ₱7.88 million in 2020. On the other hand, membership dues increased by ₱2.07 million or 1.10% from activation of membership for the year.

COST AND OPERATING EXPENSES

The cost and operating expenses showed a decrease of ₱56.25 million or 19.01% from ₱ 295.86 million for the year ended December 31, 2019 to ₱239.61 million for the year ended December 31, 2020 which is mainly due to decrease of the following: salaries, wages and employee benefits by ₱9.57 million or 14.11% from ₱67.79 million in 2019 to ₱58.23 million in 2020; repairs and maintenance by ₱11.43 million or 27.67% from ₱41.29 million in 2019 to ₱ 29.87 million in 2020; communication, light and water by ₱9.56 million or 33.16% from ₱28.82 million in 2019 to ₱19.27 million in 2020; taxes and licenses by ₱3.13 million or 20.81% from ₱ 15.02 million in 2019 to ₱11.89 million in 2020; outside services by ₱1.66 million or 9.39% from ₱ 17.35 million in 2019 to ₱16.09 million in 2020; club tournament expenses by ₱6.54 million or 96.25% from ₱6.79 million in 2019 to ₱0.254 million in 2020; food, beverage and sundry cost by ₱1.99 million or 17.34% from ₱11.49 million in 2019 to ₱9.50 million in 2020; supplies by ₱2.52 million or 37.68% from ₱6.69 million in 2019 to ₱4.17 million in 2020; bank charges, fuel and oil, laundry, insurance, entertainment, amusement and recreation, transportation and travel, waste disposal and caddy expenses by ₱4.31 million or 30.72% from ₱14.02 million in 2019 to ₱ 9.71 million in 2020; lastly due to decrease in miscellaneous expenses by ₱2.82 million or 23.82% from ₱11.82 million in 2019 to ₱9.01 million in 2020. On the other hand, there is an increase in share in common expenses by ₱5.37 million or 266.43% from ₱2.02 million in 2019 to ₱7.39 million in 2020.

NET INCOME

The Club's operation in 2020 resulted to a net loss of ₱5.33 million as compared to 2019 net loss of ₱11.29 million.

December 2019 compared to December 2018

REVENUES

For the year ended December 31, 2019, revenue of ₱248.35 million increased by ₱46.08 million or 23% as compared to December 31, 2018 revenue of ₱202.27. The increase in revenue is due to the following: membership dues increased by ₱54.15 million or 40% from activation of membership for the year; clubhouse operations like food and beverage and sundries increase by ₱0.56 million or 3% from ₱18.96 million in 2018 to ₱19.52 million in 2019. On the other hand, green fees, golf cart, locker rental and others showed a decrease of ₱8.64 million or 17.04% from ₱50.71 million in 2018 to ₱45.33 million in 2019 due to the decrease in number of registered golfers by 16,311 or 42.39%, from 38,477 in 2018 to 22,166 in 2019.

COST AND OPERATING EXPENSES

The cost and operating expenses showed an increase of ₱73.15 million or 32.84% from ₱ 222.72 million for the year ended December 31, 2018 to ₱295.86 million for the year ended

December 31, 2019 which is mainly due to increase in communication, light and water by ₱7.13 million or 33% from ₱21.70 million in 2018 to ₱28.82 million in 2019 due to higher water consumption in golf course irrigation and water consumption in third nine holes. Moreover, salaries, wages and employee benefits increase by ₱16.83 million or 33% from ₱50.96 million for the year ended December 31, 2018 to ₱67.79 million for the year ended December 31, 2019. Also repairs and maintenance, outside services and food, beverage, and sundry cost increase by ₱18.66 million or from ₱51.47 million in 2018 to ₱70.13 million in 2019. Taxes and licenses also increase by ₱1.96 million or 15% from ₱13.06 million for the year ended December 31, 2018 to ₱15.02 million for the year ended December 31, 2019 due to increase in Real property tax by ₱1.57 million or 11.53%. Club tournament expense and supplies increase by ₱2.93 million or 27.99% from ₱10.54 million for the year ended December 31, 2018 to ₱13.46 million for the year ended December 31, 2019. On the other hand, there is a decrease in Interest expense by ₱0.29 million or 64.73% from ₱0.45 million for the year ended December 31, 2018 to ₱0.16 million for the year ended December 31, 2019.

NET INCOME

The Club's operation in 2019 resulted to a net loss of ₱11.29 million as compared to 2018 net income of ₱12.76 million.

December 2018 compared to December 2017

REVENUES

For the year ended December 31, 2018, revenue of ₱202.27 million increased by ₱7.98 or 4.11% as compared to December 31, 2017 revenue of ₱194.29. The increase in revenue is due to the following: membership dues increased by ₱4.77 million or 3.70% from activation of membership for the year; clubhouse operations like green fees, golf cart, locker rental and others showed an increase of ₱3.62 million or 14.64% from ₱45.84 million in 2017 to ₱49.45 million in 2018 due to the increase in number of registered golfers by 1,061 or 2.84%, from 37,416 in 2017 to 38,477 in 2018. Food and beverage and sundries decreased by ₱0.41 million or 2.11% from ₱19.36 million in 2017 to ₱18.96 million in 2018. Also, other income posted a net decrease of ₱0.08 million or 0.14% from ₱34.91 million in 2017 to ₱34.86 million in 2018.

COST AND OPERATING EXPENSES

The cost and operating expenses showed an increase of ₱2.90 million or 1.32% from ₱219.82 million for the year ended December 31, 2017 to ₱222.72 million for the year ended December 31, 2018 which is mainly due to increase in communication, light and water by ₱3.91 million or 21.97% from ₱17.79 million in 2017 to ₱21.70 million in 2018 due to higher water consumption in golf course irrigation. Moreover, taxes and licenses, club tournament expense and provision for tax deficiency increase by ₱0.05 million or 0.26% from ₱18.51 million in 2017 to ₱18.56 million in 2018 due to increase in real property tax by ₱0.17 million or 1.41%. On the other hand, salaries, wages and employee benefits posted a decrease by ₱0.23 million or 0.45% from ₱51.19 million in 2017 to ₱50.96 million in 2018. Repairs and maintenance also decrease by ₱0.83 million or 2.65% from ₱31.40 million in 2017 to ₱30.56 million in 2018 due to decrease in landscaping contract service. Outside services also posted a decrease of ₱1.10 million or 7.30% from ₱15.09 million in 2017 to ₱13.99 million in 2018 mainly due to decrease in security services by ₱0.75 million or 9.34%. Likewise, supplies, insurance, laundry and entertainment, amusement & recreation (EAR) and miscellaneous expense showed a decrease of ₱2.86 million or 12.11% from ₱23.60 million in 2017 to ₱20.73 million in 2018. Meanwhile, fuel & oil and bank charges increase by ₱0.63 million or 14.40% from ₱4.40 million in 2017 to ₱5.03 million in 2018.

NET INCOME

The Club's operation in 2018 resulted to a net income of ₱18.31 million which is ₱7.32 million or 66.65% higher as compared to 2017.

Financial Condition and Changes in Financial Condition

December 2020 compared to December 2019

ASSETS

The Golf club has current ratio of ₱4.84 for each peso of current liabilities as at December 31, 2020 as compared to ₱3.10 as at December 31, 2019. The increase in the current ratio was brought about by the decrease in current liabilities by ₱44.74 million, from ₱124.84 million in 2019 to ₱80.10 million in 2020.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by ₱21.02 million or 13.07% from ₱160.81 million as at December 31, 2019 to ₱139.78 million as at December 31, 2020 due to the net cash used in operating activities of ₱8.65 million, net cash used in investing activities of ₱11.51 million, and net cash used in financing activities of ₱0.810 million.

RECEIVABLES

Receivables increased by ₱23.62 million or 14.13% from ₱167.18 million as at December 31, 2019 to ₱190.80 million as at December 31, 2020 which was the result of increase in related party receivables of ₱14.81 million or 12.16%, receivables from members of ₱7.77 million or 18.84% from ₱41.24 million in 2019 to ₱49.01 million in 2020 and receivables from others of ₱1.36 million or 29.52% from ₱4.62 million in 2019 to ₱5.98 million in 2020.

OTHER CURRENT ASSETS

Other current assets decreased by ₱2.17 million or 3.65% from ₱59.28 million in 2019 to ₱57.12 million in 2020 due to decrease in deferred output vat and deferred input vat – CAPEX for the year.

NONCURRENT ASSETS

The decrease in noncurrent assets is mainly due to the decrease in net property and equipment amounting to ₱62.73 million or 4.45% from ₱1.408 billion in 2019 to ₱1.346 billion in 2020.

LIABILITIES

Total liabilities decreased by ₱50.79 million or 35.69% from ₱142.26 million as at December 31, 2019 to ₱91.48 million as at December 31, 2020, mainly due to decrease in accounts payable and other current liabilities by ₱43.95 million or 35.43% which mainly pertains to decrease in trade payables of ₱18.44 million. Also, pension liability decreased by ₱11.44 million or 65.65% from ₱17.42 million in 2019 to ₱5.98 million in 2020 and payable to related party by ₱9.22 million or 63.83% from ₱14.45 million in 2019 to ₱5.23 million in 2020.

EQUITY

Members' equity decreased by ₱6.64 million or 0.40% from ₱1.66 billion as at December 31, 2019 to ₱1.65 billion as at December 31, 2020 which is mainly due to total comprehensive loss recognized during the year which amounts to ₱6.64 million.

December 2019 compared to December 2018

ASSETS

The Golf club has current ratio of ₱3.10 for each peso of current liabilities as at December 31, 2019 as compared to ₱3.72 as at December 31, 2018. The decrease in the current ratio was brought about by the increase in current liabilities by ₱27.09 million, from ₱97.95 million in 2018 to ₱125.04 million in 2019.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by ₱7.61 million or 5% from ₱168.42 million as at December 31, 2018 to ₱160.81 million as at December 31, 2019 due to the net cash provided by operating activities of ₱48.54 million, net cash used in investing activities of ₱53.45 million, and net cash used in financing activities of ₱2.67 million.

RECEIVABLES

Receivables increased by ₱19.02 million or 13% from ₱148.36 million as at December 31, 2018 to ₱167.37 million as at December 31, 2019 which was the result of increase in related party receivables of ₱35.05 million or 40.40% and receivables from others of ₱1.45 million or 43.28% from ₱3.36 million in 2018 to ₱4.81 million in 2019. On the other hand, it was also the result of collection of receivables from members of ₱17.53 million from ₱58.78 million in 2018 to ₱41.24 million in 2019.

OTHER CURRENT ASSETS

Other current assets increased by ₱11.72 million or 24.38% from ₱48.07 million in 2018 to ₱59.81 million in 2019 due to increase in creditable withholding tax and deferred input vat for the year.

NONCURRENT ASSETS

The increase in noncurrent assets is mainly due to the increase in net property and equipment amounting to ₱263.93 million or 23% from ₱1.144 billion in 2018 to ₱1.408 billion in 2019.

LIABILITIES

Total liabilities increased by ₱33.74 million or 31% from ₱108.72 million as at December 31, 2018 to 142.46 million as at December 31, 2019, mainly due to increase in accounts payable and other current liabilities by ₱28.80 million or 30% which mainly pertains to increase in trade payables of ₱11.05 million. Also, pension liability increased by ₱7.44 million or 75% from ₱9.98 million in 2018 to ₱17.42 million in 2019. On the other hand, payable to related parties decreased by of ₱1.29 million or -8% from ₱15.74 million as at December 31, 2018 to ₱14.45 million as at December 31, 2019.

EQUITY

Members' equity increased by ₱250.40 million or 18% from ₱1.41 billion as at December 31, 2018 to ₱1.66 billion as at December 31, 2019 which is mainly due to increase in proprietary certificates and additional paid-in capital of ₱264.53 million.

December 2018 compared to December 2017

ASSETS

The Golf club has current ratio of ₱3.72 for each peso of current liabilities as at December 31, 2018 as compared to ₱4.07 as at December 31, 2017 due to the effect of reclassification of advances to contractors from current to noncurrent asset. The decrease in the current ratio was brought about by the increase in current liabilities by ₱12.48 million, from ₱85.47 million in 2017 to ₱97.95 million in 2018.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by ₱0.25 million or 0.15% from ₱168.66 million as at December 31, 2017 to ₱168.42 million as at December 31, 2018 due to the net cash provided

by operating activities of ₱61.95 million, net cash used in investing activities of ₱57.64 million, and net cash used in financing activities of ₱4.60 million.

RECEIVABLES

Receivables decreased by ₱2.54 million or 2% from ₱149.67 million as at December 31, 2017 to ₱147.13 million as at December 31, 2018 which was the result of collection of related party receivables of ₱13.18 million or 13.19% and receivables from members and others of ₱10.49 million or 20.80% from ₱50.42 million in 2017 to ₱60.91 million in 2018.

OTHER CURRENT ASSETS

Other current assets increased by ₱19.68 million or 69.29% from ₱28.39 million in 2017 to ₱48.07 million in 2018 due to increase in creditable withholding tax and deferred input vat for the year.

NONCURRENT ASSETS

The increase in noncurrent assets is mainly due to the increase in net property and equipment amounting to ₱2.69 million or 0.24% from ₱1.141 billion in 2017 to ₱1.144 in 2018.

LIABILITIES

Total liabilities increased by ₱5.22 million or 5.04% from ₱103.51 million as at December 31, 2017 to ₱108.72 million as at December 31, 2018, mainly due to increase in accounts payable and other current liabilities by ₱14.12 million or 17.35% which pertains to payment made from related party payables of ₱1.78 million and payment made from prior-year real property taxes of ₱2.92 million. On the other hand, trade payable increased by of ₱9.94 million or 145.20% from ₱6.85 million as at December 31, 2017 to ₱16.79 million as at December 31, 2018.

EQUITY

Members' equity increased by ₱15.09 million or 1.08% from ₱1.39 billion as at December 31, 2017 to ₱1.41 billion as at December 31, 2018 which is mainly due to total comprehensive income recognized during the year which amounts to ₱15.09 million.

Schedule of Financial Soundness Indicators

As of December 31, 2020 and 2019

<i>Performance Indicators</i>	<i>Formula for Calculation</i>	<i>December 31, 2020 (Audited)</i>	<i>December 31, 2019 (Audited)</i>
Current ratio	Current assets over current liabilities	4.60 : 1.00	3.11 : 1.00
Acid-test ratio	Quick assets*** over current liabilities	3.87 : 1.00	2.63 : 1.00
Solvency ratio	Net income(loss) before depreciation over total liabilities	0.61 : 1.00	0.49 : 1.00
Total liabilities to equity ratio	Total liabilities over total members' equity	0.09 : 1.00	0.08 : 1.00
Asset-to-equity ratio	Total assets over total members' equity	1.06 : 1.00	1.09 : 1.00
Interest rate	Income from operations	3,375.63 : 1.00	51.78 : 1.00

coverage ratio		before depreciation over interest expense		
Net Profit Margin		Net income/loss over total revenue	-0.04 : 1.00	0.05 : 1.00
Return on equity		Net income (loss) over ave. members' equity	0 : 1.00	-0.0068 : 1.00
Return on assets		Net income (loss) over ave. total assets	-0.003 : 1.00	-0.006 : 1.00
EBITDA * per share		Excess of Revenue Over Expenses before Interest, Tax, Depreciation and Amortization over weighted average number of shares	₱ 11,105.55	₱ 12,408.27

* Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

***Cash plus receivables

During the year ended December 31, 2020 except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations, in respect of the following:

- i. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Golf Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Golf Club, including any default or acceleration of an obligation;
- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Golf Club with unconsolidated entities or other persons created during the reporting period;
- iv. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Golf Club's short-term or long-term liquidity;
- v. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- vi. Significant elements of income or loss that did not arise from the Golf Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Golf Club's results of operations; and
- viii. Material changes in the financial statements of the Golf Club from the year ended December 31, 2020, except as reported in the MD&A.

TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

1. The Golf Club's financial report is in compliance with generally accepted accounting principles. The accounting policies and methods of computation followed in the annual financial statements as of December 31, 2020 are the same as compared with the annual financial statements as of December 31, 2019.

2. There are no material events or uncertainties known to management that had a material impact on the seasonal aspects of the Golf Club's results of operations.
3. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
4. There are no material changes in estimates of amounts reported in the current financial year or changes in estimates of amounts reported in prior financial years.
5. There are no material events subsequent to the end of the accounting period that have not been reflected in the financial statements for the period December 31, 2020.
6. There are no material changes in the composition of the club during the accounting period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
7. The Golf Club has no contingent liabilities or contingent assets.
8. There are no material contingencies existing as of December 31, 2020 that can have a material effect in the decision making of the financial statement users.
9. The Golf Club did not purchase any interest in another entity that is to be considered as business combination under PFRS 3.
10. The Golf Club applied PFRS 16 (Leases) using the modified retrospective approach, with an initial application date of January 1, 2019. The Golf Club has not restated the comparative information, which continues to be reported under PAS 17.
11. The Golf Club applied Philippine Interpretation IFRIC 23 (Uncertainty over Income Tax Treatments) and have no impact on the Golf Club's financial position or performance.
12. The Golf Club applied PFRS 9 using the modified retrospective approach, with an initial application date of January 1, 2018. The Golf Club has not restated the comparative information, which continues to be reported under PAS 39.
13. The Golf Club applied PFRS 15 (Revenue from Contracts with Customers) using the modified retrospective approach, with an initial application as at January 1, 2018.

Item 7. Financial Statements

The audited balance sheet as of December 31, 2020 and December 31, 2019, and the related statements of revenues and expenses and cash flows for each of the three years in the period ended December 31, 2020 are attached herewith as part of this Form 17-A. Also accompanying the financial statements is a statement of management's responsibility over them.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

No principal accountant or independent accountant of The Golf Club has resigned, was dismissed or has ceased to perform services during the calendar year covered by this report.

There was no disagreement with the accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope procedures.

Independent Public Accountants, External Audit Fees and Services

SyCip Gorres Velayo & Co. ("SGV"), the Company's external auditors for 2019-2020, will be recommended for re-appointment as such for the current year. Representatives of SGV are expected to be present at the Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Over the past five (5) years, there was no event where SGV and the Company had any disagreement with regards to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

In Compliance with the SEC Memorandum Circular No. 8 Series of 2003, **Mr. Bienvenido M. Rebullido II** was assigned in 2019 as SGV's engagement partner for the Company to replace Ms. Julie Christine O. Mateo whose assignment ended after the 2018 audit engagement.

The Golf Club paid SGV ₱200,000.00 and ₱285,000.00 for external audit services for 2020 and 2019. SGV also performed interim audit as of June 2020 by which, the Club paid ₱250,000.00.

For each of the last two (2) fiscal years, SGV did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Golf Club the corresponding professional fees.

The Audit Committee, composed of Mr. Ruben C. Tan as Chairman, and Messrs. Joseph T. Chua and Hans T. Sy as Members, recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Executive Committee approves the audit fees as recommended by the Audit Committee.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The following are the incumbent Directors and Executive Officers of the Golf Club

NAME	NATIO- NALITY	POSITION	AGE	TERM OF OFFICE
Willy N. Ocier	Filipino	Chairman	64	1992 to present
Hans T. Sy	Filipino	Director	65	1992 to present
Jerry C. Tiu	Filipino	President	64	2001 to present
Shirley C. Ong	Filipino	Director	59	2010 to present
Jacinto C. Ng, Jr.	Filipino	Director	52	2001 to present
Joseph T. Chua	Filipino	Independent Director	64	1999 to present
Ruben C. Tan	Filipino	Independent Director	65	2017 to Present
A. Bayani K. Tan	Filipino	Corporate Secretary	65	1992 to present
Manuel A. Gana	Filipino	Vice President / Treasurer	63	2000 to present
Ma. Clara T. Kramer	Filipino	General Manager	59	2010 to present

A brief write-up on the incumbent directors and principal officers are as follows:

WILLY N. OCIER

Mr. Ocier, 64, is the Chairman and Director of Tagaytay Midlands Golf Club, Inc. He is the Chairman and Director of The Country Club at the Tagaytay Highlands, Inc. and The Spa and Lodge at Tagaytay Highlands Inc. He is the Executive Director and Co-Vice Chairman of Belle Corporation. He is also the Chairman and Director of Premium Leisure Corp., APC Group, Inc., Premium Leisure and Amusement, Inc. and the Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., Chairman and President of Pacific Online Systems Corporation, and Chairman of Total Gaming and Technologies, Inc. He is a Director of Leisure and Resorts World Corporation. He also sits as a Director for the following unaffiliated corporations: IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation. Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.

HANS T. SY

Mr. Sy, 65, is the Director of the Tagaytay Midlands Golf Club, Inc. ("TMGCI") since 1992 up to present and The Country Club at Tagaytay Highlands, Inc. ("TCCATHI") from 1996 up to present and of The Spa & Lodge at Tagaytay Highlands, Inc. ("TSL") from 1996 to present. Also he is the Chairman of the Board of the Golf Club from 1992 up to present. He is currently the Chairman of the Executive Committee of SM Prime and has been a Director since 1994. He previously held the position of President until September 2016. He has held key positions in businesses related to banking, real estate development, mall operations, as well as leisure and entertainment. In the SM Group, his other current positions include Adviser to the Board of SM Investments Corporation, Chairman of China Banking Corporation, and Chairman of National University. Mr. Sy is a B.S. Mechanical Engineering graduate from De La Salle University.

JERRY C. TIU

Mr. Tiu, 64, is the President of the Club, as well as THIGCI, TCCATHI and TSL since year 1999 up to present. He is also the President and Director of Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Community Homeowners' Association, Inc., and Greenlands Community Homeowners' Association, Inc. He is also the Vice-President and Director of The Highlands Prime Community Condominium Owners' Association, Inc., The HPI's Horizon Community Condominium Owners' Association, Inc. and The Hillside at Tagaytay Highlands Community Homeowners' Association, Inc. . Concurrently, he is Chairman of Mega Magazine Publishing, Inc. from year 1992 up to present. He is a Director of Philippine Global Communications Inc. and PLDT-Philcom, Inc. He is also the former Director of Manila Polo Club from year 1996 to 1998. He holds a Bachelor of Science degree in Commerce (Marketing) from the University of British Columbia.

