

ANNEX D

2019 Audited Financial Statements

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

FS FOR FILING WITH SEC

**AFTER THE BIR HAS ALREADY
STAMPED "RECEIVED."**

SEC Registration Number

C S 2 0 1 4 1 2 2 2 9

COMPANY NAME

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

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

A l v i e r a C o u n t r y C l u b , B r g y . H a
c i e n d a D o l o r e s , P o r a c , P a m p a n g
a

Form Type

A A F S

Department requiring the report

S E C

Secondary License Type, If
Applicable

N / A

COMPANY INFORMATION

Club's Email Address

N/A

Club's Telephone Number

(045) 307-4000

Mobile Number

N/A

No. of Stockholders

109

Annual Meeting (Month / Day)

September 30 of each
year

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ma. Luisa D. Chiong

Email Address

chiong.malou@ayalala
nd.com.ph

Telephone Number/s

7908-3720

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

4th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

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

2 : All Boxes must 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 Board of Directors and Stockholders
Alviera Country Club, Inc.
Alviera Country Club, Brgy. Hacienda Dolores
Porac, Pampanga

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alviera Country Club, Inc. (the Club), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2019, and notes to 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 Club as at December 31, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2019 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 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 17-A for the year ended December 31, 2019 but does not include the financial statements and our auditor's report thereon. The SEC Form 17-A for the year ended December 31, 2019 are expected to be made available to us after the date of this auditor's report.

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

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when 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 Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.



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

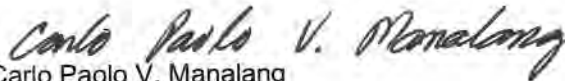
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 16 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Alviera Country Club, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Carlo Paolo V. Manalang

Partner

CPA Certificate No. 111947

Accreditation No. 111947-SEC (Group A)

Valid to cover audit of 2019 to 2023

financial statements of SEC covered institutions

Tax Identification No. 210-730-804

BIR Accreditation No. 08-001998-127-2019,

November 27, 2019, valid until November 26, 2022

PTR No. 8125259, January 7, 2020, Makati City

June 11, 2020



ALVIERA COUNTRY CLUB, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Alviera Country Club, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2019, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with the Philippine Standards on Auditing, and its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



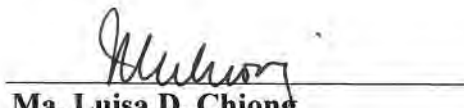
Leonardo L. Leonio
Chairman



Anna Ma. Margarita B. Dy
President



Clarissa Teresita L. Asuncion
Treasurer



Ma. Luisa D. Chiong
Chief Finance Officer and Comptroller

Signed this 29 OCT 2020
11th day of June 2020

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Book No.	<u>211</u>
Series of	<u>2020</u>

ATTY. JOSHUA P. LAPUZ
Notary Public for and in Makati City
Appointment No. M-66 until 12/31/2021
PTR No. 8116016, Jan. 2, 2020 Makati City
Roll No. 45790, IBP Lifetime No. 04897
MCLE No. VI-0016565 / Jan. 14, 2019
G/F Fedman Suites, 199 Salcedo Street,
Legaspi Village, Makati City

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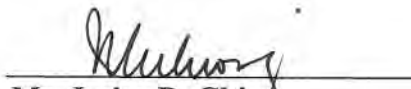
Leonardo L. Leonio
Chairman



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Treasurer




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29 OCT 2020

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ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash in bank (Notes 4, 11 and 13)	P11,421,415	P158,047,363
Accounts and other receivables (Notes 5, 11 and 13)	5,577,716	1,085,532
Inventories (Note 6)	2,022,623	-
Other current assets	107,234,807	-
Total Current Assets	126,256,561	159,132,895
Noncurrent Assets		
Property and equipment (Note 7)	836,709,870	767,291,606
Advances to contractors (Note 11)	1,728,221	13,645,020
Input value-added tax	1,275,642	77,581,586
Other noncurrent assets	1,269,785	1,269,785
Total Noncurrent Assets	840,983,518	859,787,997
	P967,240,079	P1,018,920,892
LIABILITIES AND EQUITY		
Current Liability		
Accounts and other payables (Notes 8, 11 and 13)	P59,838,701	P520,140,500
Noncurrent Liability		
Retention payable (Note 11)	10,057,889	28,385,731
Total Liabilities	69,896,590	548,526,231
Equity		
Capital stock (Note 9)	956,745,130	486,680,282
Deficit	(59,401,641)	(16,285,621)
Total Equity	897,343,489	470,394,661
	P967,240,079	P1,018,920,892

See accompanying Notes to Financial Statements.



ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	December 31		
	2019	2018	2017
REVENUE			
Sale of goods (Note 12)	P6,419,259	P-	P-
Membership dues (Note 12)	4,941,000	-	-
Service income (Note 12)	717,195	-	-
Interest income (Note 4)	276,812	77,294	42,183
Other income	505,975	-	-
	12,860,241	77,294	42,183
COSTS AND EXPENSES (Note 12)			
Cost of sales and services	3,224,660	-	-
Direct operating expenses	43,359,499	339,773	649,410
General administrative expenses	9,269,257	3,707,000	344,060
	55,853,416	4,046,773	993,470
LOSS BEFORE INCOME TAX	42,993,175	3,969,479	951,287
PROVISION FOR INCOME TAX (Notes 4, 10 and 11)	122,845	15,459	8,437
NET LOSS	43,116,020	3,984,938	959,724
OTHER COMPREHENSIVE INCOME	-	-	-
TOTAL COMPREHENSIVE LOSS	P43,116,020	P3,984,938	P959,724

See accompanying Notes to Financial Statements.



ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF CHANGES IN EQUITY

	December 31		
	2019	2018	2017
PAID-IN CAPITAL (Note 9)			
Common stock, no par value			
Class A - 3,700 shares	P296,055,755	P296,055,755	P77,900,000
Class B - 2,600 shares	546,620,750	546,620,750	49,400,000
Class C - 300 shares	63,071,625	63,071,625	5,700,000
Class D - 200 shares	50,997,000	50,997,000	-
	956,745,130	956,745,130	133,000,000
Subscription receivable (Note 9)			
Balance at beginning of year	(470,064,848)	-	-
Subscription of shares	-	(470,064,848)	-
Collection of subscription receivable	470,064,848	-	-
Balance at end of year	-	(470,064,848)	-
	956,745,130	486,680,282	133,000,000
DEFICIT			
Balance at beginning of year	(16,285,621)	(12,300,683)	(11,340,959)
Net loss	(43,116,020)	(3,984,938)	(959,724)
Balance at end of year	(59,401,641)	(16,285,621)	(12,300,683)
	P897,343,489	P470,394,661	P120,699,317

See accompanying Notes to Financial Statements.



ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF CASH FLOWS

	December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(P42,993,175)	(P3,969,479)	(P951,287)
Adjustment for:			
Interest income (Note 4)	(276,812)	(77,294)	(42,183)
Depreciation (Note 7)	10,443,781	-	-
Loss before changes in working capital	(32,826,206)	(4,046,773)	(993,470)
Decrease (increase) in:			
Accounts and other receivables	(4,492,184)	-	-
Inventories	(2,022,623)	-	-
Advances to contractors	11,916,799	4,116,092	(16,702,902)
Other current assets	(107,234,807)	-	-
Increase (decrease) in accounts and other payables	(195,301,799)	977,560	5,304,593
Cash generated from (used in) operations	(329,960,820)	1,046,879	(12,391,779)
Interest received	276,812	77,294	42,183
Income tax paid	(122,845)	(15,459)	(8,437)
Net cash flows generated from (used in) operating activities	(329,806,853)	1,108,714	(12,358,033)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Notes 7)	(79,862,045)	(207,673,360)	(245,015,660)
Decrease (increase) in:			
Input value-added tax	76,305,944	(31,774,834)	(15,739,662)
Other noncurrent assets	-	(1,269,785)	-
Increase (decrease) in retention payable	(18,327,842)	11,139,539	-
Net cash flows used in investing activities	(21,883,943)	(229,578,440)	(260,755,322)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from subscription of shares (Note 9)	470,064,848	156,688,282	-
Advances from Parent Company (Note 11)	10,000,000	221,000,000	278,200,000
Payment of advances to Parent Company (Note 11)	(275,000,000)	-	-
Net cash flows provided by financing activities	205,064,848	377,688,282	278,200,000
NET INCREASE (DECREASE) IN CASH IN BANK	(146,625,948)	149,218,556	5,086,645
CASH IN BANK AT BEGINNING OF YEAR	158,047,363	8,828,807	3,742,162
CASH IN BANK AT END OF YEAR (Note 4)	P11,421,415	P158,047,363	P8,828,807

See accompanying Notes to Financial Statements.

