

The Andres Soriano  
Foundation, Inc.  
*(A Nonstock, Not-for-Profit Organization)*

Financial Statements  
June 30, 2021 and 2020

and

Independent Auditor's Report

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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### COMPANY NAME

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N	o	t	-	F	o	r	-	P	r	o	f	i	t		O	r	g	a	n	i	z	a	t	i	o	n	)		

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

A	.		S	o	r	i	a	n	o		A	v	i	a	t	i	o	n		H	a	n	g	a	r	,			
A	n	d	r	e	W	s		A	v	e	n	u	e	,		P	a	s	a	y		C	i	t	y				

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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### COMPANY INFORMATION

Company's Email Address

admin@asorianofoundation.org
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Company's Telephone Number

8851-5507
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Mobile Number

N/A
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No. of Stockholders

N/A
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Annual Meeting (Month / Day)

2 <sup>nd</sup> Tuesday of October
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Fiscal Year (Month / Day)

06/30
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### CONTACT PERSON INFORMATION

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

Name of Contact Person

Lemia L. Simbulan
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Email Address

lelsimbultan_oed@asorianofoundation.org
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Telephone Number/s

8851-5507
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Mobile Number

N/A
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### CONTACT PERSON's ADDRESS

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

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

**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**

**STATEMENTS OF FINANCIAL POSITION**

	<b>June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	<b>₱19,393,747</b>	₱17,446,872
Receivables (Note 4)	<b>282,792</b>	795,646
Prepaid insurance	<b>274,281</b>	307,710
<b>Total Current Assets</b>	<b>19,950,820</b>	18,550,228
<b>Noncurrent Assets</b>		
Property and equipment (Note 5)	<b>152,960</b>	208,132
Investment property (Note 6)	<b>700,000</b>	700,000
Refundable deposits	<b>59,567</b>	59,567
Other noncurrent assets (Note 5)	<b>17,500</b>	–
<b>Total Noncurrent Assets</b>	<b>930,027</b>	967,699
<b>TOTAL ASSETS</b>	<b>₱20,880,847</b>	₱19,517,927
<b>LIABILITIES AND GENERAL FUND BALANCE</b>		
<b>Current Liabilities</b>		
Accrued expenses and other payables (Note 7)	<b>₱477,253</b>	₱801,101
Deferred revenue (Notes 8, 11 and 12)	<b>9,031,524</b>	9,105,820
Income tax payable	<b>–</b>	3,630
<b>Total Current Liabilities</b>	<b>9,508,777</b>	9,910,551
<b>Noncurrent Liability</b>		
Accrued retirement benefits (Note 14)	<b>1,132,986</b>	856,640
<b>Total Liabilities</b>	<b>10,641,763</b>	10,767,191
<b>General Fund Balance</b>		
Restricted (Note 9)	<b>3,672,690</b>	3,660,230
Unrestricted	<b>6,566,394</b>	5,090,506
<b>Total General Fund Balance</b>	<b>10,239,084</b>	8,750,736
<b>TOTAL LIABILITIES AND GENERAL FUND BALANCE</b>	<b>₱20,880,847</b>	₱19,517,927

*See accompanying Notes to Financial Statements.*

**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**

**STATEMENTS OF INCOME**

	<b>Years Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Donations (Notes 8, 11 and 16)	<b>₱12,620,860</b>	₱15,786,472
Grants (Notes 8, 12 and 16)	<b>4,785,411</b>	2,451,794
	<b>17,406,271</b>	18,238,266
<b>EXPENSES</b>		
Projects:		
Small island sustainable development program	<b>7,136,890</b>	8,202,002
Cancer program	<b>3,977,832</b>	4,604,921
Corporate disaster and calamity assistance program	<b>1,339,557</b>	3,262,743
Program management	<b>1,185,879</b>	1,350,464
	<b>13,640,158</b>	17,420,130
General and administrative (Note 10)	<b>2,323,784</b>	2,215,513
	<b>15,963,942</b>	19,635,643
<b>OTHER INCOME</b>		
Interest income (Note 3)	<b>46,019</b>	202,839
Rental income (Note 13)	—	181,500
Retirement benefit income (Note 14)	—	53,342
	<b>46,019</b>	437,681
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INCOME TAX</b>	<b>1,488,348</b>	(959,696)
<b>PROVISION FOR INCOME TAX</b> (Note 15)	—	(3,630)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>₱1,488,348</b>	(₱963,326)

*See accompanying Notes to Financial Statements.*

**THE ANDRES SORIANO FOUNDATION, INC.****(A Nonstock, Not-for-Profit Organization)****STATEMENTS OF CHANGES IN GENERAL FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