JOSEPH T. CHUA – Independent Director

Mr. Chua, 64, is an Independent Director of the Club. He is the President and COO of MacroAsia Corporation since December 15, 2015. He was the CEO of MacroAsia Corporation from July 2003 to December 14, 2015. He is also the President of MacroAsia Catering Services, Inc. (July 2003-Present), MacroAsia Airport Services Corp. (1999-Present) and MacroAsia Mining Corporation. He is the Chairman of the Board of MacroAsia Properties Development Corporation, MacroAsia Air Taxi Services, Inc., J.F. Rubber Phils. (1993-Present), Watergy Business Solutions Inc., Cavite Business Resources Inc. and SNV Resources

Development Corp. He also serves as a Director of Bulawan Mining Corporation (June 2009-Present), ETON Properties Philippines, Inc. (May 2013 - Present), Lufthansa Technik Philippines, Inc. (1999-Present), Philippine National Bank and the Managing Director of Goodwind Development Corp. (1982-2012) and President (2013-Present). He served as Director of PAL Holdings Inc. (2014-2018). Mr. Chua holds a Master of International Finance degree from the University of Southern California, USA and a double degree of Bachelor of Arts in Economics and Bachelor of Science in Business Management from the De La Salle University.

RUBEN C. TAN – Independent Director

Mr. Tan, 65, is an Independent Director of the Tagaytay Midlands Golf Club Inc. His likewise an independent director of THIGCI, TCCATHI and TSL. He is the President of the following Corporations: Glendale Mining & Development Corporation since 1997, Citimex, Inc. since 1984. Cedarside Industries Inc. since 1996, and Barrington Carpets Inc. since 1989. He likewise holds directorships in Blue Ridge Mineral Corp. from 2012 to present, and Eagle Crest Mining & Development Corp. from 2012 to present. Mr. Tan holds a Bachelor of Science degree in Mechanical Engineering from the De La Salle University (Class of 1978).

SHIRLEY C. ONG

Ms. Ong, 59, is a Director of the Club (since January 2010). She is a former Senior Vice President and the COO for Operations of Highlands Prime, Inc. (Jan 2010-May 2013), former Senior Vice President of SM Land (May 2013-Oct 2013), former Senior Vice President of SM Prime Holdings Inc. for Residential Leisure (Oct 2013-May 2016) and currently, the Executive Vice President from May 2016 up to present. Before joining the Company, she was First Vice President for Business Development of Filinvest Alabang, Inc. (1995-2010). She brings with her over 27 years of experience, 21 years of which has been in various areas of real estate from city development, office/residential, high rise development, residential village development including finance, marketing, sales and property management. She earned her degree in Bachelor of Arts, Major in Economics from University of Sto. Tomas (Class of 1983) where she graduated as Cum Laude and took an Advance Bank Management Program from Asian Institute of Management (Class of 1993).

JACINTO C. NG, JR.

Mr. Ng, 52, is a Director of the Club. He is concurrently the Group CEO of Joy~Nostalg Group. He is also a Director of Belle Corporation and Highlands Prime, Inc., the Chairman of Quantuvis Resources Corporation and Elanvital Enclaves, Inc. He is the Chairman and President of Extraordinary Enclaves, Inc., Everyhome Enclaves, Inc. and Fortis Investment Corporation. He holds a Bachelor of Science degree in Architecture from the University of the Philippines.

Principal Officers

A. BAYANI K. TAN

Mr. A. Bayani K. Tan, 65, Filipino, is the Corporate Secretary of the Corporation (since June 1997). He is a Director, Corporate Secretary or both of the following reporting and/or listed companies: Coal Asia Holdings, Inc. (since July 2012, Publicly-Listed), Discovery World Corporation (since March 2013, Publicly-Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Sterling Bank of Asia Inc (A Savings Bank) (since December 2006), Tagaytay Highlands International Golf Club, Inc. (since November 1993), Tagaytay Midlands Golf Club, Inc. (since June 1997), The Country Club at Tagaytay Highlands, Inc. (since August 1995), and The Spa and Lodge at Tagaytay Highlands, Inc. (since December 1999). He is the Founding Partner of the law offices of Tan Venturanza Valdez (which was established in 1988), Chairman of Destiny LendFund, Inc. (since June 2020 and a Director since December 2005), Managing

Director/President of Shamrock Development Corporation (since May 1988), Pascual Laboratories, Inc. (since March 2014), and Pure Energy Holdings Corporation (since October 2016), Managing Trustee of the SCTan Foundation, Inc. (since 1986), President of Catarman Chamber Integrated School Foundation, Inc. (since August 2012), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013), Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011) and Trustee of Guimaras Forest Foundation, Inc. (since September 2019), Reintegration for Care and Wholeness (RCW) Foundation, Inc. (since April 2014) and St. Scholastica's College Manila (since October 2019).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society). Mr. Tan placed 6th in the bar examinations in 1981. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

MANUEL A. GANA

Mr. Gana, 63 is the Vice President and Treasurer of the Club. Mr. Gana is the President and Chief Executive Officer of Belle Corporation. He joined Belle in 1997 as Vice President for Corporate Development and Special Projects, during which time he was also assigned as the Vice President-Finance and Chief Financial Officer for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (now called Premium Leisure Corporation), a subsidiary of Belle. He is also a Director, Vice-President and Treasurer of Tagaytay Highlands International Golf Club, Inc. Previously, he was Director of Investment Banking at Nesbitt Burns Securities Inc. in New York. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York), and for Procter & Gamble Philippine Manufacturing Corporation. Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

CLARA T. KRAMER

Ms. Kramer, 59, is the General Manager of the Club since July 2010. She is also the concurrent General Manager of THIGC, TCCATHI, TSL, THCCAI, TMCHAI, GCHAI, THPCCOAI, THHCOAI and THTHCHAI. She serves as the Business Unit Head and Senior Vice-President of Tagaytay Highlands Estate (Belle Corporation). She was a consistent Dean's Lister in Assumption College (San Lorenzo Village, Makati City MA) where she earned her bachelor's degree. She started her career in hotel industry back in December of 1983 when she joined the sales department of Manila Hotel as Sales Executive. In July 1990, she was hired by L'Fisher Hotel as Front Office Manager and later as PR & Promotions Manager until she got promoted in June 2001 and was tasked to manage the Sales and Marketing Department. As member of the management team, she actively took part in the formulation of major policies and procedures of the Hotel. Ms. Kramer is also involved in various civic and social activities as member and resource speaker focusing on family, marriage and parenting.

Significant Employee

The Golf Club has no significant employees.

Family Relationship

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the Club to become directors or executive officers.

Involvement in Certain Legal Proceedings

Except as provided below, the Golf Club is not aware of any of the following events wherein any of its directors, executive officers, nominees for election as director, executive officers, underwriter or control persons were involved during the past five (5) years up to the latest date.

(a) any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and,

(c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc., some of its members initiated a Complaint for Estafa (I.S. No. 08K-19713) against ULC, the Universal Rightfield Property Holdings, Inc. and the Universal Leisure Corp., as well as their respective officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan, an incumbent Director and the Corporate Secretary of the Corporation. The Complaint was submitted for resolution in 2009 and was acted upon and dismissed by the City Prosecutor of Manila (OCP) only on March 18, 2013. Complainants belatedly filed motion for reconsideration for which reason, among others, the OCP denied motion on June 16, 2014. A Petition for Review dated March 31, 2014 was filed by the Complainant before the Department of Justice (DOJ). On August 7, 2014, Atty. Tan filed his Comment to the said Petition. In a Resolution dated April 17, 2015, the Petition for Review was denied, and the DOJ dismissed the complaint for Estafa.

Item 10. Executive Compensation

Except for the General Manager and President, the Directors and Executive Officers do not receive any compensation from the Golf Club.

Annual Compensation

Named Group:

Name and Principal Position	Year	Salary (Php)	Bonus (Php)
Jerry C. Tiu (President)	2019		
	2020		
	2021 (estimate)		
Ms. Clara T. Kramer (General Manager)	2019		
	2020		
	2021 (estimate)		

Total Salaries	2019		
	2020		
	2021 (estimate)		

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

The following table shows the record and beneficial owners owning more than 5% of the outstanding capital stock of the Golf Club as of **December 31, 2020**

TITLE OF CLASS	NAME AND ADDRESS OF RECORD/BENEFICIAL OWNER	AMOUNT AND NATURE OF RECORD/BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Proprietary share	Belle Corporation* 5 th Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex, CBP 1-A, Pasay City 1300, Philippines	3557 shares	66.80%

*Belle Corporation is a publicly listed corporation. It's Board of Directors is composed of Willy N. Ocier, Elizabeth Anne C. Uychaco, Emilio S. De Quiros, Jr., Manuel A. Gana, Gregorio U. Kilayko, Jacinto C. Ng, Jr., Rocardo L. Moldez, Jose T. Sio, Amando M. Tetangco, Jr., Cesar E. A. Virata, Virginia A. Yap. All the members of the board are all Filipino citizens.

Mr. Willy N. Ocier has been designated by Belle Corporation to vote on its behalf.

The top 20 stockholders of Belle Corporation (as of 31 December 2020) are as follows:

	STOCKHOLDERS	TYPE / CLASS	NUMBER OF SHARES
1	BELLESHARES HOLDINGS, INC.	Common	2,604,740,622.00
2	PCD NOMINEE CORPORATION (FILIPINO)	Common	2,522,727,675.00
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	Common	2,014,387,369.00
4	SYSMART CORPORATION	Common	1,629,353,802.00
5	SYBASE EQUITY INVESTMENTS CORPORATION	Common	531,320,577.00
6	SOCIAL SECURITY SYSTEM	Common	442,402,786.00
7	JACINTO C. JR. NG	Common	135,860,666.00
8	EASTERN SECURITIES DEV. CORP.	Common	111,730,866.00
9	SINOPHIL CORPORATION	Common	99,987,719.00
10	JACINTO L. SR. NG	Common	88,835,833.00
11	PARALLAX RESOURCES INC.	Common	86,308,131.00
12	SLW DEVELOPMENT CORPORATION	Common	66,082,333.00
13	EASTERN SEC. DEVT. CORP.	Common	50,000,000.00
14	F. YAP SECURITIES, INC.	Common	31,803,732.00
15	WILLY N. OCIER	Common	27,792,709.00
16	JACINTO NG, JR. & ANITA C. NG	Common	18,293,333.00
17	LIM SIEW KIM	Common	6,200,000.00
18	JAMES GO	Common	4,816,999.00
19	WILLIAM T. GABALDON	Common	4,000,000.00

20	PACITA K. YAP OR PHILIP K. YAP	Common	3,500,000.00
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(2) Security Ownership of Management

The following is a tabular presentation of the shares beneficially owned by all directors and executive officers of the Golf Club as of **December 31, 2020**

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Proprietary Share	Willv N. Ocier	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Hans T. Sy	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Jerry C. Tiu	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Ruben C. Tan	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Joseph T. Chua	2 share/Beneficial	Filipino	0.03%
Proprietary Share	Jacinto C. Ng, Jr.	1 share/Beneficial	Filipino	0.02%
Proprietary Share	Shirley C. Ong	1 share/Beneficial	Filipino	0.02%
Proprietary Share	A. Bayani K. Tan	1 share/Beneficial	Filipino	0.02%
Aggregate Security Ownership of Directors and Officers		9 shares		0.17%

(3) Voting Trust Holders of 5% or more

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

(4) Changes in Control

From its incorporation to date there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

Item 12. Certain Relationships and Related Transactions

The Golf Club has not been involved in any transaction during the last five (5) years in which any of its directors, executive officers, nominees or security holders has direct or indirect material interest.

Belle Corporation owns 3,557 shares or 66.80 % of the total outstanding shares of the Club.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Golf Club remains focused on ensuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

The Company has been monitoring compliance with SEC Memorandum Circular No.2, Series of 2002, as well as other relevant SEC circular and rules on good corporate governance. The Golf Club filed with the SEC its Revised Manual on Corporate Governance in 2014, pursuant to SEC Memorandum circular No. 9, series of 2014. Further revisions were made on 30 September 2020, pursuant to SEC Memorandum Circular No. 24, series of 2019. The Golf Club also appointed members of various Board level committees. These committees are the following i) Audit Committee, ii) Board Risk Oversight Committee, iii) Corporate Governance Committee and iv) Golf Committee. A Compliance Officer was also appointed. Members of various committees are expected to serve for a term of one (1) year.

As proof of compliance with leading practices and principles of Good Governance the Golf Club has formally adopted a Manual on Corporate Governance. The Golf Club is not aware of any non-compliance with its Manual on Corporate Governance, by any of its officers or employees.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

Exhibit "D"	Financial Statements (meeting the requirements of RSA Rule 48-1)
Exhibit "E"	Indebtedness to Unconsolidated Subsidiaries and Related Parties
Exhibit "F"	Property and Equipment
Exhibit "F"	Accumulated Depreciation
Exhibit "K"	Proprietary Certificates

(b) Reports on SEC Form 17-C

The following SEC Form 17-C was filed pursuant to the provision of the Security Regulation Code:

Date Filed	Information
5 October 2020	Revised Manual on Corporate Governance
26 October 2020	Notice of Annual Stockholders' Meeting to be held on 4 December 2020.
18 November 2020	Notice of Postponement of Annual Stockholders' Meeting from 4 December 2020 to 11 December 2020
11 December 2020	Results of Annual Stockholders' Meeting and Organization Meeting of the Board.

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of TAGAYTAY CITY on MAY 25 2021.

By:



JERRY C. TIU
Director / President



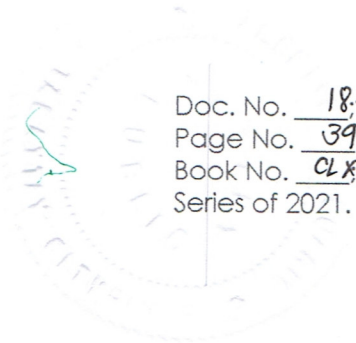
MA. CLARA T. KRAMER
General Manager



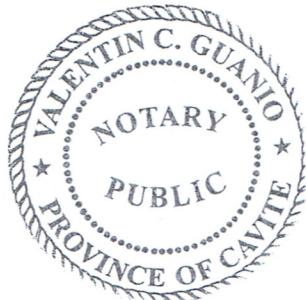
FREDERICK D. DEOCARIZA
Financial Controller

SUBSCRIBED AND SWORN to before me this 25 day of MAY 25 2021 2021 affiants exhibiting to me their Competent Evidence of Identity, as follows:

NAME	COMPETENT EVIDENCE OF IDENTITY (C.E.I.)	EXPIRY DATE	PLACE OF ISSUE
JERRY C. TIU			
MA. CLARA T. KRAMER			
FREDERICK D. DEOCARIZA			



Doc. No. 187
Page No. 39
Book No. CLXXII
Series of 2021.



ATTY. VALENTIN C. GUANIO
271 SAN ROQUE BLDG. KAYBAK, TAGAYTAY CITY
COMMISSION EXPIRES ON DECEMBER 31, 2022
PTR NO. 4426271 JANUARY 4, 2021
ROLL NO. 22908
IBP LICENSE REG NO. 02892
MCLF COMPLIANCE NO. VI-000041

TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

Page No.

Financial Statements

Statement of Management's Responsibility for Financial Statements
Independent Auditor's Report
Statements of Financial Position as at December 31, 2020 and 2019
Statements of Comprehensive Income
For the years ended December 31, 2020, December 31, 2019 and December 31, 2018
Statements of Changes in Members' Equity
For the years ended December 31, 2020, December 31, 2019 and December 31, 2018
Statements of Cash Flows
For the years ended December 31, 2020, December 31, 2019 and December 31, 2018
Notes to Financial Statements

Supplementary Schedules

Independent Auditor's Report on Supplementary Schedules

Supplementary Schedules Required by Annex 68-J

A.	Financial Assets	Attached
B.	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	Attached
C.	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	NA
D.	Long-term Debt	NA
E.	Indebtedness to Related Parties	NA
F.	Guarantees of Securities of Other Issuers	NA
G.	Capital Stock	Attached

TAGAYTAY MIDLANDS GOLF CLUB, INC.
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
DECEMBER 31, 2020

Schedule A. Financial Assets

Name of Issuing Entity and Association of Each Issue	Amount Shown in the Statement of Financial Position	Income Received and Accrued
Cash and cash equivalents		
Cash in banks:		
BDO - Savings Account	16,907,550	30,118
Union Bank - Peso	8,255,160	4,208
MBTC - Savings Account	15,175,857	13,033
Union Bank - Dollar	483,534	-
MBTC - Current Account	10,000	-
Chinabank – Savings Account	165,834	510
	42,108,635	47,868
Short-term deposits:		
Union Bank - Dollar	510,781	4,259
BDO - Peso	97,162,244	2,314,935
	97,673,024	2,319,194
	₱139,781,660	₱2,367,062

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) As at December 31, 2020

Name and Designation	Balance as at January 1, 2020	Additions	Deductions		Current	Non-Current	Balance as at December 31, 2020
			Amount Collected	Amount Written Off			
Advances to officers and employees	₱247,821	₱34,498	(₱116,654)	₱-	₱-	₱-	₱165,665

There are no receivables which are considered outside of the Golf Club's ordinary course of business as at December 31, 2020.

**Schedule C - Amounts Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
As at December 31, 2020**

Due from subsidiaries

Name and Designation	Balance as at January 1, 2020	Additions	Deductions		Non-Current	Balance as at December 31, 2020
			Amount Collected	Amount Written Off		

Not Applicable: The Golf Club does not prepare consolidated financial statements as at December 31, 2019.

**Schedule D- Indebtedness to Related Parties
As at December 31, 2020**

Name	Balance, January 1, 2020	Balance, December 31, 2020
Belle Corporation	₱ 9,984,757	₱ 4,828,383
Tagaytay Highlands Community Condominium Association, Inc.	468,679	545,212
The Spa and Lodge at Tagaytay Highlands, Inc.	3,995,067	
Highlands Prime Inc.	5,000	5,000
	₱ 14,453,503	₱ 5,378,595

**Schedule E- Guarantees of Securities of Other Issuers
As at December 31, 2020**

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
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Not Applicable: The Golf Club has no guarantees of securities of other issuers as at December 31, 2020.

Schedule F - Capital Stock
December 31, 2020

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related parties	Directors, Officers and Employees	Others
Common	6,000	5,325	–	3557	9	2388

TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

INDEX TO EXHIBITS

FORM 17-A

	<u>Page No.</u>
Financial Statements	
(3) Plan of Acquisition, Reorganization, Arrangements, Liquidation, or Succession	NA
(5) Instruments Defining the Rights of Security Holders, Including Indentures	NA
(8) Voting Trust Agreement	NA
(9) Material Contracts	NA
(10) Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	NA
(13) Letter re: Change in Certifying Accountants	NA
(16) Report Furnished to Security Holders	NA
(18) Subsidiaries of the Registrant	NA
(19) Published Report Regarding Matters Submitted to Vote of Security Holders	NA
(20) Consent of Experts and Independent Counsel	NA
(21) Power of Attorney	NA
(29) Additional Exhibits	NA
NA Not Applicable	

-



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Tagaytay Midlands Golf Club, Inc.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, or the years ended December 31, 2020 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Tagaytay Midlands Golf Club, Inc. 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 extends to liquidate Tagaytay Midlands Golf Club, Inc. or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing Tagaytay Midlands Golf Club, Inc. 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.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of Tagaytay Midlands Golf Club, Inc. 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 examination.



Willy N. Oñer
Chairman of the Board



Jerry C. Tiu
President



Ma. Clara T. Kramer
General Manager



Frederick D. Deocariza
Financial Controller

TAGAYTAY CITY

signed this th day of JUN 01 2021, 2021.

TAGAYTAY CITY

SUBSCRIBED AND SWORN to before me this th day of JUN 01 2021, 2021 affiants exhibiting to me their competent evidence of identity, as follows

NAME	Competent Evidence of Identity	Expiry Date	Place of Issue
WILLY N. OCIER			
JERRY C. TIU			
MA. CLARA T. KRAMER			
FREDERICK D. DEOCARIZA			

Doc. No. 409 ;
Page No. 83 ;
Book No. GLXXXI
Series of 2021.



ATTY. VALENTIN C. GUANIO
 SAN ROQUE BLDG. KAYBAGAN SOUTH TAGAYTAY CITY
 COMMISSION EXPIRES ON DECEMBER 31, 2022
 PTR NO. 4426251 JANUARY 4, 2021
 ROLL NO. 22308
 IBP LIFETIME RES NO. 02892
 MCLF COMPLIANCE NO. VI-00000



Midlands Golf Club Tagaytay <tagaytay.midlandsgolf@gmail.com>

Your BIR AFS eSubmission uploads were received

6 messages

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: TAGAYTAY.MIDLANDSGOLF@gmail.com
Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Sat, May 29, 2021 at 5:07 PM

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

Valid files

- EAFS005008526TCRTY122020-01.pdf
- EAFS005008526TCRTY122020-02.pdf

Invalid file

- EAFS005008526TCRTY122020-03.pdf

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Transaction Code: **AFS-0-32W11R1M02W3RVZWPQQ44V22088LCC6FJ**
Submission Date/Time: **May 30, 2021 09:07 AM**
Company TIN: **005-008-526**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: TAGAYTAY.MIDLANDSGOLF@gmail.com
Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Sat, May 29, 2021 at 5:10 PM

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

Valid files

- EAFS005008526TCRTY122020-08.pdf
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Submission Date/Time: **May 30, 2021 09:10 AM**

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eafs@bir.gov.ph <eafs@bir.gov.ph>
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Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Sat, May 29, 2021 at 5:13 PM

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

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Submission Date/Time: **May 30, 2021 09:13 AM**

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Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Sat, May 29, 2021 at 5:37 PM

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5/29/2021

Gmail - Your BIR AFS eSubmission uploads were received

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- EAFS005008526TCRTY122020-03.pdf

Warning: Please resubmit the invalid files in the expected PDF format.

Transaction Code: **AFS-0-Y2S143108ABF9BGHNRRVVZMQ0ACGDCL76**

Submission Date/Time: **May 30, 2021 09:37 AM**

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eafs@bir.gov.ph <eafs@bir.gov.ph>
To: TAGAYTAY.MIDLANDSGOLF@gmail.com
Cc: HARAVIDALLON.TAGAYTAYHIGHLNADS@gmail.com

Sat, May 29, 2021 at 5:50 PM

Hi TAGAYTAY MIDLANDS GOLF CLUB INC.,

Valid file

- EAFS005008526TCRTY122020-03.pdf

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- <None>

Transaction Code: **AFS-0-44S4W2YZ08H96967EMNWZVWQN0GDKHC99**

Submission Date/Time: **May 30, 2021 09:50 AM**

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COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

T	A	G	A	Y	T	A	Y		M	I	D	L	A	N	D	S		G	O	L	F		C	L	U	B	,		I		
N	C	.			(A			N	O	N	P	R	O	F	I	T		C	O	R	P	O	R	A	T	I	O	N)	

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

B	A	R	A	N	G	A	Y		T	R	A	N	C	A	,		T	A	L	I	S	A	Y	,		B	A	T	A	N
G	A	S																												

Form Type

A	A	F	S
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Department requiring the report

S	E	C
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

<p>Golf Club's Email Address</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">-</div>	<p>Golf Club's Telephone Number</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">(046) 8483-0829</div>	<p>Mobile Number</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">-</div>
<p>No. of Stockholders</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">2,554</div>	<p>Annual Meeting (Month / Day)</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">Last Saturday of May</div>	<p>Fiscal Year (Month / Day)</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">12/31</div>

CONTACT PERSON INFORMATION

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

<p>Name of Contact Person</p> <div style="border: 1px solid black; padding: 5px;">Mr. Frederick D. Deocariza</div>	<p>Email Address</p> <div style="border: 1px solid black; padding: 5px;">frederick.deocariza@tagaytayhighlands.com</div>	<p>Telephone Number/s</p> <div style="border: 1px solid black; padding: 5px;">(046) 8483-0829</div>	<p>Mobile Number</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">-</div>
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CONTACT PERSON'S ADDRESS

Barangay Tranca, Talisay, Batangas

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

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



INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Tagaytay Midlands Golf Club, Inc.
Brgy. Tranca, Talisay, Batangas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tagaytay Midlands Golf Club, Inc. (the Golf Club), a nonprofit corporation, which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in members' equity and statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Golf Club as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Golf Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audits of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Golf 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 Golf Club or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Golf 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 Golf Club's ability to continue as a going concern.



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Golf Club to cease to continue as a going concern.

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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

The supplementary information required under Revenue Regulations No. 15 2010 for purposes of filing with the Bureau of Internal Revenue is presented by the Golf Club in a separate schedule. Revenue Regulations No. 15-2010 require the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Revised Securities Regulation Code Rule 68. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

SYCIP GORRES VELAYO & CO.

Bienvenido M. Rebullido II

Bienvenido M. Rebullido II

Partner

CPA Certificate No. 0119460

SEC Accreditation No. 1801-A (Group A),

December 17, 2019, valid until December 16, 2022

Tax Identification No. 248-415-617

BIR Accreditation No. 08-001998-136-2020,

February 20, 2020, valid until February 19, 2023

PTR No. 8534352, January 4, 2021, Makati City

May 28, 2021



TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 21)	₱139,781,660	₱160,806,112
Receivables (Notes 6, 17 and 21)	190,818,196	167,179,444
Inventories - at cost (Note 7)	314,135	523,137
Other current assets (Notes 8)	62,518,121	59,282,962
Total Current Assets	393,432,112	387,791,655
Noncurrent Assets		
Property and equipment (Note 9)	1,345,732,863	1,408,457,881
Other noncurrent assets (Note 10)	6,122,420	6,437,271
Total Noncurrent Assets	1,351,855,283	1,414,895,152
TOTAL ASSETS	₱1,745,287,395	₱1,802,686,807
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 11, 17 and 21)	₱85,520,550	₱124,046,537
Loans payable - current (Notes 12, 21 and 24)	-	791,988
Total Current Liabilities	85,520,550	124,838,525
Noncurrent Liability		
Pension liability (Note 18)	5,984,958	17,424,360
Total Liabilities	91,505,508	142,262,885
Members' Equity		
Proprietary certificates (Notes 13 and 21)	532,500,000	532,500,000
Additional paid-in capital (Notes 13 and 21)	1,810,633,418	1,810,633,418
Deficit (Note 21)	(686,493,882)	(681,164,062)
Accumulated rereasurement loss on defined benefit pension plan - net of tax (Note 18)	(2,857,649)	(1,545,434)
Net Members' Equity	1,653,781,887	1,660,423,922
TOTAL LIABILITIES AND MEMBERS' EQUITY	₱1,745,287,395	₱1,802,686,807

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2020	2019	2018
REVENUES (Note 17)			
Membership dues (Note 13)	₱190,081,735	₱188,016,612	₱133,863,874
Clubhouse operations:			
Green fees	8,952,527	24,212,256	29,992,758
Food, beverage and sundries	8,934,532	19,521,546	18,955,616
Golf cart and locker rental	7,522,758	15,005,303	17,697,455
Others	358,976	1,596,893	1,762,728
	215,850,528	248,352,610	202,272,431
COST OF SALES AND SERVICES (Note 14)	(208,211,388)	(259,804,586)	(190,762,060)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	(31,397,481)	(36,059,103)	(31,953,755)
INTEREST INCOME (Note 5)	2,367,063	5,718,560	4,297,271
FOREIGN EXCHANGE GAIN (LOSS)	(42,400)	(32,308)	39,408
INTEREST EXPENSE (Notes 12 and 24)	(17,514)	(157,180)	(448,507)
OTHER INCOME (Note 16)	16,594,797	33,842,455	34,864,852
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INCOME TAX	(4,856,395)	(8,139,552)	18,309,640
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current	473,425	1,143,709	7,452,591
Deferred	–	2,008,515	(1,904,794)
	473,425	3,152,224	5,547,797
NET INCOME (LOSS)	(5,329,820)	(11,291,776)	12,761,843
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit pension plan (Note 18)	(1,312,215)	(4,847,342)	3,326,666
Income tax effect	–	2,008,515	(998,000)
	(1,312,215)	(2,838,827)	2,328,666
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱6,642,035)	(₱14,130,603)	₱15,090,509
NET INCOME (LOSS) PER SHARE (Note 20)	(₱1,001)	(₱2,121)	₱2,694

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.

(A Nonprofit Corporation)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Proprietary Certificates (Notes 13 and 21)	Additional Paid-in Capital (Notes 13 and 21)	Deficit (Note 21)	Accumulated Remeasurement Gain (Loss) on Defined Benefit Pension Plan - Net of tax (Note 18)	Net Members' Equity
Balances at January 1, 2018	₱473,800,000	₱1,604,806,549	(₱682,634,129)	(₱1,035,273)	₱1,394,937,147
Net income	-	-	12,761,843	-	12,761,843
Other comprehensive income - net of tax	-	-	-	2,328,666	2,328,666
Total comprehensive income	-	-	12,761,843	2,328,666	15,090,509
Balances at December 31, 2018	₱473,800,000	₱1,604,806,549	(₱669,872,286)	₱1,293,393	₱1,410,027,656
Balances at January 1, 2019	₱473,800,000	₱1,604,806,549	(₱669,872,286)	₱1,293,393	₱1,410,027,656
Net loss	-	-	(11,291,776)	-	(11,291,776)
Other comprehensive loss	-	-	-	(2,838,827)	(2,838,827)
Total comprehensive loss	-	-	(11,291,776)	(2,838,827)	(14,130,603)
Issuance of shares	58,700,000	205,826,869	-	-	264,526,869
Balances at December 31, 2019	₱532,500,000	₱1,810,633,418	(₱681,164,062)	(₱1,545,434)	₱1,660,423,922
Balances at January 1, 2020	₱532,500,000	₱1,810,633,418	(₱681,164,062)	(₱1,545,434)	₱1,660,423,922
Net loss	-	-	(5,329,820)	-	(5,329,820)
Other comprehensive loss	-	-	-	(1,312,215)	(1,312,215)
Total comprehensive loss	-	-	(5,329,820)	(1,312,215)	(6,642,035)
Balances at December 31, 2020	₱532,500,000	₱1,810,633,418	(₱686,493,882)	(₱2,857,649)	₱1,653,781,887

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenue over expenses before income tax	(P4,856,395)	(P8,139,552)	P18,309,640
Adjustments for:			
Depreciation (Notes 9, 14, and 15)	63,975,913	72,753,524	54,264,870
Retirement benefits cost (Notes 15 and 18)	3,126,103	2,595,915	2,629,044
Interest income (Note 5)	(2,367,063)	(5,718,560)	(4,297,271)
Unrealized foreign exchange loss (gain)	42,400	32,308	(39,408)
Interest expense (Notes 12 and 24)	17,514	157,180	448,507
Income before working capital changes	59,938,472	61,680,815	71,315,382
Decrease (increase) in:			
Receivables	(23,826,831)	(20,020,478)	2,541,246
Inventories	209,002	714,539	(48,858)
Other current assets	(3,235,159)	(11,766,732)	(18,714,635)
Increase (decrease) in accounts payable and other current liabilities	(27,945,348)	13,031,776	14,131,209
Cash generated from (used in) operations	5,140,136	43,639,920	69,224,344
Contribution to the plan (Note 18)	(11,421,351)	–	(3,807,117)
Benefits paid (Note 18)	(4,456,369)	–	(255,070)
Interest received	2,555,142	6,718,840	3,336,669
Income taxes paid	(473,425)	(1,814,821)	(6,545,797)
Net cash provided by (used in) operating activities	(8,655,867)	48,543,939	61,953,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (Note 9)	(11,595,083)	(56,381,417)	(56,954,834)
Decrease (increase) in other noncurrent assets	79,005	2,926,478	(681,806)
Net cash used in investing activities	(11,516,078)	(53,454,939)	(57,636,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans (Note 24)	(791,988)	(2,501,731)	(4,140,197)
Interest (Notes 12 and 24)	(18,119)	(164,771)	(464,518)
Cash used in financing activities	(810,107)	(2,666,502)	(4,604,715)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,982,052)	(7,577,502)	(288,326)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(42,400)	(32,308)	39,408
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	160,806,112	168,415,922	168,664,840
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	P139,781,660	P160,806,112	P168,415,922

See accompanying Notes to Financial Statements.



TAGAYTAY MIDLANDS GOLF CLUB, INC.

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for the Issuance of Financial Statements

Corporate Information

Tagaytay Midlands Golf Club, Inc. (the Golf Club), a nonprofit corporation, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 10, 1997. The Golf Club's primary purpose is to promote social, recreational and athletic activities among its members by providing and maintaining clubhouses and a golf course on a nonprofit basis, the nucleus of which will be the construction, development and maintenance of golf course and other sports and recreational facilities.

The registered office address of the Golf Club is Brgy. Tranca, Talisay, Batangas.

Belle Corporation (Belle), a publicly-listed Golf Club in the Philippines, owns 66.80% and 60.17% of the Golf Club's proprietary certificates as at December 31, 2020 and 2019, respectively.

Authorization for the Issuance of Financial Statements

The financial statements were approved and authorized for issuance by the Board of Directors (BOD) on May 28, 2021.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The financial statements of the Golf Club have been prepared on a historical cost basis and are presented in Philippine Peso (Peso), which is the Golf Club's functional currency. All values are rounded to the nearest Peso, unless otherwise stated.

Statement of Compliance

The financial statements of the Golf Club are prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Golf Club has adopted the following new accounting pronouncements starting January 1, 2020. Adoption of these pronouncements did not have a significant impact on the Golf Club's financial position or performance unless otherwise indicated.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*

The amendments to PFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments may impact future periods should the Golf Club enter into any business combinations.



- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

- Amendments to Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.



Future Changes in Accounting Policies

Pronouncements issued but not yet effective as at December 31, 2020 are listed below. Unless otherwise indicated, the Golf Club does not expect the future adoption of the said pronouncements to have a significant impact on its financial statements. The Golf Club intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in Fair Value Measurements*

Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Golf Club continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to the December 31, 2020 financial statements. Additional disclosures required by these amendments will be included in the notes to the financial statements when these become effective.

3. Summary of Significant Accounting and Financial Reporting Policies

Current and Noncurrent Classification

The Golf Club presents assets and liabilities in the statement of financial position based on current or noncurrent classification.

An asset is current when it is:

- 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

All other assets are classified as noncurrent.



A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Golf Club.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Golf Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Golf Club determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Golf Club determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Golf Club has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.



“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Golf Club recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Golf Club determines the appropriate method of recognizing the “Day 1” difference amount.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in bank earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from date of acquisition and are subject to an insignificant risk of change in value.

Financial Instruments

Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Golf Club’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Golf Club has applied the practical expedient, the Golf Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Golf Club has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at instrument level.

The Golf Club’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the Golf Club commits to purchase or sell the asset.



Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

The Golf Club has no financial assets at FVOCI and FVPL as at December 31, 2020 and 2019.

Financial Assets at Amortized Cost (Debt Instruments)

The Golf Club measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Golf Club's financial assets at amortized cost include cash and cash equivalents, receivables and interest receivable (included under "Other current assets" account) (see Notes 5, 6, and 10).

Impairment of Financial Assets

The Golf Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Golf Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures with no significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Golf Club applies a simplified approach in calculating ECLs. The Golf Club does not track changes in credit risk, instead, recognizes a loss allowance based on lifetime ECLs at each reporting date. The Golf Club uses specific identification approach in determining provision for ECL, through determining the Loss Given Default (LGD) (recoverable amount/outstanding balance).

The Golf Club considers a financial asset in default generally when contractual payments are past due. However, in certain cases, the Golf Club may also consider a financial asset to be in default when internal or external information indicates that the Golf Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Golf Club.



Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Golf Club has no financial liabilities at FVPL as at December 31, 2020 and 2019.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the statement of comprehensive income.

This category includes the accounts payable and other current liabilities (excluding membership dues collected in advance, unclaimed gift certificates and statutory payables) and loans payable.

Derecognition of Financial Assets and Financial Liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Golf Club's statement of financial position) when:

- The Golf Club's right to receive cash flows from the asset has expired; or
- the Golf Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Golf Club has transferred substantially all the risks and rewards of the asset, or, (b) the Golf Club has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Golf Club has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Golf Club continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Golf Club also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Golf Club has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Golf Club could be required to repay.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Golf Club assesses that it has a currently enforceable right to offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Golf Club and all of the counterparties.

Inventories

Inventories include food, beverage and supplies. Inventories are carried at lower of cost or net realizable value (NRV). The Golf Club's current practice of reporting its ending inventory is based on the moving average method for storeroom items, while weighted average method for direct issuance to outlets. NRV for food and beverage is the estimated selling price in the ordinary course of business, less estimated costs of marketing and distribution. NRV for supplies is the current replacement cost. In determining the NRV, the Golf Club considers any adjustments necessary for obsolescence.

Prepaid Expenses

Prepaid expenses, which are presented under "Other current assets" are carried at cost, less amortized portion. These include prepayments of insurance for the Golf Club's properties, health insurance of directors and officers, advance payments for the monthly golf course maintenance and other prepayments.

Property and Equipment

Property and equipment, except for land, are measured at cost, including transaction costs, less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met. Land is measured at cost, including transaction costs less any accumulated impairment in value. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the item has been put into operations, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the asset beyond the originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation begin when the item of the property and equipment becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases when the assets are fully depreciated at the earlier of the date that the item is classified as held for sale or included in a disposal group that is classified as held for sale in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.



Depreciation of property equipment commences once the property and equipment are available for use and is computed using the straight-line method over the following estimated useful lives of the assets:

	Years
Buildings and improvements	20
Facilities and equipment	2 to 10
Office furniture, fixtures and equipment	5
Transportation equipment	5

The residual values, useful lives and method of depreciation of the assets are reviewed and adjusted, if appropriate, at each financial year-end.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to current operation.

When each major inspection is performed, the cost is recognized in the carrying amount of property and equipment as a replacement, if the recognition criteria are met.

Construction in progress represents structures under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and are ready for use.

Property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of property and equipment are recognized in the statement of comprehensive income in the year of retirement or disposal.

Computer Software

Computer software is capitalized on the basis of the cost incurred to acquire and install the specific software. Computer software is included in the “Other noncurrent assets” in the statement of financial position. Costs associated with maintaining the computer software are expensed as incurred. Capitalized costs are amortized on a straight-line basis over its estimated useful life of five years.

The estimated useful life of the asset is reviewed, and adjusted if appropriate, at each financial reporting date to ensure that this is consistent with the expected pattern of economic benefits from the items of software.

Advances to Contractors and Suppliers

Advances to contractors and suppliers, which is included in the “Other noncurrent assets” in the statement of financial position, is carried at cost. These represent advance payment for construction of an item of property and equipment which will be recouped upon every progress billing payment depending on the percentage of accomplishment.

The Golf Club classifies the advances as current if it will be applied as payment for assets to be classified as current and as noncurrent if it will be applied as payment for assets to be classified as property and equipment.



Impairment of Non-financial Assets

The carrying values of property and equipment and computer software are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units (CGUs) are written down to their recoverable amounts. The recoverable amount is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed, only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income. After such a reversal, the depreciation charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Members' Equity

Proprietary certificates are measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from proceeds, net of any tax effects. Proceeds and/or fair value of consideration received in excess of par value are recognized as additional paid-in capital (APIC).

Deficit represents cumulative excess of expenses over revenues.

Other Comprehensive Income (OCI)

OCI comprises items of income and expenses that are not recognized in profit or loss as required or permitted by other PFRS. The Golf Clubs' OCI pertains to actuarial gains or losses from pension benefits that are recognized in full in the period in which they occur.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Golf Club expects to be entitled in exchange for those goods and services. The Golf Club has generally concluded that it is the principal in all of its revenue arrangements.

Sale of Food, Beverage and Sundries

Revenue from sale of food, beverage and sundries is recognized when the transfer of control has been passed to the buyer at the time when the performance obligation has been satisfied. The performance obligation is generally satisfied when the customer purchases the goods. Payment of the transaction price is due immediately at the point when the customer purchases the goods. Sales returns and discounts are deducted from gross sales to arrive at net sales as presented under "Food, beverage and sundries" in the statement of comprehensive income.



Green Fees, Golf Cart, Locker Rental and Others

Revenue from green fees, golf cart, locker rental and others are recognized upon satisfaction of performance obligation transferring of the promised services to the customers.

Membership Dues

Membership dues are recognized in the applicable membership period. Advance collection of membership dues are recognized in the “Membership dues collected in advance” presented under “Accounts payable and other current liabilities” account in the statement of financial position.

Membership Transfer and Assignment Fees

Revenue is recognized upon transfer and assignment of member shares.

Commission Income

Revenue is recognized when the related services are rendered. Commission is computed as a certain percentage of the rental income of units owned by related party.

Interest Income

Interest income from bank deposits is recognized as interest accrues using the effective interest method.

Other Income

Revenue is recognized when there is an incremental economic benefit, other than from the usual business operations, that will flow to the Golf Club and the amount of the revenue can be measured reliably.

Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in the statement of comprehensive income on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined or immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the statement of financial position as an asset.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Golf Club as Lessor

Leases where the Golf Club retains substantially all the risks and benefits of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Effective beginning on or after January 1, 2019

Golf Club as Lessee

The Golf Club assess the lease contract if they have the right to control the assets based on terms and conditions indicated in the contract. The Golf Club applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value



assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Effective prior to January 1, 2019

Golf Club as Lessee

Leases which do not transfer to the Golf Club substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statement of comprehensive income on a straight-line basis over the lease term or based on the terms of the lease, as applicable. Associated costs, such as maintenance and insurance, are expensed as incurred.

Capitalized lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Golf Club will obtain ownership by the end of the lease term.

Pension Benefits

The Golf Club has a noncontributory defined benefit pension plan administered by a trustee, covering its regular and permanent employees. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

Defined benefit costs comprise the following:

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

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

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.



Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Golf Club, nor can they be paid directly to the Golf Club. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Golf Club's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.



The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Unrecognized deferred tax assets, if any, are measured at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

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, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

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

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of “Other current assets” or “Accounts payable and other current liabilities” accounts, respectively, in the statement of financial position.

Deferred input VAT represents the set-up of input VAT from the Golf Club’s unpaid purchases, and will be reclassified to current input VAT upon payment, and purchases of capital goods exceeding one (1) million pesos. The related input VAT is recognized over five (5) years or the useful life of the capital goods, whichever is shorter. Deferred output VAT represents the set-up of output VAT from the Golf Club’s uncollected sales, and will be reclassified to output VAT upon collection.

The net amount of deferred VAT recoverable from, or payable to, the taxation authority is included as part of “Other current assets” or “Accounts payable and other current liabilities” accounts, respectively, in the statement of financial position.

Net Income (Loss) Per Share

Net income (loss) per share is computed by dividing the net income or loss by the weighted average number of shares issued and outstanding during the year.

Provisions

Provisions are recognized when the Golf Club has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of



the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Golf Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

Contingencies

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

Events after the Reporting Period

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

4. Significant Accounting Judgments and Estimates

The preparation of the Golf Club's financial statements requires management to make judgments and estimates that affect certain reported amounts and disclosures. However, uncertainty about these judgments and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future.