	<b>Restricted</b> (Note 9)	<b>Unrestricted</b>	<b>Total</b>
<b>BALANCES AT JUNE 30, 2019</b>	<b>P3,895,453</b>	<b>P5,818,609</b>	<b>P9,714,062</b>
Transfer to restricted fund	6,000,000	(6,000,000)	—
Excess (deficiency) of revenue over expense	(6,235,223)	5,271,897	(963,326)
<b>BALANCES AT JUNE 30, 2020</b>	<b>3,660,230</b>	<b>P5,090,506</b>	<b>P8,750,736</b>
Transfer to restricted fund	5,000,000	(5,000,000)	—
Excess (deficiency) of revenue over expense	(4,987,540)	6,475,888	1,488,348
<b>BALANCES AT JUNE 30, 2021</b>	<b>P3,672,690</b>	<b>P6,566,394</b>	<b>P10,239,084</b>

*See accompanying Notes to Financial Statements.*

**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses before income tax	<b>1,488,348</b>	<b>(P959,696)</b>
Adjustments for:		
Depreciation (Notes 5 and 10)	<b>102,717</b>	<b>130,672</b>
Interest income (Note 3)	<b>(46,019)</b>	<b>(202,839)</b>
Retirement benefit expense (income) [Note 14]	<b>276,346</b>	<b>(53,342)</b>
Operating loss before working capital changes	<b>1,821,392</b>	<b>(1,085,205)</b>
Decrease (increase) in:		
Receivables	<b>512,854</b>	<b>571,898</b>
Other assets	<b>15,929</b>	<b>(118,803)</b>
Increase (decrease) in:		
Accrued expenses and other payables	<b>(323,848)</b>	<b>316,937</b>
Deferred revenue	<b>(74,296)</b>	<b>1,470,850</b>
Net cash from operations	<b>1,952,031</b>	<b>1,155,677</b>
Interest received	<b>46,019</b>	<b>202,839</b>
Income tax paid	<b>(3,630)</b>	<b>(7,260)</b>
Net cash from operating activities	<b>1,994,420</b>	<b>1,351,256</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment (Note 5)	<b>(47,545)</b>	<b>(26,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,946,875</b>	<b>1,325,256</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>17,446,872</b>	<b>16,121,616</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 3)</b>	<b>P19,393,747</b>	<b>P17,446,872</b>

*See accompanying Notes to Financial Statements.*

**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**

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**NOTES TO FINANCIAL STATEMENTS**

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**1. Foundation's Information and Authorization for Issuance of Financial Statements**

Foundation's Information

The Andres Soriano Foundation, Inc. (the Foundation) was incorporated on June 4, 1968 and registered with the Philippine Securities and Exchange Commission (SEC) on June 11, 1968 as a nonstock, not-for-profit organization. On October 22, 2015, the application for renewal of the corporate life of the Foundation was approved by the SEC for another 50 years which took effect in August 2018.

The Foundation is the Corporate Social Responsibility arm of A. Soriano Corporation (Anscor). It was organized to serve the national welfare, that is, to contribute to sustainable development and social reform by developing and implementing programs aligned with its corporate objective through the facilitation and implementation of holistic and integrated area development programs and activities; the dissemination and implementation of high impact "best practice" technologies for the enhancement of socio-economic conditions of the assisted communities; and, the development and strengthening of partnership mechanism between the corporate sector and local government units, among others. The registered business address of the Foundation is at A. Soriano Aviation Hangar, Andrews Avenue, Pasay City.

Under Section 30(e) of Republic Act No. 8424 entitled "An Act Amending the National Internal Revenue Code (NIRC), As Amended, and For Other Purposes", the excess of revenue over expenses of a non-stock corporation or association organized and operated exclusively for religious, charitable, scientific, athletic, or cultural purposes, or for the rehabilitation of veterans, wherein no part of its net income or asset shall belong to or inure to any member, organizer, officer, or any specific person, shall be exempted from income taxes. Notwithstanding such provision, any income earned by the Foundation from any activities conducted for profit regardless of the disposition made of such income, shall be subject to income taxes.

On October 5, 2012, the Foundation was re-certified by the Board of Trustees of Philippine Council for Non-Governmental Organization (NGO) Certification (PCNC) as a donee institution for another five years. In June 2017, the Foundation was re-evaluated by PCNC for the renewal of its status. As a result of the evaluation, the Foundation was re-certified by PCNC for another five years. The donee institution status will end on June 28, 2022.

The Foundation is registered with the Bureau of Internal Revenue (BIR) as a donee institution in accordance with the provisions of Revenue Regulation No. 13-98 with certificate No. 026 - 2019 valid only from January 20, 2019 until December 20, 2021. Accordingly, donations received by the Foundation shall entitle the donors to full or limited deduction pursuant to Section 34(H) (1) or (2), and exemption from donor's tax pursuant to Section 101(A) (2) of the NIRC of 1997.