Judgments

In the process of applying the Golf Club's accounting policies, management has made judgments on lease commitments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Evaluation of Operating Lease - Golf Club as Lessor.

The Golf Club has entered into leases on its land, equipment and room for cellular satellites and functions. The Golf Club has determined that it retains all the significant risks and rewards of ownership of the leased properties because of the following factors: a) the lessees will not acquire ownership of the leased properties upon termination of the leases; and b) the Golf Club has not given an option to the lessees to purchase the assets at a price that is sufficiently lower than the fair value at the date of the option. Thus, the leases are accounted as operating leases. Rent income amounted to ₱204,840 and ₱208,929 in 2020 and 2019, respectively (see Note 16 and 23).

Determination of Impairment Indicators of Nonfinancial Assets

The Golf Club assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Golf Club considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends

The Golf Club assessed that there were no impairment indicators on its nonfinancial assets in 2019. As at December 31, 2019, the carrying values of property and equipment, and computer software amounted to ₱1,408,457,881 (see Note 9) and ₱1,415,072 (see Note 10), respectively.



Estimates

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

Impairment Testing of Nonfinancial Assets. In 2020, the management determined that reduced operating capacity resulting in lower operating results as direct impact of COVID-19 is an indicator of impairment of the nonfinancial assets. Accordingly, management performed impairment testing of its nonfinancial assets primarily pertaining to its property and equipment. Management concluded that the recoverable amount using the fair value less costs to sell (FVLCTS) as the recoverable amount is more relevant considering the nature of the Golf Club's business. In determining FVLCTS, management used the market approach specifically the market capitalization method, which requires estimation of the indicative equity value adjusted to determine the operating value of the nonfinancial assets.

Key assumptions used in the determination of recoverable amount

- *Indicative equity value* – The indicative equity value represents the fair value of all equity claims. The management had estimated the value by the aggregate value of total issued golf shares and published price as of reporting date.
- *Enterprise value* – The enterprise value represents the fair value of all equity and non-equity financial claims attributable to all capital providers. Net debt, which is the market value of net financial debt, was added to the indicative equity value to derive the value. Management used the book value of the Golf Club's debt as it is not highly levered.
- *Operating value* – The operating value represents the value of the productive operations of the Golf Club and is derived by deducting the current assets (excluding cash and cash equivalents) from and adding the current liabilities to the operating value at entity level.

Management believes that the assumptions used are appropriate and any reasonable possible changes in these assumptions will not materially affect the assessment of recoverable value. Further, management believes that the costs to sell are negligible.

Based on the impairment testing performed, the recoverable amount is higher than the carrying value of the nonfinancial assets; thus, no impairment was recognized in 2020. The nonfinancial assets subjected to impairment review in 2020 pertain to property and equipment and computer software with carrying values of ₱1,345,732,863 (see Note 9) and ₱1,179,227 (see Note 10), respectively.

Provision for ECLs (PFRS 9)

For receivable from members, the Golf Club uses specific identification approach in determining the balance of receivables from each members to be potentially uncollectible, when it meets the following criteria: (a) the member is more than 120 days past due on its contractual payments, i.e. principal and interest including penalties; and (b) the current market value of the shares of each member is below its outstanding receivables. The current market value of the shares act as collateral in case of non-payment of members, as the Golf Club has the current rights to rescind the shares and put it in an auction. The Golf Club determine the loss given default (recoverable amount/outstanding receivables) in computing the provision for ECL.



For receivable from related parties, the Golf Club uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing provision for ECL. The provision for ECL are re-evaluated and adjusted as additional information is received.

For cash and cash equivalents, the Golf Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Golf Club's policy to measure ECLs on such instruments on a 12-month basis.

Provision for ECL recognized in 2020, 2019 and 2018 amounted to ₱392,266, nil and nil, respectively. Income from reversal of allowance for impairment of receivables amounted to ₱70,000, ₱50,000 and ₱150,000 in 2020, 2019 and 2018, respectively (see Notes 6 and 16). The carrying value of cash and cash equivalents amounted to ₱139,781,660 and ₱160,806,112 as of December 31, 2020 and 2019, respectively (see Note 5). The carrying value of receivables, net of allowance for impairment, amounted to ₱190,818,196 and ₱167,179,444 in 2020 and 2019, respectively (see Note 6 and 21).

Determination of NRV of Inventories

The Golf Club writes down the carrying value of inventories whenever NRV of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in prices level or other causes. The carrying value of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in the statement of comprehensive income.

No provision for inventory write-down was recognized in 2020, 2019 and 2018. The carrying value of inventories amounted to ₱314,135 and ₱523,137 in 2020 and 2019, respectively (see Note 7).

Estimation of Useful Lives of Property and Equipment

The useful life of each Golf Club's property and equipment is estimated based on the period over which the property and equipment are expected to be available for use. Such estimation is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property and equipment are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. It is possible, however, that future financial performance could be materially affected by changes and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded depreciation expense and decrease property and equipment.

There were no changes in the estimated useful lives of property and equipment in 2020, 2019 and 2018.

Determination and Computation of Pension Costs. The present value of the pension liability is determined using actuarial valuation which involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, pension liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Golf Club determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension liability. In determining the appropriate discount rate, the Golf Club considers the interest rates on government bonds that are denominated in the currency in which the



benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension liability are based in part on current market conditions. While it is believed that the Golf Club's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Golf Club's pension liability.

Pension liability amounted to ₱5,984,958 and ₱17,424,360 as at 2020 and 2019, respectively (see Note 18).

Recognition of Deferred Tax Assets

The carrying amount of deferred tax assets is reviewed at each reporting period. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The forecasted availability of taxable profit is based on past and future expectations on revenue and expenses. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Golf Club recognized deferred tax assets to the extent of deferred tax liabilities amounting ₱1,857,170 and ₱1,787,959 as at December 31, 2020 and 2019, respectively. Deferred tax assets amounting ₱121,577,470 and ₱61,424,837 as at December 31, 2020 and 2019, respectively, were not recognized in the financial statements because the management believes that future taxable profit will not be available against which the deferred income tax assets can be utilized (see Note 19).

5. Cash and Cash Equivalents

	2020	2019
Cash on hand and in banks	₱42,108,635	₱20,966,893
Short-term deposits	97,673,025	139,839,219
	₱139,781,660	₱160,806,112

Interest income on cash in banks and short-term deposits amounted to ₱2,367,063, ₱5,718,560 and ₱4,297,271 in 2020, 2019 and 2018, respectively. Interest receivable, included in the "Others" of "Receivables" account in the statements of financial position, amounted to ₱36,287 and ₱224,366 as at December 31, 2020 and 2019, respectively (see Note 6).

6. Receivables

	2020	2019
Related parties (Note 17)	₱136,608,575	₱121,801,169
Members	49,013,207	41,244,565
Others	6,004,712	4,619,742
	191,626,494	167,665,476
Less allowance for impairment	808,298	486,032
	₱190,818,196	₱167,179,444



Receivable from related parties consists of charges for the affiliates and members of the affiliates' use of the Golf Club's facilities. This also consists of reimbursement of operating expenses from related parties. These receivables are noninterest-bearing and are due and demandable.

Members' account pertains to uncollected charges for membership dues, guest fees, sale of food and beverage and services rendered and is normally on a 30 to 60 days' term. Unsettled members' account for 60 days are considered past due. The Golf Club has the option to put members' proprietary shares into auction in case of nonpayment of members' accounts.

Other receivables mainly pertain to interest receivables and advances to employees and third parties, which are noninterest-bearing and generally have 30 to 90 days' term.

Allowance for impairment pertains to receivables from members. Movements in the allowance for impairment of receivables are as follows:

	2020	2019	2018
Balance at beginning of year	₱486,032	₱536,032	₱686,032
Provision of allowance for impairment (Note 15)	392,266	-	-
Reversal of allowance for impairment (Note 16)	(70,000)	(50,000)	(150,000)
Balance at end of year	₱808,298	₱486,032	₱536,032

7. Inventories - at Cost

	2020	2019
At cost:		
Food and beverage	₱56,665	₱129,513
Supplies	257,470	393,624
	₱314,135	₱523,137

Supplies pertain to fuel, oil and lubricants and other various supplies which are expected to be utilized within a year.

The cost of inventories charged to "Cost of sales and services" account in the statements of comprehensive income amounted to ₱15,031,014, ₱21,192,391 and ₱13,984,925 in 2020, 2019 and 2018, respectively (see Note 14).

The cost of inventories charged to "Supplies" and "Fuel and oil" under "General and administrative expenses" account in the statements of comprehensive income amounted to ₱1,386,175, ₱370,606 and ₱671,918 in 2020, 2019 and 2018, respectively (see Note 15).



8. Other Current Assets

	2020	2019
Current portion of deferred input VAT	₱52,053,917	₱54,999,721
Creditable withholding tax (CWT)	4,713,173	3,958,710
Prepaid expenses	340,865	324,531
Input VAT	5,410,166	-
	₱62,518,121	₱59,282,962

Deferred input VAT pertains to the input VAT relating to capital expenditures which are amortized over 60 months or the life of the asset, whichever is shorter, and the input VAT from the Golf Club's unpaid purchases, which will be reclassified to current input VAT upon payment.

CWT withheld from income payments made to Golf Club is deductible against the income tax due of the Golf Club for the future taxable quarters.

Prepaid expenses pertain to unamortized portion of insurance for the Golf Club's properties, health insurance of directors and officers, advance payments for the monthly golf course maintenance and other prepayments. These are expected to be utilized and consumed within one year.



9. Property and Equipment

The roll forward analysis of this account follows:

	Land	Buildings and Improvements	Facilities and Equipment	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Cost							
Beginning balance	₱948,444,086	₱645,270,235	₱515,256,857	₱13,006,428	₱19,854,720	₱87,883,507	₱2,229,715,833
Additions	–	294,482,630	26,593,252	939,753	147,747	14,516,753	336,680,135
Reclassification	–	19,765,090	43,671,759	464,677	–	(63,901,526)	–
At December 31, 2019	948,444,086	959,517,955	585,521,868	14,410,858	20,002,467	38,498,734	2,566,395,968
Additions	–	4,464,513	4,151,935	1,789,155	8,526	1,180,954	11,595,083
Cost adjustments	–	–	(10,580,034)	–	–	–	(10,580,034)
Reclassification	–	39,276,888	–	–	–	(39,276,888)	–
At December 31, 2020	₱948,444,086	₱1,003,259,356	₱579,093,769	₱16,200,013	₱20,010,993	₱402,800	₱2,567,411,017

	Land	Buildings and Improvements	Facilities and Equipment	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction In Progress	Total
Accumulated Depreciation							
January 1, 2018	₱–	₱579,904,768	₱483,508,795	₱11,216,310	₱10,554,690	₱–	₱1,085,184,563
Depreciation (Notes 14 and 15)	–	49,857,324	18,748,975	770,604	3,376,621	–	72,753,524
At December 31, 2019	–	629,762,092	502,257,770	11,986,914	13,931,311	–	1,157,938,087
Depreciation (Notes 14 and 15)	–	38,313,397	21,221,443	1,028,429	3,176,798	–	63,740,067
At December 31, 2020	₱–	₱668,075,489	₱523,479,213	₱13,015,343	₱17,108,109	₱–	₱1,221,678,154
Net Book Value							
At December 31, 2020	₱948,444,086	₱335,183,867	₱55,614,556	₱3,184,670	₱2,902,884	₱402,800	₱1,345,732,863
At December 31, 2019	948,444,086	329,755,863	83,264,098	2,423,944	6,071,156	38,498,734	1,408,457,881



Construction in progress consists of construction costs related to the development of the Golf Course Third Nine. As of December 31, 2020, the Golf Club has ongoing construction relating to the locker room of the Midland's Clubhouse. Certain transportation equipment of the Golf Club are mortgaged as a security for the Golf Club's loans payable (see Note 12).

The cost of fully depreciated property and equipment which are still being used amounted to ₱1,036,690,639 and ₱486,335,927 as at December 31, 2020 and 2019, respectively.

10. Other Noncurrent Assets

	2020	2019
Computer software		
Cost	₱1,415,072	₱1,415,072
Accumulated amortization	(235,845)	-
	1,179,227	1,415,072
Deferred input VAT net of current portion	4,727,820	4,667,313
Advances to contractors and suppliers	190,373	354,886
Refundable deposits	25,000	-
	₱6,122,420	₱6,437,271

Computer software pertains to the cost of the Golf Club's accounting and information system. No amortization recognized for 2019 since the software is still under the testing and modification phase.

Deferred input VAT pertains to the input VAT relating to capital expenditures which are amortized over 60 months or the life of the asset, whichever is shorter.

Advances to contractors and suppliers represent payment for construction of an item of property and equipment which will be recouped upon every progress billing payment depending on the percentage of accomplishment.

11. Accounts Payable and Other Current Liabilities

	2020	2019
Membership dues collected in advance	₱31,318,383	₱35,295,723
Trade payables	10,979,055	26,795,489
Refundable deposits	7,452,064	9,026,081
Auctioned membership liability	7,288,184	9,318,897
Unclaimed gift certificates	7,154,265	7,093,265
Related parties (Note 17)	5,226,053	14,448,503
Accrued expenses:		
Outside services	3,874,316	4,769,699
Employee benefits	163,191	229,134
Insurance	132,037	-
Utilities payable	115,959	842,863
Others	3,021,235	1,784,862
Retention payable	1,688,272	4,334,058
Statutory payables	1,362,827	4,380,867
Concessionaires	1,329,016	1,556,008
Others	4,415,693	4,171,088
	₱85,520,550	₱124,046,537



Membership dues collected in advance pertains to the payments received in advance from the Golf Club's members. This is expected to be realized as revenue within the next financial year.

Trade payables are noninterest-bearing and are normally on a 30 to 60 days' term.

Refundable deposits pertain to cash receipts from members upon assignment of shares which is expected to be refunded within one year. The amount paid is refundable upon completion of terms and conditions.

Auctioned membership liability refers to the unclaimed net proceeds or the excess of the bid price over the amount of receivables from delinquent members whose shares were sold at auction. These are normally claimed within 30 to 180 days.

Unclaimed gift certificate refers to the (GC) used by the Golf Club for availment of the services and products of the Golf Club. There are five kinds of GC being issued namely, paid, universal, barter, complementary and reward GC. Generally, all GC have no expiration date, some GC have expiration date but it is depends on the agreement entered into and at the discretion of the Golf Club.

Statutory payables mostly pertain to deferred output VAT, net output VAT, withholding taxes and other government taxes. These are normally settled within 30 days.

Payable to related parties arises from the use by the Golf Club's members of facilities of the related parties. This also consists of reimbursement of operating expenses to related parties. These payables are due and demandable.

Accrued expenses are noninterest-bearing with terms of 30 to 180 days.

Retention payable pertains to amount withheld to contractors of the Golf Club until the completion of specified conditions based on the agreement.

Concessionaires pertains to food and beverage sales recorded by the Club for RMD Food Corporation which are remitted every month.

Others include payables to nontrade suppliers. These payables are noninterest-bearing and are normally settled within a year.

12. Loans Payable

	2020	2019
Peso currency-denominated loan payable in 36 monthly installments or until March 5, 2020 starting March 31, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	P—	P79,091
Peso currency-denominated loan payable in 36 monthly installments or until March 5, 2020 starting March 31, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	—	79,091

(forward)



	2020	2019
Peso currency-denominated loan payable in 36 monthly installments or until June 30, 2020 starting August 2, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	P-	P211,269
Peso currency-denominated loan payable in 36 monthly installments or until June 30, 2020 starting August 2, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	-	211,269
Peso currency-denominated loan payable in 36 monthly installments or until June 30, 2020 starting August 2, 2017 at 8.36% annual interest, collateralized by a chattel mortgage on transportation equipment	-	211,268
Total	-	791,988
Less current portion	-	791,988
Noncurrent portion	P-	P-

In 2019, Certain transportation equipment are held as security for the three-year loans (see Note 9).

Interest expense on loans payable amounted to P17,514, P157,180 and P448,507 in 2020, 2019 and 2018, respectively (see Note 24). As at December 31, 2020 and 2019, interest payable included in "Others" in "Accounts payable and other current liabilities" account amounted to nil and P605 (see Notes 11 and 24).

13. Members' Equity

Track Record of Registration of Securities

The following summarizes the information on the Golf Club's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/Offer Price
July 23, 1997	6,000	6,000	P1,500,000 to P3,000,000

The authorized capital stock of the Golf Club amounted to P600,000,000 divided into 6,000 shares with par value of P100,000 per share. The details of the Golf Club's proprietary certificates and APIC as at December 31, 2019 and 2018 are as follow:

	2020	2019
Authorized and subscribed	P600,000,000	P600,000,000
Receivable	(67,500,000)	(67,500,000)
Proprietary certificates	P532,500,000	P532,500,000
	2020	2019
Excess of pre-agreed amount of development cost over total par value of shares	P2,044,000,000	P2,044,000,000
Receivable	(233,366,582)	(233,366,582)
Additional paid-in capital	P1,810,633,418	P1,810,633,418



Development Agreement

The Golf Club entered into a Development Agreement (DA) with Belle for the construction and development of a 36-hole golf course on April 17, 1997. The said DA was amended on December 15, 1999. The terms of the amended DA call for as many subscriptions as there are shares, such that the shares to be issued to Belle as the development progresses will be in proportion to pre-agreed amount of development cost, inclusive of the initial capital contribution.

The excess of such development cost over the total par value of the Golf Club's shares of stock shall constitute APIC of the Golf Club. In 2013, 18 holes have been constructed however, title will be transferred to the Golf Club upon completion of the additional 9 holes. In 2015, additional nine holes were built.

In 2019, the Golf Club issued 587 shares to Belle for the construction and development costs of the additional nine holes in 2015 for total paid-up value of ₱264,526,869.

Restrictive Conditions

The Golf Club is an exclusive club and is organized on a nonprofit basis for the sole benefit of its members.

The ownership of all shares of stock of the Golf Club is subject to the following restrictive conditions:

- a. No issuance or transfer of shares of stock of the Golf Club which would reduce the stock ownership of Philippine citizens or nationals to less than the minimum percentage of the outstanding capital stock required by any applicable provisions of the Constitution, law, or regulation to be owned by Philippine citizens or nationals, shall be made or effected by, or shall be recorded in the books of the Golf Club.
- b. No holder, of any class of shares of the Golf Club shall have, as such holder any preemptive right to acquire, purchase, or subscribe for any share of the capital stock of any class of the Golf Club which it may issue or sell, whether out of the number of shares authorized by the Articles of Incorporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Golf Club acquired by it after the issue thereof; nor shall any holder of any class of shares of the Golf Club have, as such shareholder, have any preemptive right to acquire, purchase, or subscribe for any obligation which the Golf Club may issue or sell that shall be convertible into or exchangeable for any shares of the capital stock of any class of the Golf Club or to which shall be attached or appertain any warrant or any instrument that shall confer upon the owner of such obligation, warrant, or instrument the right to subscribe for, or to acquire or purchase from the Golf Club, any share of its capital stock of any class.
- c. No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Golf Club at the time of the dissolution or liquidation of the Golf Club.
- d. The members of the Golf Club shall be subject to the payment of monthly dues and other dues and assessments and subject to such rules and conditions as may be prescribed in the By-Laws or by the BOD to meet the expenses for the general operations of the Golf Club, and the maintenance and improvement of its premises and facilities, in addition to such fees as may be charged for the actual use of the facilities. In the case of a shareholder who is a corporate shareholder, the designated representative shall be initially billed for such dues. In case of nonpayment by the representative, the corporate shareholder shall be ultimately liable for the payment of such dues. Such dues together with all other obligations of the shareholders to the Golf Club, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government, and



in the event of delinquency such shares may be ordered sold by the BOD in the manner provided in the By-Laws to satisfy said dues or other obligations of the shareholders.

- e. Any shareholder selling or disposing of his/its share(s) in the Golf Club shall pay a transfer fee in such amount as may be determined by the BOD from time to time. Said transfer fee shall be levied and collected at the time of transfer in the Golf Club's Stock and Transfer Book. Any transfer of shares, except transfer by hereditary succession, made in violations of these conditions shall be null and void and shall not be recorded in the books of the Golf Club.
- f. Except in the case of legally married spouses, shares of stock of the Golf Club may be registered only in the name of a single person, firm, entity, association or corporation. One of the spouses may be entitled to apply for membership in the Golf Club. Juridical entities may also designate only one individual playing representative for each share of stock owned by them.
- g. A holder of a share of stock of the Golf Club is not an *ipso facto* member of the Golf Club, and he must file an application for Golf Club membership, which shall be subject to the approval of the BOD. If an application for membership of a shareholder is disapproved by the BOD, the shareholder shall dispose of his share within a period of 60 days from notice of such disapproval. In the event of his failure to affect such transfer, his share shall be offered for sale at auction in the manner prescribed in the By-Laws or by the BOD.
- h. In case any shareholder or member shall violate the provisions of the Articles of Incorporation or the By-Laws or the rules and regulations of the Golf Club, or the resolutions duly promulgated by the BOD or the shareholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Golf Club, such shareholder or member may be expelled by the BOD in the manner provided in the By-Laws upon proper notice and hearing. A shareholder/member who is so expelled shall then cease to be a shareholder/member and shall have no right with respect to his share except the right to demand payment therefore in accordance with these By-Laws. The Golf Club shall have a period of 30 days from the expulsion of the shareholder to make payment of his share/s, and upon such payment the shareholder shall forthwith transfer and assign the share/s held by him as directed by the Golf Club.
- i. All certificates of stock of the Golf Club shall contain an appropriate reference to the foregoing limitations and restrictions, and stock may be issued or transferred in the books of the Golf Club only in accordance with the terms and provisions of such limitations and restrictions.

14. Cost of Sales and Services

Cost of Sales (Note 7)

	2020	2019	2018
Food cost	₱7,189,539	₱8,669,084	₱4,757,455
Beverage cost	2,030,961	2,504,036	1,746,995
Sundry inventory cost	275,095	315,052	412,927
	₱9,495,595	₱11,488,172	₱6,917,377



Cost of Services

	2020	2019	2018
Depreciation (Note 9)	P62,091,762	P71,449,980	P53,039,427
Personnel costs (Note 15)	50,714,721	59,350,901	43,365,181
Repairs and maintenance (Notes 17 and 23)	27,604,985	37,771,177	28,240,285
Communication, light and water (Note 17)	18,375,269	24,541,815	21,419,586
Outside services (Note 23)	10,656,114	11,686,067	8,631,839
Taxes and licenses	5,968,619	7,531,221	6,537,849
Supplies (Note 7)	3,543,878	6,303,256	4,723,313
Fuel and oil (Note 7)	1,991,541	3,400,963	2,344,235
Rent (Note 23)	1,744,747	648,615	442,110
Laundry	1,403,775	2,215,293	1,701,255
Bank charges	1,010,446	1,485,752	1,161,698
Caddy Expense	594,218	585,131	-
Transportation and travel	539,237	1,213,281	1,080,917
Entertainment, amusement and recreation (EAR)	507,711	970,898	509,949
Dues and subscriptions	506,715	267,842	264,109
Insurance	482,755	752,978	650,833
Waste disposal	671,293	496,121	354,563
Club tournament	448,328	6,790,890	5,503,575
Others	9,859,679	10,854,233	3,873,959
	P198,715,793	P248,316,414	P183,844,683

15. General and Administrative Expenses

	2020	2019	2018
Personnel costs	P7,510,878	P8,441,573	P7,595,231
Outside services (Note 23)	6,010,205	6,073,998	5,762,732
Taxes and licenses	5,925,143	7,487,873	6,520,410
Repairs and maintenance (Note 17 and 23)	2,263,933	3,523,557	2,325,748
Depreciation (Note 9)	1,884,154	1,303,544	1,225,443
Communication, light and water (Note 17)	1,371,287	4,282,361	276,288
Bank charges	1,010,446	1,484,600	1,161,698
Waste disposal	1,007,139	506,973	303,976
Fuel and oil (Note 7)	758,965	-	360,297
Supplies (Note 7)	627,210	370,606	311,621
Rent (Note 23)	548,256	212,774	190,899
Insurance	349,582	541,881	451,894
Donations and Contributions	275,000	83,500	-
Transportation and travel	164,148	222,698	104,855
Laundry	80,570	49,544	52,638
EAR	44,181	111,117	16,599
Others	1,566,384	1,362,504	5,293,426
	P31,397,481	P36,059,103	P31,953,755



Details of “Personnel costs” are as follows:

	2020	2019	2018
Salaries and wages	₱35,809,854	₱38,154,840	₱27,987,735
Employee benefits and others	19,289,642	27,041,719	20,343,633
Pension costs (Note 18)	3,126,103	2,595,915	2,629,044
	₱58,225,599	₱67,792,474	₱50,960,412

16. Other Income

	2020	2019	2018
Membership transfer fees	₱5,544,165	₱7,821,429	₱8,875,000
Income from members’ fund assessment	3,631,711	3,306,875	3,175,089
Reversal of accruals	2,047,959	3,323,866	6,583,543
Members’ penalties and charges	1,539,679	1,831,080	2,341,751
Commission	1,042,551	10,195,362	9,537,003
Assignment fees	1,064,219	3,187,501	2,627,474
Rental Fee from Pro shop	217,695	458,891	–
Rental income (Note 23)	204,840	208,929	204,840
Claims from insurance	377,513	–	–
Income from reversal of allowance for impairment of receivables (Note 6)	70,000	50,000	150,000
Service charge revenue	–	793,919	508,527
Sundry revenue	–	467,617	–
Income from sponsorship	–	682,643	75,000
Others	854,465	1,514,343	315,225
	₱16,594,797	₱33,842,455	₱34,864,852

Membership transfer fees include income derived from transfer of right by an individual member through selling of shares and transfer of right through change of designee by a corporate member.

Income from members’ fund assessment pertains to the monthly fund assessment charged by the Golf Club to each member.

Members’ penalties and charges pertain to collection from members for late payments of membership dues and other charges.

Commission income includes share of the Golf Club to the income of its concessionaires and green fees.

Assignment fees refer to income arising from assignment of members’ right to any other party for the right to use the facilities of the Golf Club.

Service charges pertain to a percentage of food and beverage sales charged against guests and non-members.



Income from sponsorship pertains to income earned from promotional events hosted by the Golf Club.

Others pertain to income derived from various events held by the Golf Club which include wedding ceremonies, seminars, golf tournaments, among others.

17. Related Party Disclosures

Related parties are entities and individuals that have the ability to directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Golf Club, including holding companies, subsidiaries and fellow subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Golf Club that gives them significant influence over the entities, key management personnel, including directors and officers of the Golf Club and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The following table provides the summary of outstanding balances with related parties as at December 31:

Classification	Terms	Conditions	2020	2019
<i>Shareholder</i>				
Belle				
Payables	Due and demandable, noninterest-bearing	Unsecured	(₱4,828,383)	(₱9,984,757)
<i>Related party with common set of directors</i>				
Tagaytay Highlands International Golf Club, Inc. (THIGCI)				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	126,852,852	105,053,565
The Spa and Lodge at Tagaytay Highlands, Inc. (TSLTHI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	(152,542)	(3,995,067)
The Country Club at Tagaytay Highlands, Inc. (TCCTHI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	–	–
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	9,575,659	10,842,807

Forward



Classification	Terms	Conditions	2020	2019
Tagaytay Highlands				
Community Condominium Assoc., Inc. (THCCAI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	(₱545,212)	(₱468,679)
The Highlands Prime				
Community Homeowners Association, Inc. (THPCCOAI)				
Receivable	Due and demandable, noninterest-bearing	Unsecured, no impairment	157,614	–
Tagaytay Midlands				
Condominium Community Association, Inc. (TMCCAI)				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	22,450	19,550
Highlands Prime, Inc. (HPI)				
Payables	Due and demandable, noninterest-bearing	Unsecured	(5,000)	(5,000)
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	5,678,000
Horizon Association				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	128,399
Woodridge Association/ Woodlands Point/ Woodlands Place (Woodridge)				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	71,618
Hill Side				
Receivables	Due and demandable, noninterest-bearing	Unsecured, no impairment	–	12,230
Receivables (Note 6)			₱136,608,575	₱121,806,169
Payables (Note 11)			(5,226,053)	(14,453,503)

The following table provides the summary of transactions entered with related parties in 2020, 2019 and 2018:

	Classification	2020	2019	2018
Shareholder				
Belle	Payment to club	₱77,492	₱74,906	₱1,508,486
	Reimbursement of expenses	2,399,226	758,234	274,176
	Electricity expense	606,807	436,251	–
	Water/maintenance expense	779,429	7,439,803	–

Forward



	Classification	2020	2019	2018
<i>Related party with common set of directors</i>				
THIGCI	Sales	₱16,078,832	₱37,543,748	₱32,128,152
	Reimbursement of expenses	25,744,991	18,572,210	11,054,092
	Employee benefits	612,438	668,007	618,603
	Maintenance tools/Kitchen fuel/Gasoline	–	92,358	143,838
	Electricity/water	137,831	70,250	108,450
	Food cost/Beverage cost	–	68,898	–
TSLTHI	Room and Spa charges	202,152	676,137	864,501
	Employee benefits (Shuttle)	535,664	143,643	115,987
	Food cost/beverage cost	341,420	13,647	23,287
	Reimbursement of expenses	240,978	241,314	–
TCCTHI	Sales	21,537,278	51,560,602	46,309,346
	Food cost/Beverage cost	860,557	5,862,184	6,176,648
	Reimbursement of expenses	18,164,078	6,361,290	5,816,529
	Employee benefits	613,544	405,746	237,829
	General supplies	1,162,957	2,505,606	133,148
	Repairs and maintenance	–	–	–
THCCAI	House rental	–	–	258,574
	Room revenue share of members	64,996	42,548	–
	Unit maintenance/Utility charges	199,223	199,716	–
THPCCOAI	Room revenue share of members	157,614	–	737,598
	Employee benefits	22,450	–	–
HPI	Reimbursement of expenses	5,000	5,671,315	1,685
Woodridge	Reimbursement of expenses	–	12,678	58,940
Hill Side	Reimbursement of expenses	–	10,264	1,966
Horizon Association	Reimbursement of expenses	–	1,587	126,812
TMCCAI	Electricity/water	–	–	216,878

Terms and Conditions of Transactions with Related Parties

Outstanding balances of related party receivables and payables at period-end are settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

There is no allowance for impairment of receivables relating to related parties as at December 31, 2020 and 2019 (see Note 6). An assessment is undertaken each financial year through examination of the financial position of the related party and the market in which the related party operates.

Transactions with Belle

The Golf Club has an agreement with Belle wherein Belle will provide water distribution and repairs and maintenance works on the Golf Club's facilities. Other transactions with Belle consist of cost charges and Belle's use of the Golf Club's amenities and facilities and availment of services.



Transactions with THIGCI and TCCTHI

Reciprocity Agreements. On October 6, 1999, the Golf Club entered into a Reciprocity Agreement with THIGCI and TCCTHI (both are also majority-owned by Belle), whereby members of the Golf Club, THIGCI and TCCTHI will be allowed to enjoy the use of each other's facilities, subject to rules and regulations. This agreement shall remain in effect until mutually terminated by the parties.

Reimbursement of Operating Expenses. The three clubs also have transactions for reimbursement of operating expenses such as contract services, repairs and maintenance and labor cost, among others.

Transactions with TSLTHI

Transactions with TSLTHI pertain to payments of food and beverage costs, room and spa, massage charges, and shuttle services of association's employees.

Transactions with Woodridge Association/Woodlands Point/Woodlands Place and Horizon Association

Transactions with Woodridge Association/Woodlands Point/Woodlands Place and Horizon Association pertain to payments received from shuttle services of association's employees.

Transactions with Community and Condominium Homeowner's Associations

Transactions with TMCCAI, THCCAI, THPCCOAI and GCHAI pertain to share in expenses such as electric and water consumption, shuttle services of association's employees, engineering and cleaning supplies used in their operations and room revenue share of members.

On the other hand, the association collects from the Golf Club payments received from association's customers using the Golf Club's credit card terminal and association dues of the association members who are also Golf Club members.

Transactions with HPI

Transactions with HPI pertain to payments of certain expenses made by the Golf Club in behalf and subject to reimbursement by the former.

Compensation of Key Management Personnel

Total compensation paid to key management personnel representing short-term employee benefits amounted to ₱8,780,445, ₱7,051,824, and ₱6,043,034 in 2020, 2019 and 2018, respectively. There are no post-employment benefits, termination benefits, share-based payments or other long-term employee benefits granted to key management personnel.

18. Pension Costs

The Golf Club is a participant to the Tagaytay Highlands Multiemployer Retirement Plan which is non-contributory and of the final salary defined benefit type. The plan provides a retirement benefit equal to one hundred percent (100%) of plan salary for every year credited service or in accordance with the collective bargaining agreement. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

In accordance with the provisions of the Bureau of Internal Revenue (BIR) Revenue Regulations No. 1-68, it is required that a formal retirement plan be trustee; that there must be no discrimination in benefits; that forfeitures shall be retained in the retirement fund and be used as soon as possible to reduce the future contributions; and that no part of the corpus or income of the retirement fund shall be



used for, or diverted to, any purpose other than for the exclusive benefit of the plan members. The latest actuarial valuation of the plan Golf Club's retirement plan is as at December 31, 2020.

The following tables summarize the components of retirement benefits cost recognized in the statements of comprehensive income and the funded status and amounts recognized in the statements of financial position.

	2020	2019	2018
Current service cost	₱2,558,063	₱1,743,529	₱1,880,626
Net interest expense	568,040	852,386	748,418
Retirement benefits cost - net (Note 15)	₱3,126,103	₱2,595,915	₱2,629,044

Changes in net pension liability as at December 31 are as follows:

	2020	2019
Pension liability, beginning	₱17,424,360	₱9,981,103
Current service cost	2,558,063	1,743,529
Net interest expense	568,040	852,386
	3,126,103	2,595,915
Actuarial changes arising from:		
Changes in financial assumptions	2,639,877	3,907,207
Changes in demographic assumptions	2,096	-
Experience adjustments	(1,450,574)	821,398
Return on plan assets	120,816	118,737
	1,312,215	4,847,342
Contributions to plan assets	(11,421,351)	-
Benefits paid to employees	(4,456,369)	-
Pension liability, ending	₱5,984,958	₱17,424,360

The benefits paid to employees using the Golf Club's own fund amounted to ₱4,456,369 and nil, in 2020 and 2019, respectively.

Changes in the present value of the pension liability as at December 31 are as follows:

	2020	2019
Beginning balance	₱21,448,368	₱13,797,894
Current service cost	2,558,063	1,743,529
Interest expense	1,069,376	1,178,340
Benefits paid	(4,456,369)	-
Remeasurement in other comprehensive income:		
Actuarial gain - changes in financial assumptions	2,639,877	3,907,207
Actuarial (gain) loss - changes in demographical assumptions	2,096	-
Actuarial (gain) loss - experience adjustments	(1,450,574)	821,398
	₱21,810,837	₱21,448,368



Changes in the fair value of plan assets as at December 31 are as follows:

	2020	2019
Beginning balance	₱4,024,008	₱3,816,791
Contribution to the retirement fund	11,421,351	–
Interest income	501,336	325,954
Remeasurement loss on plan asset	(120,816)	(118,737)
	₱15,825,879	₱4,024,008

The Golf Club's plan assets mainly consist of debt instruments – government bonds and cash and cash equivalents. All debt instruments held have quoted prices in active markets. The fair value of plan assets amounted to ₱15,825,879 and ₱4,024,008 as at December 31, 2020 and 2019, respectively.

Actual return on plan assets amounted to ₱320,520 and ₱207,217 in 2020 and 2019, respectively.

Reconciliation of net pension liability as at December 31 are as follow:

	2020	2019
Present value of pension liability	₱21,810,837	₱21,448,368
Less: fair value of plan assets	15,825,879	4,024,008
	₱5,984,958	₱17,424,360

The retirement benefits cost and present value of the pension liability are determined using actuarial valuations. The actuarial valuation includes making various assumptions. The principal assumptions used in determining the pension liability as at December 31 are shown below:

	2020	2019
Discount rate	3.48%	5.15%
Salary increase rate	4.00%	4.00%
Mortality rate	2017 PICM Table	2001 CSO Table
Disability rate	1952 Disability Study	1952 Disability Study

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in the Philippines.

The weighted average duration of the defined benefit obligation is 6.5 years and 6.6 years as at December 31, 2020 and 2019, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit pension plan as at December 31, assuming all other assumptions were held constant:

		Impact on Pension Liability	
		Increase (Decrease)	
		2020	2019
Discount rate	+1%	(₱1,325,048)	(₱1,319,553)
	-1%	1,494,567	1,495,528
Salary increase rate	+1%	1,471,586	1,497,809
	-1%	(1,330,870)	(1,345,422)



Maturity analysis of the undiscounted benefit payments for up to next 10 years as at December 31 are shown below:

	2020	2019
Within one year	₱5,211,673	₱5,531,107
More than one year to five years	6,966,382	9,872,035
More than five years to ten years	14,257,273	10,842,314

19. Income Taxes

a. The components of the provision for current income tax are as follows:

	2020	2019	2018
RCIT	₱-	₱-	₱6,784,011
Final tax on interest income	473,413	1,143,709	668,580
	₱473,413	₱1,143,709	₱7,452,591

On June 26, 2019, the Supreme Court (SC) released a decision discussing that membership dues, assessment fees, etc. are exempt from income tax and VAT. This is the SC case G.R. No. 228539 entitled “Association of Non-Profit Clubs, Inc. (ANPC) vs. Bureau of Internal Revenue” which was rendered final and executory with the Entry of Judgment made at the SC Second Division.

SC rule that, for as long as these membership fees, assessment dues, and the like are treated as collections by recreational clubs from their members as an inherent consequence of their membership, and are, by nature, intended for the maintenance, preservation, and upkeep of the clubs' general operations and facilities, then these fees cannot be classified as “the income of recreational clubs from whatever source” that are “subject to income tax”. Instead, they only form part of capital from which no income tax may be collected or imposed.

b. The components of deferred tax assets (liabilities) as at December 31 are as follows:

	2020	2019
Deferred tax assets:		
Pension liability	₱1,705,370	₱263,408
Members' fund assessment collected in advance	139,080	60,656
Unrealized foreign exchange loss	12,720	9,692
NOLCO	-	1,454,203
	1,857,170	1,787,959
Deferred tax liabilities:		
Receivable arising from transferred pension liability	(1,717,611)	(1,717,611)
Accrued rent income*	(139,559)	(70,348)
	(1,857,170)	(1,787,959)
Deferred tax assets - net	₱-	₱-

* Included as part of “Others” under “Receivables” account in the statements of financial position (see Note 6).



- c. Deferred tax assets on the following deductible temporary differences were not recognized since management believes that it is not probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized:

	2020	2019
NOLCO	₱396,165,760	₱192,190,149
Unamortized past service cost	7,983,781	-
Allowance for impairment of receivables (Note 6)	808,300	486,032
Pension liability (Note 18)	300,391	11,698,991
Members' fund assessment collected in advance*	-	374,283

**Included as part of "Others" under "Accounts payable and other current liabilities" account in the statements of financial position (see Note 11).*

Unrecognized deferred income tax assets from the above deductible temporary difference amounted to ₱121,577,470 and ₱61,424,837 as at December 31, 2020 and 2019, respectively.

- d. As at December 31, 2020, the carry forward benefit of NOLCO that can be claimed as deduction against taxable income is as follows:

<u>NOLCO</u>						
Period Incurred	Expiry Year	Amount	Applied in Previous Years	Expired	Applied in Current Year	Balance
12/2019	2022	₱197,037,492	₱-	₱-	₱-	₱197,037,492

The Golf Club has incurred NOLCO in taxable year 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act (RA No. 11494), as follows:

Period Incurred	Expiry Year	Amount	Applied in Previous Years	Expired	Applied in Current Year	Balance
12/2020	2025	₱198,128,267	₱-	₱-	₱-	₱198,128,267

- e. A reconciliation between the provision for income tax computed at the statutory income tax rate and the provision for income tax as shown on the statements of comprehensive income follows:

	2020	2019	2018
Provision for (benefit from) income tax at statutory tax rate of 30%	(₱1,456,919)	(₱2,441,866)	₱5,492,892
Income tax effects of:			
Change in unrecognized deferred tax assets	58,304,767	61,927,249	518,154
Nontaxable membership dues	(57,024,521)	(56,404,984)	-
Interest income subjected to final tax at a lower rate	(710,119)	(1,715,568)	(1,289,181)
Final tax on interest income	473,413	1,143,709	668,580
Nondeductible expenses	886,792	643,684	157,352
	₱473,413	₱3,152,224	₱5,547,797



20. Net Income (Loss) Per Share

The Golf Club's net income per share is computed as follows:

	2020	2019	2018
Net income (loss)	(₱5,329,820)	(₱11,291,776)	₱12,761,843
Divided by weighted average number of shares issued and outstanding	5,325	5,325	4,738
Net income (loss) per share	(₱1,001)	(₱2,121)	₱2,694

21. Financial Risk Management Objectives and Policies

The Golf Club's principal financial assets comprise of cash and cash equivalents. The main purpose of these financial assets is to raise finances for the Golf Club's operations. The Golf Club has various other financial assets and liabilities such as receivables, interest receivable, accounts payable and other current liabilities and loans payable, which arise directly from its operations.

The main risks arising from the Golf Club's financial assets and financial liabilities are liquidity risk and credit risk. The Golf Club's BOD and management review and agree on policies for managing each of these risks as summarized below.

Liquidity Risk

Liquidity risk is defined as the risk that the Golf Club will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Golf Club monitors its risk to a shortage of funds through monitoring of financial assets and projected cash flows from operations. The Golf Club's objectives to manage its liquidity profile are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

The analysis of financial assets into maturity groupings is based on the remaining period from the reporting date to the contractual maturity date or if earlier, the expected date on which the assets will be realized.

For financial liabilities, the maturity grouping is based on the remaining period from the reporting date to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Golf Club can be required to pay.

The table below summarizes the maturity profile of the Golf Club's financial liabilities as at December 31, 2020 and 2019 based on contractual undiscounted payments. The table also analyzes the maturity profile of the Golf Club's financial assets to provide a complete view of the Golf Club's contractual commitments and liquidity.

	2020			Total
	Due and Demandable	Within 1 Year	More than 1 Year	
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱139,781,660	₱-	₱-	₱139,781,660
Receivables:				
Related parties	136,608,575	-	-	136,608,575
Members	-	48,204,909	-	48,204,909
Others	-	6,004,712	-	6,004,712
	276,390,235	54,209,621	-	330,599,856

Forward



	2020			Total
	Due and Demandable	Within 1 Year	More than 1 Year	
Financial Liabilities				
Accounts payable and other current liabilities:				
Trade payables	₱-	₱8,356,068	₱-	₱8,356,068
Related parties	5,226,053	-	-	5,226,053
Accrued expenses	-	6,806,738	-	6,806,738
Refundable deposits	-	7,452,064	-	7,452,064
Auctioned membership liability	-	7,288,184	-	7,288,184
Retention payable	-	1,688,272	-	1,688,272
Concessionaires	-	1,329,016	-	1,329,016
Others	-	12,424,961	-	12,424,961
	5,226,053	45,345,303	-	50,571,356
Liquidity position (gap)	₱271,164,182	₱8,864,318	₱-	₱280,028,500

	2019			Total
	Due and Demandable	Within 1 Year	More than 1 Year	
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱160,806,112	₱-	₱-	₱160,806,112
Receivables:				
Related parties	121,801,169	-	-	121,801,169
Members	-	40,758,533	-	40,758,533
Others**	-	4,554,921	-	4,554,921
	282,607,281	45,313,454	-	327,920,735
Financial Liabilities				
Accounts payable and other current liabilities:				
Trade payables	-	26,795,489	-	26,795,489
Related parties	14,448,503	-	-	14,448,503
Auctioned membership liability	-	9,318,897	-	9,318,897
Refundable deposits	-	9,026,081	-	9,026,081
Accrued expenses	-	7,626,558	-	7,626,558
Retention payable	-	4,334,058	-	4,334,058
Concessionaires	-	1,556,008	-	1,556,008
Others	-	4,171,088	-	4,171,088
Loans payable*	-	809,502	-	809,502
	14,448,503	63,637,681	-	78,086,184
Liquidity position (gap)	₱268,158,778	(₱18,324,227)	₱-	₱249,834,551

* Including future interest payments amounting to ₱17,514 as at December 31, 2019.

**Excluding advances for liquidation amounting ₱64,821 as at December 31, 2019.

Credit Risk

Credit risk is most likely limited to the risk arising from the inability of a debtor to make payments when due. The Golf Club trades only with recognized and creditworthy third parties. It is the Golf Club's practice that all members are subject to credit verification procedures.

The Golf Club's exposure to credit risk is related primarily to the collection of members' monthly dues and receivable from related parties. The Golf Club's policy is to monitor the receivable balances on an ongoing basis, which causes the exposure to bad debts to be insignificant. The Golf Club has also the option to put into auction members' proprietary shares in case of non-payment of members account.

As at December 31, 2020 and 2019, credit risk is concentrated on the Golf Club's receivable from related parties or 71.43% and 72.80% of total receivables, respectively (see Note 6).



The table below shows the maximum exposure to credit risk for the Golf Club's financial assets as at December 31, 2020 and 2019, without taking account of any collateral and other credit enhancements:

	Gross Maximum Exposure ⁽¹⁾		Net Maximum Exposure ⁽²⁾	
	2020	2019	2020	2019
Cash and cash equivalents*	₱138,670,960	₱159,288,891	₱137,005,126	₱157,578,960
Receivables:				
Related parties	136,608,575	121,801,169	136,608,575	121,801,169
Members	48,204,909	40,758,533	–	–
Others**	6,004,712	4,554,921	6,004,712	4,554,921
	₱329,489,156	₱326,403,514	₱279,618,413	₱283,935,050

⁽¹⁾ Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements or insurance in case of bank deposits and fair market value of club shares in case of receivable from members.

⁽²⁾ Gross financial assets after taking into account any collateral held or other credit enhancements or offsetting arrangements or insurance in case of bank deposits and fair market value of club shares in case of receivable from members.

*Excluding cash on hand amounting to ₱1,110,700 and ₱1,517,221 as at December 31, 2020 and 2019, respectively.

**Excluding advances for liquidation amounting ₱64,821 as at December 31, 2019, respectively

The table below shows the aging analysis of the Golf Club's financial assets as at December 31, 2020 and 2019:

	2020							
	Neither Past Due nor Impaired	Past Due but not Impaired				Subtotal	Provision for ECL	Total
		1–30 Days	31–60 Days	Over 60 Days				
Cash and cash equivalents*	₱138,670,960	₱–	₱–	₱–	₱–	₱–	₱138,670,960	
Receivables:								
Related parties	136,608,575	–	–	–	–	–	136,608,575	
Members	24,760,371	2,858,511	17,873,042	2,712,985	49,821,505	808,298	49,013,207	
Others	6,004,712	–	–	–	–	–	6,004,712	
	₱306,044,618	₱2,858,511	₱17,873,042	₱2,712,985	₱49,821,505	₱808,298	₱330,297,454	

	2019							
	Neither Past Due nor Impaired	Past Due but not Impaired				Subtotal	Provision for ECL	Total
		1–30 Days	31–60 Days	Over 60 Days				
Cash and cash equivalents*	₱159,288,891	₱–	₱–	₱–	₱–	₱–	₱159,288,891	
Receivables:								
Related parties	121,801,169	–	–	–	–	–	121,801,169	
Members	9,327,316	11,810,423	5,729,184	13,891,610	31,431,217	486,032	41,244,565	
Others**	4,619,742	–	–	–	–	–	4,619,742	
	₱295,037,118	₱11,810,423	₱5,729,184	₱13,891,610	₱31,431,217	₱486,032	₱326,954,367	

*Excluding cash on hand amounting to ₱1,517,221 as at December 31, 2019.

**Excluding advances for liquidation amounting to ₱64,821 as at December 31, 2019.

Credit Quality

The financial assets of the Golf Club are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.



Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

The table below shows the credit quality of the Golf Club's financial assets that are neither past due nor impaired as at December 31 based on historical experience with the corresponding third parties:

	2020		
	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL	
Cash and cash equivalents*	₱138,670,960	₱-	₱138,670,960
Receivables:			
Members	27,618,882	20,586,027	48,204,909
Others	6,004,712	-	5,983,486
	₱172,294,554	₱20,586,027	₱192,859,355

*Excluding cash on hand amounting to ₱1,110,700 as at December 31, 2020.

	2019		
	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL	
Cash and cash equivalents*	₱159,288,891	₱-	₱159,288,891
Receivables:			
Members	21,137,739	19,620,794	40,758,533
Others**	4,619,742	-	4,619,742
	₱185,046,372	₱19,620,794	₱204,667,166

*Excluding cash on hand amounting to ₱1,517,221 as at December 31, 2019.

**Excluding advances for liquidation amounting ₱64,821 as at December 31, 2019.

Capital Management

The primary objective of the Golf Club's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize member value.

The Golf Club manages the capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Golf Club may increase monthly membership dues. There were no changes made in the objectives, policies or processes for the year ended December 31, 2020 and 2019.

The Golf Club considers the following as its capital:

	2020	2019
Proprietary certificates	₱532,500,000	₱532,500,000
APIC	1,810,633,418	1,810,633,418
Deficit	(686,493,882)	(681,164,062)
	₱1,656,639,536	₱1,661,969,356

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

The debt-to-equity ratio as at December 31 is as follows:

	2020	2019
Total liabilities (a)	₱91,505,508	₱142,460,498
Total members' equity (b)	1,653,781,887	1,660,423,922
Debt-to-equity ratio (a/b)	0.06:1	0.09:1



22. Fair Values

The carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities (excluding membership dues collected in advance and statutory payables) and loans payable approximate their fair values due to the short-term nature and maturities of the transactions. For refundable deposits (included as part of “Other noncurrent assets” account in the statements of financial position), these are carried at cost less allowance for any impairment loss due to the unpredictable nature of future cash flows and lack of suitable methods for arriving at reliable fair value.

In 2020, the Golf Club performed impairment testing and determined the recoverable amount to be FVLCTS. The Golf Club used the adjusted net asset approach, which requires the estimation of indicative equity value among others, in determining the FVLCTS. The Golf Club used its quoted price to determine the indicative equity value, which was used as the starting point to compute for the nonfinancial assets’ operating value. The Golf Club’s published quoted price is classified as Level 2 considering the volume or level of activity and sizes of transactions. There is no expectation of significant adjustments to the quoted prices as there is no significant change in the economic circumstances of the club shares. Accordingly, the Golf Club classifies the calculated FVLCTS of its nonfinancial assets as under Level 2.

23. Significant Agreements

Reciprocity Agreement

On August 24, 2001, the Golf Club entered into a Reciprocity Agreement with Mission Hills Golf Club (Mission Hills) located in Shenzhen, Guangdong Province, People’s Republic of China whereby Golf Club members will be allowed to enjoy and use the Mission Hills’ facilities, subject to Mission Hills’ rules and regulations, and Mission Hills’ members will be allowed to use the Golf Club’s facilities, subject to the Golf Club’s rules and regulations. This agreement shall remain in effect until mutually terminated by the parties.

Golf Course Maintenance Agreement

The Golf Club and THIGCI entered into a Golf Course Maintenance Agreement with Pacific Links Golf Development, Inc. (formerly known as Sta. Elena Properties, Inc.) for the maintenance of the Golf Club’s golf course and related facilities up to August 2011. In 2016, they entered into a new contract with Golfforce Inc. which started in June 2016 until May 31, 2020. Repairs and maintenance and outside services recognized by the Golf Club amounted to ₱3,349,246, ₱18,980,449 and ₱13,376,887 in 2020, 2019 and 2018, respectively.

In 2020, the Club entered into another contract with VMJ Evergreen Golf Maintenance and Construction Corp. wherein VMJ shall perform maintenance, landscaping and ground keeping services on the golf course areas with a term effective for (5) years beginning May 24, 2020 until May 24, 2025. Repairs and maintenance and outside services recognized by the Golf Club in 2020 amounted to ₱13,633,929.

Contract Services

The Golf Club, THIGCI and TCCTHI entered into a Service Agreement (SA) with Kares International Commodities & Manpower Services Corp. (KARES) wherein Kares shall provide manpower for various projects, hotels and related services required by the Clubs. The term of the SA is effective one year beginning December 1, 2019 to November 30, 2020 and was renewed for 1 year beginning December 1, 2020 to November 30, 2021. Outside services recognized by the Golf Club amounted to ₱10,501, ₱543,577 and ₱91,557 in 2020, 2019 and 2018, respectively.



The Golf Club entered into a contract with Lifeline Ambulance Rescue, Inc. (Lifeline) wherein Lifeline will provide a dedicated ambulance standby to respond to any medical emergencies within the Club. The term of the MOA is effective from August 16, 2017 to August 15, 2020 and was renewed for 2 years beginning August 16, 2020 to August 15, 2022. Standby ambulance fees recognized by the Golf Club amounted to ₱785,417, ₱780,952 and ₱546,577 in 2020, 2019 and 2018, respectively.

Security Services

The Golf Club entered into a SA with Anthony Saint Security and Investigation Agency (SASIA) wherein SASIA will provide security and safety services to the Club. The term of the SA is effective for three years beginning August 1, 2017 to July 31, 2020. The contract was extended until December 31, 2020.

The Golf Club entered into a SA with Eagle Corinthians Integrated Security, Inc. (EAGLECOR) wherein EAGLECOR will provide security and safety services to the Club. The term of the SA is effective for three years beginning August 1, 2017 to July 31, 2020.. The contract was renewed until December 31, 2022.

Security services that had been recognized by the Golf Club amounted to ₱5,648,783, ₱6,108,342 and ₱6,849,357 in 2020, 2019 and 2018, respectively.

Maintenance Services

The Golf Club entered into a Memorandum of Agreement (MOA) with Goforce, Inc. (referred to as the “Contractor”) wherein the Contractor will provide manpower and maintenance services (specifically cleaning, gardening and landscaping services) to the Golf Club. The term of the MOA shall be for a period of four (4) years beginning October 1, 2016 to September 30, 2020, renewable for an additional term of two (2) years at the option of the Golf Club. Their contract was terminated on April 23, 2020. Repairs and maintenance and outside services recognized by the Golf Club amounted to ₱10,851,144, ₱6,884,773 and ₱5,665,168 in 2020, 2019 and 2018, respectively.

The Golf Club entered into an agreement with Creative Proverbs Enterprises, that will provide all the facilities and building maintenance needs of the Golf Club such as maintenance tools and equipment, supply of all specified materials and also, the Management, supervision and personnel with full authority. The term of the contract was effective for two (2) years beginning on November 16, 2016 and extended until November 15, 2019. The Golf Club renewed the contract with a term effective for one (1) year beginning June 1, 2020 until May 31, 2021. Facilities and building maintenance recognized by the Golf Club amounted to ₱2,300,386, ₱3,024,762 and ₱2,888,039 in 2020, 2019 and 2018, respectively.

The Golf Club entered into a janitorial and sanitation service agreement with Help U Clean Systems, Inc. The term of contract was effective for one (1) year beginning on December 1, 2016 and renewed until November 30, 2020. Their contract was terminated effective April 16, 2020 and was renewed for 1 year beginning October 16, 2020 to October 15, 2021. Janitorial and sanitation service recognized by the Golf Club amounted to ₱561,717, ₱2,738,425 and ₱2,577,221 in 2020, 2019 and 2018, respectively.

The Golf Club entered into a Contract Agreement with Belle Corporation wherein the latter will provide labor, supervision, common tools, troubleshooting and other maintenance services to the Golf Club. The contract shall be for a period of one (1) year from January 1, 2019 to December 31, 2019 and renewable every year thereafter, unless written termination is served. Repairs and maintenance recognized by the Golf Club amounted to ₱35,606,939 and ₱24,479,029 in 2020 and 2019, respectively.



Lease

The Golf Club has lease agreement with Belle for the lease of its staff house. The lease term is mutually renewed every year, unless written notice of termination or cancellation is served by either party to the other at least 30 days in advance. The Golf Club's obligations under its leases are secured by the lessor's title to the leased assets. As stated in the contract, the Golf Club shall be the sole custodian of the leased assets.

The Golf Club also leases a five-door and eight-door building with lease terms of 12 months or less and leases of office equipment that is of low value. The Golf Club applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Cell Site

The Golf Club has entered into a MOA with Smart Communications, Inc. (Smart), wherein Smart will lease the land owned by the Golf Club for cell sites situated in the area. The agreement is effective from August 12, 2013 until August 11, 2023 unless earlier terminated and may be renewed for a period to be mutually agreed upon by both parties. Cell site rental income recognized by the Golf Club amounted to ₱204,840, ₱208,929 and ₱204,840 in 2020, 2019 and 2018, respectively.

Concession

The Golf Club entered into a Concession Contract with RMD Food Corporation wherein the latter will provide food and beverage, or complete restaurant amenities at Midlands Golfers Lounge. The contract shall be for a period of two (2) years from August 1, 2019 to July 31, 2020 and renewable upon mutual agreement of the parties subject to 10% increase on concessionaire's fee. Commission income from the concession contract with RMD amounted to ₱320,729, ₱284,214 and nil in 2020, 2019 and 2018.

The Golf Club entered into a concession agreement with La-Carte Canteen wherein La-Carte will provide quality and affordable food for the Club's cafeteria. The agreement is effective from May 7, 2019 to May 6, 2020 and was renewed for 1 year beginning May 7, 2020 to May 6, 2021. Food and meal expenses recognized by the Golf Club amounted to ₱74,955 and nil in 2020 and 2019.

The Golf Club entered into a concession agreement with Natividad's Canteen wherein Natividad will provide quality and affordable food for the Club's cafeteria. The agreement is effective from April 25, 2019 to April 24, 2020 and was renewed for 1 year beginning April 25, 2020 to April 24, 2021. Food and meal expenses recognized by the Golf Club amounted to ₱37,380 and nil in 2020 and 2019.

24. Changes in Liabilities Arising from Financing Activities

2020				
	January 1, 2020	Additions	Cash Flows Used	December 31, 2020
Loans payable (Notes 12 and 21)	₱791,988	₱-	(₱791,988)	₱-
Interest payable (Note 12)	605	17,514	(18,119)	-
Total liabilities from financing activities	₱792,593	₱17,514	(₱810,107)	₱-
2019				
	January 1, 2019	Additions	Cash Flows Used	December 31, 2019
Loans payable (Notes 12 and 21)	₱3,293,719	₱-	(₱2,501,731)	₱791,988
Interest payable (Note 12)	8,196	157,180	(164,771)	605
Total liabilities from financing activities	₱3,301,915	₱157,180	(₱2,666,502)	₱792,593



25. Other Matter

Subsequent event: Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, President Rodrigo Duterte signed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Golf Club:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2011 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Golf Club would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

Based on the provisions of Revenue Memorandum Circular (RMC) No. 50-2021, dated April 5, 2021 issued by the BIR, the prorated CIT rate of the Golf Club for CY2020 is 27.5%. The provisions of the CREATE Act did not have an impact on the current income tax and income tax payable for the year ended December 31, 2020. However, this will result in lower deferred tax assets and liabilities as of December 31, 2020 by ₱154,764. These reductions will be recognized in the 2021 Golf Club's financial statements.

Continuing COVID-19 pandemic

In a move to contain the COVID-19 outbreak, on March 16, 2020, the Office of the President of the Philippines issued Proclamation No. 929, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020 which was subsequently extended until May 15, 2020. On May 12, 2020, this was further extended into a modified enhanced community quarantine, wherein certain implementing rules have been relaxed.



The community quarantine classification in the vicinity of the Gold Club was subsequently extended or changed as follows:

Classification	Effectivity
General community quarantine	June 1 to August 31, 2020
Modified enhance community quarantine	September 1 to December 31, 2020
Enhanced community quarantine	January 1 to March 28, 2021
Modified enhance community quarantine	March 29, 2021 to April 11, 2021
General community quarantine	April 12, 2021 to May 14, 2021
	May 15 to May 31, 2021

COVID-19 has caused unprecedented impact to the Golf Club's operations due to mandatory quarantine periods, community lockdowns, restrictions on mobility and domestic and international travel, events cancellations, social distancing guidance and fear of spread, which drives down hospitality, travel and tourism for business and leisure leading to sharp decline in hotel occupancies and revenues resulting to significant losses. Currently, the Golf Club operates at allowed capacity by the local government unit of Cavite. The Golf Club also institutionalized heightened cleanliness standards and invested in contactless technologies to minimize health and safety risks. While ensuring business continuity, employee welfare and protection remained of utmost priority with the adoption of remote work arrangements and a digital workplace.

The Golf Club is cognizant of COVID-19's potential material impact on its financial performance, the execution of its plans and strategies, and its customers and employees should the situation persist in the longer-term. Nevertheless, the Golf Club expects to regain its significant foothold in the market it operates in as movement restrictions ease and as consumer sentiment recovers. Furthermore, despite unprecedented headwinds, the Golf Club's financial position remains stable.

26. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

The BIR has issued RR No. 15-2010 which requires certain tax information to be disclosed in the notes to financial statements. The Golf Club presented the required supplementary tax information as a separate schedule attached to its annual income tax return.



INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Directors
Tagaytay Midlands Golf Club, Inc.
Brgy. Tranca, Talisay, Batangas

We have audited the accompanying financial statements of Tagaytay Midlands Golf Club, Inc. (a nonprofit corporation) (the Golf Club) as at December 31, 2020 and for the year then ended, on which we have rendered the attached report dated May 28, 2021.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Golf Club has only one (1) stockholder owning more than one hundred (100) shares.

SYCIP GORRES VELAYO & CO.

Bienvenido M. Rebullido II

Bienvenido M. Rebullido II

Partner

CPA Certificate No. 0119460

SEC Accreditation No. 1801-A (Group A),

December 17, 2019, valid until December 16, 2022

Tax Identification No. 248-415-617

BIR Accreditation No. 08-001998-136-2020,

February 20, 2020, valid until February 19, 2023

PTR No. 8534352, January 4, 2021, Makati City

May 28, 2021



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Members and the Board of Directors
Tagaytay Midlands Golf Club, Inc.
Brgy. Tranca, Talisay, Batangas

We have audited in accordance with Philippine Standards on Auditing the financial statements of Tagaytay Midlands Golf Club, Inc. (a nonprofit corporation) (the Golf Club) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated May 28, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Golf Club's management. These schedules are presented for the purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Bienvenido M. Rebullido II

Bienvenido M. Rebullido II
Partner

CPA Certificate No. 0119460

SEC Accreditation No. 1801-A (Group A),
December 17, 2019, valid until December 16, 2022

Tax Identification No. 248-415-617

BIR Accreditation No. 08-001998-136-2020,
February 20, 2020, valid until February 19, 2023

PTR No. 8534352, January 4, 2021, Makati City

May 28, 2021



TAGAYTAY MIDLANDS GOLF CLUB, INC.
Index to the Financial Statements and Supplementary Schedules
December 31, 2020

Schedule I: Financial soundness indicators

Schedule II: Supplementary schedules



Midlands Golf Club Tagaytay <tagaytay.midlandsgolf@gmail.com>

Tagaytay Midlands Golf Club, Inc._SEC Form 17-Q_12August2021

2 messages

Midlands Golf Club Tagaytay <tagaytay.midlandsgolf@gmail.com>

Thu, Aug 12, 2021 at 3:46 PM

To: ictdsubmission@sec.gov.ph

Cc: cgfd@sec.gov.ph

Gentlemen:

Please see attached to this email the Second Quarter Report (SEC Form 17-Q) of TAGAYTAY MIDLANDS GOLF CLUB, INC. I certify that the information contained therein are true and correct. I also undertake to submit the physical copies of the exact same document once the state of public health emergency is lifted, if the same is required by the SEC.

Kindly acknowledge receipt so we can ensure that the submission has been received.

Thank you.

Kaith Shaira Develos
Brgy. Tranca, Talisay, Batangas
09171892410

**Tagaytay Midlands Golf Club, Inc._SEC Form 17-Q_12August2021.pdf**

1288K

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>

Thu, Aug 12, 2021 at 3:46 PM

To: tagaytay.midlandsgolf@gmail.com

Dear Customer,

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

(Subject to Verification and Review of the Quality of the Attached Document)

Official copy of the submitted document/report with Bar Code Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, FS-P, FS-C, Monthly Reports, Quarterly Reports, Letters, etc... through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:

AFS, GIS, GFFS, SFFS, LCFS, LCIF, FCFS. FCIF ANO, ANHAM. All submissions through OST are no longer required to submit the hard copy thru mail or over- the- counter.

FOR MC28, please email to:

[\(MC28_S2020@sec.gov.ph\)](mailto:MC28_S2020@sec.gov.ph)

For your information and guidance.

Thank you and keep safe.

CERTIFICATION

I, **FREDERICK D. DEOCARIZA**, Financial Controller, is a duly authorized representative of **TAGAYTAY MIDLANDS GOLF CLUB, INC. ("Club")**, with SEC registration number A1997-9196 and principal office at Brgy. Tranca Talisay, Batangas, Philippines, does hereby certify and state that:

- 1) That on behalf of the Club, I have caused this Quarterly Report for the period ended 30 June 2021 (SEC Form 17-Q) to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records; and
- 3) That the Club with comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail:

AUG 09 2021

IN WITNESS WHEREOF, I have hereunto set my hand this _____.



FREDERICK D. DEOCARIZA
Financial Controller

AUG 09 2021

TAGAYTAY CITY

SUBSCRIBED AND SWORN to before me this _____ in _____ City,
affiant exhibiting to me his _____ as competent evidence
of identity.

Doc. No. 523 ;
Page No. 106 ;
Book No. CXXXI /
Series of 2021.



ATTY. VALENTIN C. GUANIO
2/T SAN ROGUE BLDG. KAYBACH, SOUTH TAGAYTAY CITY
COMMISSION EXPIRES ON DECEMBER 31, 2022
PTR NO. 4426261 / JANUARY 4, 2021
ROLL NO. 22908
IBP LIFETIME RES. NO. 02892
MCLE COMPLIANCE NO. VI-000001

A 1 9 9 7 - 9 1 9 6
S.E.C. Registration Number

T A G A Y T A Y M I D L A N D S
G O L F C L U B , I N C .

(Company's Full Name)

B R G Y . T R A N C A T A L I S A Y B A T A N G A S

(Business Address: No. Street City / Town / Province)

Mr. A. Bayani K. Tan
Contact Person
632-0905
Company Telephone Number

1 2 - 3 1
Month Day
Calendar Year

1 7 - Q
FORM TYPE

0 6 - 3 0
Month Day
For the Quarter Ended

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(b)(2) THEREUNDER

1. For the quarterly period ended: **June 30, 2021**

2. SEC identification number: **A1997-9196**

3. BIR Tax Identification No.: **005-008-526-000**

4. **Tagaytay Midlands Golf Club, Inc.**

Exact name of issuer as specified in its charter

5. **Makati, Metro Manila, Philippines**

Province, country or other jurisdiction
of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **Brgy. Tranca, Talisay Batangas**

Address of issuer's principal office

4220

Postal Code

8. **(046) 483-3808**

Issuer's telephone number, including area code

9. **Year ended December 31**

Calendar year

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Proprietary Shares	6,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No [**x**]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [**x**] No []

(b) has been subject to such filing requirements for the past 90 days.

Yes [] No [**x**]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are attached as Exhibits:

1. Unaudited Statement of Financial Position as of June 30, 2021 and Audited Statement of Financial Position as of December 31, 2020.
2. Unaudited Statement of Comprehensive Income for the six-month period ended June 30, 2021 and June 30, 2020 and for the three-month period ended June 30, 2021 and June 30, 2020;
3. Unaudited Statement of Changes in Members' Equity as of June 30, 2021 and June 30, 2020, and Audited Statement of Changes in Members' Equity as of December 31, 2020.
4. Unaudited Statement of Cash Flow for the six months period ended June 30, 2021, and June 30, 2020.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)

Financial Condition

Six-month Period Ended June 30, 2021 compared to Year Ended December 31, 2020

ASSETS

The Golf Club has total current assets of ₱393.4 million as of December 31, 2020, compared to ₱440.70 million as of June 30, 2021. The Club has current ratio of ₱4.30 for each peso of current liabilities as of June 30, 2021, compared to ₱4.60 as of December 31, 2020.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased by ₱18.89 million or 13.51% from ₱139.78 million as of December 31, 2020 to ₱158.67 million as of June 30, 2021 mainly due to the net cash provided by operating activities of ₱20.49 million and net cash used in investing activities of ₱1.13 million.

RECEIVABLES

Receivables increased by ₱20.61 million or 10.80 % from ₱190.82 million as of December 31, 2020 to ₱211.43 million as of June 30, 2021 due to the net increase of receivables from related party and members.

OTHER CURRENT ASSETS

Other current assets increased by ₱7.76 million or 12.42% from ₱62.52 million as of December 31, 2020 to ₱70.28 million as of June 30, 2021 due to increase in prepaid expense others and deferred input vat.

NONCURRENT ASSETS

Property and equipment decreased by ₱22.99 million or 1.70% from ₱1.35 billion as of December 31, 2020 to ₱1.32 billion as of June 30, 2021, which pertains to increase in accumulated depreciation by ₱26.5 million or 2.18.% and construction in progress by ₱0.413 million or 102.60%. On the other hand, other non-current assets decreased by ₱1.12 million or -18.32% from ₱6.12 million as of December 31, 2020, to ₱5 million as of June 30, 2021.

LIABILITIES

Total liabilities increased by ₱17.07 million or 19.96% from ₱85.52 million as of December 31, 2020 to ₱102.59 million as of June 30, 2021, mainly due to increase in membership dues collected in advance by ₱10.94 million, statutory payables increased by ₱4.5million and accrued expenses by ₱2.94 million. On the other hand, payable to related parties decreased by ₱1.5 million.

EQUITY

Members' equity increased by ₱11.33 million or 0.69% from ₱1.65 billion as of December 31, 2020, to ₱1.66 billion as of June 30, 2021, due mainly to the net income recorded for the is-month ended June 30, 2021.

Results of Operations

Six-Month Period Ended June 30, 2021 compared to June 30, 2020

REVENUES

Total revenue of ₱136.86 million for the six months ended June 30, 2021 was higher by ₱29.67 million or 27.68%, compared to ₱107.19 million of the same period in 2020 due mainly to the increase in club operations revenue by ₱23.7 million or 23.44% which include increase in food, beverage and sundries by ₱7.45 million or 542.70%; green fees by ₱8.29 million or 392%; and golf cart, locker rental and others by ₱7.95 million or 504.24%. Also, there is a significant increase in membership transfer fee by ₱6.35 million or 564.40%, assignment fee by ₱0.94 million or 319.15%, and miscellaneous income by ₱1.61 million or 54.18%. On the other hand, there is a decreased in membership dues by ₱1.36 million or -1.42% and in interest income by ₱1.55million or -89.47%.

COST AND OPERATING EXPENSES

The cost and operating expenses showed an increase of ₱2.30 million or 2.38% from ₱96.73 million for the six months ended June 30, 2020 compared to ₱99.03 million for the six months ended June 30, 2021 due mainly to the following: food, beverage and sundry cost increased by ₱5.34 million or 215.10% from ₱2.48 million for the six months ended June 30, 2020 compared to ₱7.82 million for the same quarter in 2021, communication, light and water by ₱2.36 million or 15.87% from ₱14.84million in June 30, 2020 to ₱17.20 million in June 30, 2021. On the other hand, salaries, wages and employee benefits decreased by ₱6.48 million or -19.70% from ₱32.87 million for the six month ended June 30, 2020 to ₱26.40 million for the six months ended June 30, 2021; and taxes and licenses by ₱1.96 million or -25.52% from ₱7.67 million in June 30, 2020 to ₱5.71 million in June 30, 2021.

NET INCOME

The Golf Club's operation resulted to a net income of ₱11.33 million for the six-month ended June 30, 2021, as compared to ₱25.92 million net loss of the same period in 2020.

Below are the comparative key performance indicators of the Golf Club:

<i>Performance Indicators</i>	<i>Formula for Calculation</i>	<i>June 30, 2021 (Unaudited)</i>	<i>June 30, 2020 (Unaudited)</i>	<i>December 31, 2020 (Audited)</i>
Current ratio	Current assets over current liabilities	4.30: 1.00	2.90: 1.00	4.60: 1.00
Acid-test ratio	Quick assets*** over current liabilities	3.67: 1.00	2.43: 1.00	3.86: 1.00
Solvency ratio	Net income(loss) before depreciation over total liabilities	0.34: 1.00	0.10: 1.00	0.65: 1.00
Debt to equity ratio	Total liabilities over total members' equity	0.06: 1.00	0.09: 1.00	0.05: 1.00
Asset-to-Equity ratio	Total Asset over Total Equity	1.06: 1.00	1.10: 1.00	1.05: 1.00
Interest rate coverage ratio	Income from operations before depreciation over interest expense	n/a	-1460.04: 1.00	160.60: 1.00
Net Profit Margin	Net income/loss over total revenue	0.09: 1.00	-0.24: 1.00	-0.02: 1.00
Return on equity	Net income (loss) over ave. members' equity	0.01: 1.00	-0.0159: 1.00	-0.003: 1.00
Return on assets	Net income (loss) over ave. total assets	0.007: 1.00	-0.014: 1.00	-0.003: 1.00
EBITDA * per share	Excess of Revenue Over Expenses before Interest, Tax, Depreciation and Amortization over weighted average number of shares	₱ 7,103.93	₱ 1,967.26	₱ 11,098.97

* Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

***Cash plus receivables

As of the second quarter ended June 30, 2021, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations, in respect of the following:

- i. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Golf Club;
- ii. Events that will trigger direct or contingent financial obligation that is material to the Golf Club, including any default or acceleration of an obligation;
- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Golf Club with unconsolidated entities or other persons created during the reporting period;
- iv. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Golf Club's short-term or long-term liquidity;
- v. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- vi. Significant elements of income or loss that did not arise from the Golf Club's continuing operations;
- vii. Seasonal aspects that had a material impact on the Golf Club's results of operations; and
- viii. Material changes in the financial statements of the Golf Club from the interim period ended June 30, 2021, except as reported in the MD&A.

PART II - OTHER INFORMATION

Other Required Disclosures

1. The attached interim financial reports were prepared in compliance with the Philippine Financial Reporting Standards (PFRS). The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2020.

The adoption of the following PFRS standards, which are effective January 1, 2020, enumerated below does not have significant impact on its financial statements.

- i. Amendments to PFRS 3, *Business Combinations, Definition of a Business*
 - ii. Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
 - iii. Amendments to Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
 - iv. Amendments to PFRS 16, *COVID-19-related Rent Concessions*
2. There are no material events or uncertainties known to management that had a material impact on the seasonal aspects of the Club's results of operations.
3. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
4. There are no material changes in estimates of amounts reported in prior interim periods of prior financial years.
5. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the period June 30, 2021.
6. There are no material changes in the composition of the club during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
7. The Club has no contingent liabilities or contingent assets.
8. There are no material contingencies existing as of interim period that can have a material effect in the decision making of the financial statement users.
9. The application of the amendment on PAS 27 (Separate Financial Statements) will have no significant impact on the Club's financial position or financial performance.
10. The amendment on PFRS 1 (Government Loans) does not apply to the Club.
11. There will be no impact on the Club's financial position and performance for the application of PFRS 10 (Consolidated Financial Statements)
12. The application of PFRS 12 (Disclosure of Interests in Other Entities) will have no impact on the Club's financial position or performance.

13. The Club does not anticipate that the adoption of PFRS 13 (Fair Value Measurement) will have a significant impact on the financial position or performance.
14. The Golf Club has not been involved in any bankruptcy, receivership or similar proceedings for the past three (3) years.
15. The Golf Club has not engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets (not ordinary) for the past three (3) years.
16. All the Club's securities are registered under the Securities Regulation Code. There were no sale of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities for the past three (3) years.
17. The Golf Club is a non-profit corporation and as such, does not declare dividends to its shareholders. In accordance with the Golf Club's Articles of Incorporation and By-Laws, no profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the asset of the Club at the time of the dissolution or liquidation of the Golf Club.

EXHIBITS AND SCHEDULES

Exhibit "A" Financial Statements

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, Tagaytay Midlands Golf Club, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TAGAYTAY MIDLANDS GOLF CLUB, INC.



FREDERICK D. DEOCARIZA
Financial Controller

Date Signed: 08-07-2021



MA. CLARA T. KRAMER
General Manager

Date Signed: 08-07-2021

**TAGAYTAY MIDLANDS
GOLF CLUB, INC.
(A Nonprofit Corporation)**

UNAUDITED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2021 with Comparative Audited Figures as of December 31, 2020

	June 30 2021 (Unaudited)	December 31 2020 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (see schedule 1)	₱ 158,672,975	₱ 139,781,660
Receivables - net (see schedule 2)	211,432,039	190,818,196
Inventories - at cost (see schedule 3)	309,769	314,135
Prepaid expenses and other current assets	70,281,639	62,518,121
Total Current Assets	440,696,422	393,432,112
Noncurrent Assets		
Property and equipment - Net (see schedule 5)	1,322,005,475	1,345,732,863
Other noncurrent assets	5,000,728	6,122,420
	1,327,006,203	1,351,855,283
	₱ 1,767,702,625	₱ 1,745,287,395
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities - (see schedule 7)	₱ 102,591,625	₱ 85,520,550
Total Current Liabilities	102,591,625	85,520,550
Noncurrent Liabilities		
Pension liabilities	0	5,984,958
Total Liabilities	102,591,625	91,505,508
Members' Equity		
Proprietary certificates - P100,000 par value		
Authorized and subscribed - 6,000 shares	532,500,000	532,500,000
Additional paid-in capital	1,810,633,418	1,810,633,418
Deficit	(675,164,770)	(686,493,882)
Remeasurement gain (loss) on defined benefit pension plan-net of tax	(2,857,649)	(2,857,649)
Net Members' Equity	1,665,111,000	1,653,781,887
	₱ 1,767,702,625	₱ 1,745,287,395

**TAGAYTAY MIDLANDS
GOLF CLUB, INC.**

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

	For the Six Months Ended June 30 (Unaudited)		This Quarter	
	2021	2020	2021	2020
REVENUE				
Membership dues	₱ 94,638,329	₱ 95,998,349	₱ 47,932,890	₱ 46,977,525
Clubhouse operations:				
Food, beverage and sundries	8,826,048	1,373,276	4,787,777	302,535
Green fees	10,407,703	2,115,391	6,305,709	232,529
Golf cart, locker rental & others	9,522,470	1,575,933	5,392,724	616,234
	28,756,220	5,064,599	16,486,210	1,151,298
	123,394,549	101,062,948	64,419,099	48,128,823
Other Income:				
Membership transfer fees	7,474,464	1,125,000	4,661,964	328,571
Assignment fees	1,229,623	293,358	593,462	-104,429
Interest Income	182,982	1,737,116	116,075	917,081
Miscellaneous Income	4,575,330	2,967,446	2,190,401	1,058,602
	13,462,399	6,122,920	7,561,902	2,199,825
	136,856,948	107,185,868	71,981,001	50,328,648
COSTS AND OPERATING EXPENSES				
Salaries, wages and employee benefits	27,206,493	32,872,408	15,092,982	15,358,911
Depreciation	26,462,726	36,028,713	13,828,886	15,408,162
Repairs and maintenance	17,873,030	14,224,371	8,822,792	5,609,967
Communication, light and water	17,200,450	14,844,042	13,783,568	10,768,200
Taxes and licenses	5,711,875	7,669,495	2,752,932	4,212,792
Outside services	8,056,343	8,263,840	3,852,932	4,501,200
Club tournament expense	223,818	226,954	8,496	216,000
Food, beverage and sundry costs	7,816,171	2,480,550	4,168,650	1,262,559
Supplies	2,368,323	1,930,335	1,140,614	821,417
Bank charges	1,394,188	666,369	554,293	334,387
Fuel and oil	1,369,802	1,554,498	660,468	672,470
Laundry	809,681	904,615	438,878	455,650
Insurance	865,725	100,755	166,993	33,367
Entertainment, amusement and recreation	102,162	212,049	12,845	100,153
Interest Expense	-	17,514	0	4,328
Transportation & Travel	331,026	460,306	120,225	246,986
Waste Disposal	353,929	572,222	206,055	350,331
Caddy Expense	86,436	91,133	47,023	11,985
Share on common Expenses	4,680,175	5,210,278	1,002,027	3,692,817
Miscellaneous	2,578,887	4,425,976	2,888,153	1,619,451
	125,491,240	132,756,423	69,548,809	65,681,134
INCOME/(LOSS) BEFORE INCOME TAX	11,365,709	(25,570,555)	2,432,192	(15,352,486)
Provision for Income Tax (Current)	36,596	347,423	23,215	183,416
Provision for Income Tax (Deferred)	-	-	-	-
	36,596	347,423	23,215	183,416
NET INCOME (LOSS)	₱ 11,329,112	₱ (25,917,978)	₱ 2,408,977	₱ (15,535,902)
Income (Loss) per share (see schedule 8)	₱ 2,128	₱ (4,867)	₱ 452	₱ (2,918)

**TAGAYTAY MIDLANDS
GOLF CLUB, INC.**

(A Nonprofit Corporation)

UNAUDITED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

For the Six-months period ended June 30, 2021 and December 31, 2020

	Proprietary Certificates	Additional Paid-in Capital	Deficit	Remeasurement Loss on Defined Benefit Plan - Net of tax	Net Members' Equity
Balances at December 31, 2019	532,500,000	1,810,633,418	(681,164,069)	(1,545,434)	1,660,423,916
Net income	-	-	(25,917,978)	-	(25,917,978)
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income	-	-	(25,917,978)	-	(25,917,978)
Issuance of shares	-	-	-	-	-
Balances at June 30, 2020	532,500,000	1,810,633,418	(707,082,047)	(1,545,434)	1,634,505,937

0

Balances at December 31, 2020	532,500,000	1,810,633,418	(687,806,096)	(1,545,434)	1,653,781,888
Net income	-	-	11,329,112	-	11,329,112
Subscriptions receivable	-	-	-	-	-
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income	-	-	11,329,112	-	11,329,112
Balances at June 30, 2021	532,500,000	1,810,633,418	(676,476,984)	(1,545,434)	1,665,111,000

0

**TAGAYTAY MIDLANDS
GOLF CLUB, INC.
UNAUDITED STATEMENT OF CASH FLOWS
As of June 30, 2021 and June 30, 2020**

	Jan-21 to Jun-21	Jan-20 to Jun-20
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	₱ 11,365,709	₱ (25,570,555)
Adjustments for		
Depreciation and amortization	26,462,726	36,028,713
Interest expense	-	17,514
Interest income	(182,982)	(1,737,116)
Pension cost	2,487,420	1,297,958
Unrealized foreign exchange gain	(8,976)	12,443
Operating Income before working capital changes	40,123,897	10,048,955
Decrease (increase) in:		
Receivables	(20,613,843)	(23,588,665)
Inventories	4,366	115,916
Prepaid expenses and other current assets	(7,763,518)	(5,679,187)
Increase in accounts payable and other current liabilities	17,071,075	15,652,810
Net cash generated from (used for) operations	28,821,977	(3,450,171)
Interest received	182,982	1,737,116
Contribution to the Plan	(8,422,378)	
Income taxes paid	(36,596)	(347,423)
Benefits paid	(50,000)	
Net cash provided by (used in) operating activities	20,495,985	(2,060,479)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(2,735,338)	(8,837,637)
Decrease (increase) in other noncurrent assets	1,121,692	(13,843)
Increase in non-current liabilities	-	-
Proceeds from sale of property and equipment	-	-
Net cash used in investing activities	(1,613,647)	(8,851,479)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of loans	-	
Payment of loans	-	(791,988)
Interest paid	-	(17,514)
Net cash used in financing activities	-	(809,502)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,882,338	(11,721,460)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	8,976	(12,443)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	139,781,660	160,806,111
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱ 158,672,975	₱ 149,072,207

**TAGAYTAY MIDLANDS
GOLF CLUB, INC.**
SCHEDULE OF ACCOUNTS

	June 30 2021 (Unaudited)	June 30 2020 (Unaudited)
Schedule 1		
CASH AND CASH EQUIVALENT		
Cash on hand and in banks	₱ 56,356,782	₱ 25,777,497
Short term Investment	102,316,193	123,294,709
	₱ 158,672,975	₱ 149,072,207
Schedule 2		
ACCOUNTS RECEIVABLES		
Members	₱ 47,122,135	₱ 53,451,295
Related parties	158,835,290	134,736,545
Others	6,282,912	3,263,915
	212,240,337	191,451,754
Less: Allowance for doubtful accounts	-808,298	-486,032
	₱ 211,432,039	₱ 190,965,722
Schedule 3		
INVENTORIES		
Food and Beverage	₱ 72,599	₱ 88,009
Supplies	237,170	319,212
	₱ 309,769	₱ 407,221
Schedule 4		
PREPAID EXPENSES		
Prepaid expenses	₱ 70,281,639	₱ 64,776,925
Other current assets	0	185,216
	₱ 70,281,639	₱ 64,962,140
Schedule 5		
PROPERTY AND EQUIPMENT		
Land, buildings and improvements	₱ 1,951,848,669	₱ 1,913,778,390
Facilities and Equipment	571,437,020	577,642,499
Office, Furniture, Fixtures and Equipment	17,448,591	16,341,279
Artifacts	569,185	569,185
Transportation Equipment	20,041,752	20,006,440
	2,561,345,218	2,528,337,793
Construction in progress	816,070	38,732,269
Less: Accumulated Depreciation	1,239,985,487	1,186,084,511
	₱ 1,322,175,801	₱ 1,380,985,551
Operating equipment	8,220,913	8,163,544
Less: Accumulated Depreciation	8,391,239	7,882,286
	-170,326	281,258
	₱ 1,322,005,475	₱ 1,381,266,808

**TAGAYTAY MIDLANDS
GOLF CLUB, INC.**

SCHEDULE OF ACCOUNTS

	June 30 2021 (Unaudited)	June 30 2020 (Unaudited)
Schedule 6		
OTHER ASSETS		
Deposit - Contractors & Suppliers	₱ 122,097	₱ 100,457
Intangible Asset	1,415,072	1,415,072
Other Assets - Refundable Deposits	25,000	
Deferred Input Vat - CAPEX	3,438,560	4,935,584
	₱ 5,000,728	₱ 6,451,114

Schedule 7

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Trade Payables	₱ 5,355,896	₱ 23,547,815
Statutory Payables	5,872,821	1,066,360
Related Party	3,649,597	32,313,198
Accrued Expenses	9,790,786	12,778,250
Membership dues collected in advance	37,381,280	28,830,892
Accounts Payable - Labor	5,425	858,461
Accounts Payable - Cash Bond	7,733,523	8,940,691
Unclaimed Gift Certificate	7,383,865	7,061,765
Accounts Payable - Unidentified Collection	0	3,006,607
A/P- Others (Retention)	1,688,272	4,334,058
A/P - Others (Stale Check)	1,505,723	2,392,421
Accounts Payable - Bid Price	12,871,839	8,698,504
Deferred Income from Consumables	4,265,790	0
Other current liabilities	5,086,809	6,067,934
	₱ 102,591,625	₱ 139,896,957

Schedule 8

INCOME/(LOSS) PER SHARE

Income/(Loss) per share is computed by dividing the excess of expenses over revenues by the weighted average number of shares issued and outstanding during the year.

The Club's reported income per share for each of the three months in the period ended June 30, 2021 and 2020 were computed as follows:

	Apr-21 to Jun-21	Apr-20 to Jun-20
(a) Excess of expenses over revenues	₱ 2,408,978	₱ -15,535,902
(b) Weighted average number of shares outstanding	5,325	5,325
(c) Income / (Loss per share) (a / b)	₱ 452	₱ -2,918

The Club's reported income/(loss) per share for each of the six months in the period ended June 30, 2021 and 2020 were computed as follows:

	Jan-21 to Jun-21	Jan-20 to Jun-20
(a) Excess of expenses over revenues	₱ 11,329,112	₱ -25,917,978
(b) Weighted average number of shares outstanding	5,325	5,325
(c) Income / (Loss) per share (a / b)	₱ 2,128	₱ -4,867

DRAFT
FOR APPROVAL OF STOCKHOLDERS

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF

TAGAYTAY MIDLANDS GOLF CLUB, INC.

11 December 2020 at 11:30 a.m.
Held at the Midlands Golfers Lounge, Midlands Clubhouse
Barangay Tranca, Talisay, Batangas

Before the start of the meeting, the following members of the Board of Directors present were introduced:

WILLY N. OCIER
JERRY C. TIU
JOSEPH T. CHUA
JACINTO C. NG, JR.
SHIRLEY ONG
HANS T. SY
RUBEN C. TAN

The presence of the General Manager, Ms. Clara T. Kramer, the Financial Controller, Mr. Frederick D. Deocariza, and other officers of the Club were also acknowledged. The representatives of the auditing firm of Sycip Gorres Velayo & Co. were likewise in attendance.

CALL TO ORDER

The Chairman, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Corporate Secretary, Mr. A. Bayani K. Tan, was requested to record the minutes of the proceedings.

CERTIFICATE OF NOTICE AND QUORUM

Upon the request of the Chairman, the Secretary certified that notices of the meeting were sent to all stockholders of record as of _____ 2020 in accordance with the provisions of the By-Laws through the following means. Upon the instruction of the Chairman of the meeting, the certificate was appended to the original of the Minutes of this meeting.

The Secretary certified that out of 6,000 subscribed shares of the capital stock of the Club, there were present, in person or by proxy, holders of 3,657 membership certificates representing an attendance of 60.95% of the total subscribed capital stock. Accordingly, he certified that a quorum existed for the transaction of business at hand.

**APPROVAL OF THE MINUTES OF THE
LAST STOCKHOLDERS' MEETING**

Upon motion duly made and seconded, the reading of the minutes of the annual stockholders' meeting of 03 August 2019 was dispensed with as the same had been previously distributed to shareholders. The Chairman opened the floor for questions about the Minutes of the 2019 Annual Stockholders' Meeting but none were raised.

The Minutes of the said meeting was thereafter approved as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	3,657	0	0

DRAFT
FOR APPROVAL OF STOCKHOLDERS

**MANAGEMENT REPORT ON 2018
OPERATIONS AND RESULTS**

Ms. Ma. Clara T. Kramer, the Club's General Manager, reported on the activities of the Club for the fiscal year ended 31 December 2018. She briefly discussed the highlights of the Club's Balance Sheet and the Statement of Revenue and Expenses as well as the Statement of Cash Flows, which form part of the SEC Form 20-IS previously sent to all shareholders.

For the year ended December 31, 2018, the Club posted a net income of ₱12.76 Million which shows an increase of ₱2.15 Million compared to net income of ₱10.61 Million. The decrease in net income may be attributable to the increase in membership dues.

Revenues went up by ₱10.09 million, from ₱231.38 Million in 2017 to ₱241.47 Million. mainly from food and beverage sales and membership dues, income from recreational facilities and room sales. Other income consists of service charge, membership transfer and assignment fee, sponsorship, income from Christmas assessment and commission.

Cost and operating expenses likewise increased by ₱2.89 Million, from ₱219.82 Million in 2017 to ₱222.72 Million in 2018. This may be attributable to the increase in water consumption in golf course irrigation and increase in depreciation expense by ₱3.1 Million.

The Club showed a healthy financial position as of December 31, 2018 with total assets of ₱1.52 Billion compared to last year's total assets of ₱1.50 Billion. In terms of liquidity, the Club has current assets of ₱3.72 to ₱1.00 of current liability as of December 31, 2018. Net working capital increased by ₱4.5 Million from ₱262.4Mmillion in 2017 to ₱266.9 Million in 2018.

Total liabilities amounted to ₱108.7 Million as of December 31, 2018 slightly higher than last year's of ₱103.5 Million. The Club's ratio of total liabilities to equity continued to be at a low level of 0.08:1.00 in 2018 compared to 0.12:1.00 in 2017.

At the conclusion of said report, and no questions having been raised, the President's Report for the year ended 31 December 2018, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2018, upon motion duly made and seconded, was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2018 Operations and Results and 2018 Audited Financial Statements	3,657	0	0

RATIFICATION OF CORPORATE ACTS

The Chairman announced that the next item on the agenda was the ratification of the acts of the Board of Directors, Officers, and Management of the Club. The Corporate acts ratified were listed in the Club's Information Statement distributed to the shareholders in advance. No questions or issues were raised about the corporate acts despite opportunity having been given by the Chairman.

Upon motion duly made and seconded, all acts of the Board of Directors, Officers, and Management of the Club from the date of the last annual stockholder's meeting up to the date of this present meeting, were, in all respects, confirmed, ratified, and approved, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts	3,657	0	0

DRAFT
FOR APPROVAL OF STOCKHOLDERS

ELECTION OF DIRECTORS

The Chairman proceeded to the next item on the agenda, which was the election of the members of the Board of Directors for the ensuing year. The following have been nominated for election:

Willy N. Ocier
Jerry C. Tiu
Hans T. Sy
Joseph T. Chua
Shirley C. Ong
Jacinto C. Ng, Jr.
Ruben C. Tan

The Chairman noted that, in compliance with the provisions of the Securities and Regulations Code requiring the election of independent directors, Messrs. Joseph T. Chua and Ruben C. Tan, who qualify as independent directors under said Code, were nominated and elected as members of the Board.

After the nominations were duly made and seconded from the floor, the following stockholders, receiving the votes indicated opposite their names, were elected as directors for the year 2020-2021, to serve as such until their successors shall have been duly elected and qualified:

NOMINEE	VOTES IN FAVOR
Willy N. Ocier	3,657
Jerry C. Tiu	3,657
Hans T. Sy	3,657
Joseph T. Chua	3,657
Shirley C. Ong	3,657
Jacinto C. Ng, Jr.	3,657
Ruben C. Tan	3,657

APPOINTMENT OF EXTERNAL AUDITOR

As recommended by the Board of Directors, the stockholders voted for the appointment of the auditing firm Sycip Gorres Velayo & Co. as the Club's external auditor. No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to re-appoint Sycip Gorres Velayo & Co. as the Corporation's external auditor for Year 2020 was approved by the shareholders as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Sycip Gorres Velayo & Co. as External Auditor for 2019	3,657	0	0

The stockholders likewise unanimously approved the following resolution:

“RESOLVED, as it is hereby resolved, that the auditing firm of Sycip Gorres Velayo & Co. is hereby appointed as the Corporation's External Auditor for the fiscal year 2020.”

DRAFT
FOR APPROVAL OF STOCKHOLDERS

ADJOURNMENT

There being no other business to transact, upon motion duly made and seconded, the meeting was adjourned.

ATTESTED BY:

WILLY N. OCIER
Chairman of the Meeting

A. BAYANI K. TAN
Corporate Secretary

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Fwd: Tagaytay Midlands Golf Club Inc._Certificate of Mr. Manuel B. Sy_21Sept2021

CGFD LD <cgfd_ld@sec.gov.ph>

Thu 9/23/2021 2:18 PM

To: Kaith Shaira D. Develos <shaira.develos@tagaytayhighlands.com>

Cc: CGFD Account <cgfd@sec.gov.ph>

 1 attachments (1 MB)

Tagaytay Midlands Golf Club Inc._Certificate of Independent Director - Mauel B. Sy - Annex B.1.pdf;

*Dear Sir/Madam,**This is to acknowledge receipt of your email. This will be forwarded to our handling Division.*

*On **12 May 2021**, the Commission issued a **NOTICE** with subject "Revised Guidelines on the Submission of Documents, Issuance of Payment Assessment Form, Other Request and Compliance", as a Guidance for the covered companies indicated therein. To view the complete Notice, please click this link - <https://www.sec.gov.ph/notices/revised-guidelines-on-the-submission-of-documents-issuance-of-payment-assessment-form-other-requests-and-compliance/>. This will supersede CGFD Notices dated June 24, 2020 and July 20, 2020 and incorporate submission requirements in SEC Memorandum Circular No. 3, Series of 2021 applicable for CGFD covered companies.*

Insofar as the covered companies enumerated therein are concerned (and with respect to reports, applications, requests and other documents falling within our Department's jurisdiction), only the submissions that are compliant with the requirements provided in the abovementioned Notice and SEC Memorandum Circular No. 3, Series of 2021 shall be considered as filed with the Commission.

We encourage you to regularly monitor the SEC Website (www.sec.gov.ph) and/or the SEC's Facebook page for updates and announcements.

Thank you.

----- Forwarded message -----

From: **Kaith Shaira D. Develos** <shaira.develos@tagaytayhighlands.com>

Date: Wed, Sep 22, 2021 at 1:57 PM

Subject: Tagaytay Midlands Golf Club Inc._Certificate of Mr. Manuel B. Sy_21Sept2021

To: CGFD LD <cgfd_ld@sec.gov.ph>Cc: CGFD Account <cgfd@sec.gov.ph>

Madame:

Please see attached to this email the certification of Tagaytay Midlands Golf Club Inc.'s independent director Mr. Manuel B. Sy.

I certify that the information contained in the certification are true and correct.

Kindly acknowledge receipt so we can ensure that the submission has been received.

Thank you.

Full Name: Kaith Shaira D. Develos
Corporate Address: Brgy. Tranca Talisay Batangas
Mobile Number: 0917-563-4862

--

Licensing Division
Corporate Governance and Finance Department
Securities and Exchange Commission

Confidentiality Notice:

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The Commission is neither liable for the proper and complete transmission of the information nor for any delay in its receipt. The Commission accepts no liability for any damage caused by this email or its attachments due to viruses, interference, interception, corruption or unauthorized access.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MANUEL B. SY.**, Filipino, of legal age and a resident of 2-A Magnolia St. Wack Wack Village, Mandaluyong City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **TAGAYTAY MIDLANDS GOLF CLUB, INC.**
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
New Golden City Builders & Dev't. Corporation	President / CEO	1987 to present
Citigold Resources and Dev't Corp	President / CEO	2000 to present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **TAGAYTAY MIDLANDS GOLF CLUB, INC.** as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of **TAGAYTAY MIDLANDS GOLF CLUB, INC.** as provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I do not hold any government position and therefore do not request written permission or consent from the any head of a government agency/department to be an independent director in **TAGAYTAY MIDLANDS GOLF CLUB, INC.**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing rules and Regulations, Code of Corporate Governance and other SEC issuances.

Done this ___ day of 20 SEP 2021 2021 at MANILA



MANUEL B. SY
Affiant

20 SEP 2021

SUBSCRIBED AND SWORN to before me this ___ day of ___ 2021 at MANILA affiant personally appeared before me and exhibited  with No. _____ issued on _____ at _____ as his competent evidence of identity.

ATTY. CLIFF RICHARD E. GENESELA
NOTARY PUBLIC CITY OF MANILA / ROL NO. 49006
Commission No. 2020-117 Issued on Dec. 10, 2020 Until Dec. 31, 2021 / Manila
PTR No. 9017300 Issued on Jan. 4, 2020 Until Dec. 31, 2021 / Manila

Doc. No. 4410
Page No. 88
Book No. 11

Fwd: Tagaytay Midlands Golf Club Inc_Certificate of Mr. Sergio Yu_21Sept.2021

CGFD LD <cgfd_ld@sec.gov.ph>

Thu 9/23/2021 2:17 PM

To: Kaith Shaira D. Develos <shaira.develos@tagaytayhighlands.com>

Cc: CGFD Account <cgfd@sec.gov.ph>

 1 attachments (117 KB)

Tagaytay Midlands Golf Club Inc._Certificate of Independent Director - Sergio Yu - Annex B.2.pdf;

*Dear Sir/Madam,**This is to acknowledge receipt of your email. This will be forwarded to our handling Division.*

*On **12 May 2021**, the Commission issued a **NOTICE** with subject "Revised Guidelines on the Submission of Documents, Issuance of Payment Assessment Form, Other Request and Compliance", as a Guidance for the covered companies indicated therein. To view the complete Notice, please click this link - <https://www.sec.gov.ph/notices/revised-guidelines-on-the-submission-of-documents-issuance-of-payment-assessment-form-other-requests-and-compliance/>. This will supersede CGFD Notices dated June 24, 2020 and July 20, 2020 and incorporate submission requirements in SEC Memorandum Circular No. 3, Series of 2021 applicable for CGFD covered companies.*

Insofar as the covered companies enumerated therein are concerned (and with respect to reports, applications, requests and other documents falling within our Department's jurisdiction), only the submissions that are compliant with the requirements provided in the abovementioned Notice and SEC Memorandum Circular No. 3, Series of 2021 shall be considered as filed with the Commission.

We encourage you to regularly monitor the SEC Website (www.sec.gov.ph) and/or the SEC's Facebook page for updates and announcements.

Thank you.

----- Forwarded message -----

From: **Kaith Shaira D. Develos** <shaira.develos@tagaytayhighlands.com>

Date: Wed, Sep 22, 2021 at 1:55 PM

Subject: Tagaytay Midlands Golf Club Inc_Certificate of Mr. Sergio Yu_21Sept.2021

To: CGFD LD <cgfd_ld@sec.gov.ph>Cc: CGFD Account <cgfd@sec.gov.ph>

Madame:

Please see attached to this email the certification of Tagaytay Midlands Golf Club Inc.'s independent director Mr. Sergio C. Yu.

I certify that the information contained in the certification are true and correct.

Kindly acknowledge receipt so we can ensure that the submission has been received.

Thank you.

Full Name: Kaith Shaira D. Develos
Corporate Address: Brgy. Tranca Talisay Batangas
Mobile Number: 0917-563-4862

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Licensing Division
Corporate Governance and Finance Department
Securities and Exchange Commission

Confidentiality Notice:

IMPORTANT: *This email message, including attachments, if any, contains confidential information which may be privileged or otherwise protected from disclosure and intended solely for the use of the individual or entity to whom it is addressed and others authorized to receive it. If you are not the intended recipient of this message you must not disclose or use the information contained in it. If you have received this email in error, please notify us immediately by return email and delete the document and any copies thereof. Notice is hereby given to you that any use, downloading, copying, review, re-transmission, dissemination, distribution, reproduction or any action taken in reliance upon this email, without the consent of the original sender is prohibited by law, including R.A. No. 4200 (The Anti-Wire Tapping Law), R.A. No. 8792 (The E-Commerce Law), A.M. No. 01-7-01-SC (Rules on Electronic Evidence), or R.A. No. 10173 (The Data Privacy Act of 2012).*

The Commission is neither liable for the proper and complete transmission of the information nor for any delay in its receipt. The Commission accepts no liability for any damage caused by this email or its attachments due to viruses, interference, interception, corruption or unauthorized access.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing rules and Regulations, Code of Corporate Governance and other SEC issuances.

Done this SEP 21 2021 day of PASIG CITY 2021 at _____.

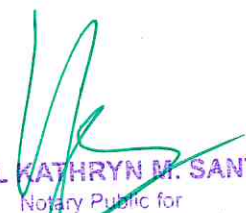


SERGIO CYU
Affiant

SUBSCRIBED AND SWORN to before me this SEP 21 2021 day of PASIG CITY, affiant personally appeared before me and exhibited _____ with No. _____ issued on _____ at _____ as his competent evidence of identity.

Doc. No. 305;
Page No. 02;
Book No. VI;
Series of 2021.

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ABKTACRISML 383-370


YSABEL KATHRYN M. SANTOS
Notary Public for
Pasig City, San Juan, Taguig & Pateros
Appointment No. 231 (2019-2020)
(Commission Extended until 31 December 2021
per Supreme Court Resolution dated 22 June 2021)
2704 East Tower, PSE Center, Exchange Road
Ortigas Center, 3885 Pasig City
PTR No. 0516075905 29 21/Pasig
IBP LRN No. 018949/06 28 2019/RSM
Roll of Attorneys No. 70409
MCLE No VI-0017136/01 10 19

COVER SHEET

A 1 9 9 7 - 9 1 9 6
S.E.C. Registration Number

T A G A Y T A Y M I D L A N D S
G O L F C L U B , I N C .
(Company's Full Name)

B R G Y . T R A N C A T A L I S A Y B A T A N G A S
(Business Address: No. Street City / Town / Province)

Kristine Marie Liberato
Contact Person
8632-0905/10
Company Telephone Number

1 2 - 3 1
Month Day
Fiscal Year

-
Month Day
Annual Meeting

C E R T I F I C A T I O N
(D E F I N I T I V E 2 0 - 1 5)

N/A
Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

CERTIFICATION

I, **ANN MARGARET K. LORENZO**, Assistant Corporate Secretary of **TAGAYTAY MIDLANDS GOLF CLUB, INC.** (“Club”), with SEC registration number A1997-9196 and principal office at Barangay Tranca, Talisay, Batangas, does hereby certify and state that:

- 1) On behalf of the Club, I have caused this Definitive Information Statement (SEC Form 20-IS) to be prepared;
- 2) I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records; and
- 3) The Club will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail.

SEP 21 2021

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of September 2021 in Pasig City, Metro Manila.

ANN MARGARET K. LORENZO
Assistant Corporate Secretary

SEP 21 2021

SUBSCRIBED AND SWORN to before me this ____ day of September 2021 in Pasig City, Metro Manila, affiant exhibiting to me her [redacted] p. [redacted] which expires on [redacted] as competent evidences of her identity.

Doc. No. 315 ;
Page No. 64 ;
Book No. VI ;
Series of 2021.

YSABEL KATHRYN M. SANTOS
Notary Public for
Pasig City, San Juan, Taguig & Pateros
Appointment No. 201 (2019-2020)
(Commission Extended until 31 December 2021
per Supreme Court En Banc Resolution dated 22 June 2021)
2704 East Tower, 100 Century Exchange Road
Ortigas Center, 1906 Pasig City
PTR No. 6513070/01 29 21/Pasig
IBP LRN No. 016949/06 28 2019/RSM
Roll of Attorneys No. 70409
MCLE No VI-0017136/01 10 19

COVER SHEET

A 1 9 9 7 - 9 1 9 6
S.E.C. Registration Number

T A G A Y T A Y M I D L A N D S
G O L F C L U B , I N C .
(Company's Full Name)

B R G Y . T R A N C A T A L I S A Y B A T A N G A S
(Business Address: No. Street City / Town / Province)

Kristine Marie Liberato
Contact Person
8632-0905/10
Company Telephone Number

1 2 - 3 1
Month Day
Fiscal Year

-
Month Day
Annual Meeting

C E R T I F I C A T I O N
N O G O V E R N M E N T E M P L O Y M E N T

N/A
Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S.



CERTIFICATION

ANN MARGARET K. LORENZO, of legal age, Filipino, with office address at 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, after having been sworn to in accordance with law, does hereby certify that:

1. I am the duly elected and incumbent Assistant Corporate Secretary of **TAGAYTAY MIDLANDS GOLF CLUB, INC.** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, with principal office at Barangay Tranca, Talisay, Batangas;
2. Based on the information provided to the Corporation by the members of its Board of Directors and its principal executive officers, none of said members of the Board of Directors and principal executive officers of the Corporation are presently employed by any office or agency of the Philippine Government.

IN ATTESTATION OF THE ABOVE, this Certificate has been signed this SEP 21 2021 day of September 2021 in Pasig City, Metro Manila.


ANN MARGARET K. LORENZO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this SEP 21 2021 day of September 2021 in Pasig City, Metro Manila, affiant exhibiting to me her  which expires on  as competent evidence of her identity.

Doc. No. 311 ;
Page No. 68 ;
Book No. 11 ;
Series of 2021.


YSABEL KATHRYN M. SANTOS
Notary Public for
Pasig City, San Juan, Taguig & Paleros
Appointment No. 231 (2019-2020)
(Commission Extended until 31 December 2021
per Supreme Court Resolution No. 22 June 2021)
2704 East Tower, PSC Center, Exchange Road
Ortigas Center, Pasig City
PTR No. 6510070/01 29 21/Pasig
IBP LRN No. 016949/06 26 2019/RSM
Roll of Attorneys No. 70409
MCLE No VI-0017136/01 10 19