Authorization for Issuance of Financial Statements

The financial statements were authorized for issuance by the Board of Trustees (BOT) on September 8, 2021.

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## 2. Summary of Significant Accounting Policies and Financial Reporting Practices

### Basis of Preparation

The financial statements of the Foundation have been prepared using the historical cost basis of accounting. The financial statements are presented in Philippine peso, which is the Foundation's functional and presentation currency. All amounts are rounded to the nearest peso, except as otherwise indicated.

### Statement of Compliance

The financial statements of the Foundation have been prepared in accordance with Philippine Financial Reporting Standard for Small Entities (the Framework), as approved by the Financial Reporting Standards Council, Board of Accountancy and the SEC.

### Fund Accounting

To ensure the observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting in which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Accordingly, all financial transactions have been recorded and reported by fund group, as follows:

- "Unrestricted fund" represents the portion of expendable funds available for support of the Foundation's operations.
- "Restricted fund" represents the amount set aside by the Foundation's management for special projects and other contingencies.
  - a. "Small Island Sustainable Development Program (SISDEP)" represents donations or grants that require the funds be used in environment conservation and management, livelihood assistance, community-based health program and education in the adapted community in Palawan.
  - b. "Cancer Program" represents donations or grants that require the funds be used in research and training of Filipino doctors and nurses in the field of oncology, chemotherapy medicines of indigent breast cancer patients and rehabilitation and maintenance of Cancer Institute at UP-Philippine General Hospital (UP-PGH).
  - c. "Project Management" represents donations or grants that require the funds be used for Project Conceptualization, Development, and Resource Management such as the construction of Multi-Purpose Centers use for conferences and trainings.
  - d. "Provision for Retirement Benefits Cost" represents the reserved funds for the retirement benefits of the core employees of the Foundation.

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term liquid investments with original maturities of three months or less.

### Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Foundation classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) complex financial instruments.

The Foundation's basic financial instruments consist of cash and cash equivalents, receivables, and accrued expenses and other payables. The Foundation does not have complex financial instruments.

### Basic financial instruments

#### *Initial measurement*

On initial recognition, a debt financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

#### *Subsequent measurement*

The Foundation's debt financial instruments are subsequently measured at amortized cost using the effective interest method.

#### *Impairment of financial instruments measured at amortized cost*

At each reporting date, the Foundation assesses whether there is objective evidence of impairment on any financial assets that are measured at amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

#### *Derecognition of financial assets*

An entity only derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or are settled, or the entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognized only when these are extinguished i.e., when the obligation is discharged, cancelled, or has expired.

### Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any allowance for impairment losses.

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

	Number of Years
Transportation equipment	5
Office equipment	3-5
Showroom	5
Office building and staff houses	10
Furniture and fixtures	5

The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any allowance for impairment losses are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

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

### Investment Property

The Foundation classified the parcels of land it held under an operating lease as investment property. This is measured at cost.

### Impairment of Assets

Assets such as property and equipment and investment property are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. If the recoverable amount cannot be estimated for an individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets within the Foundation.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Foundation will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

### Deferred Revenue

Deferred revenue is recognized for cash received not yet earned and is presented as liability.

### Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Foundation and the amount of the revenue can be measured reliably.

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

#### *Donations and grants*

Donations and grants are recognized when there is reasonable assurance that these will be received and all attached conditions will be complied with. Donations and grants received pertaining to the project commencing after the financial reporting date are recorded as deferred revenue. Donations in-kind are measured at fair value of the consideration received.

#### *Rental income*

Revenue from rentals of the land is accounted for on a straight-line basis over the lease term.

#### *Interest income*

Interest income is recognized as it accrues, taking into account the effective yield on the asset.

### Expenses

Expenses are recognized as incurred and measured at the amount of consideration paid or payable.

### Leases

Leases are classified as operating leases when the lessor retains substantially all the risks and rewards of ownership of the asset. Operating lease receipts are recognized as income in profit or loss on a straight-line basis over the lease term.

### Retirement Benefits Cost

The Foundation has established a formal retirement plan for its employees. The Foundation's retirement benefit obligation is measured using the accrual approach based on the approved retirement plan.

Accrual approach is applied by calculating the expected liability as at reporting date using the current salary of the entitled employees and the employees' years of service, without consideration of future changes in salary rates and service periods.

#### Income Taxes

The Foundation uses taxes payable method to account for income taxes. Under this method, the Foundation recognizes income taxes and liability based on the taxable income for the year using tax rates that have been enacted or substantively enacted at the reporting date.

#### Events after the Financial Reporting Period

Post year-end events that provide additional information about the Foundation'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.

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### 3. Cash and Cash Equivalents

	2021	2020
Cash on hand and in banks	<b>P10,357,886</b>	P8,439,518
Cash equivalents	<b>9,035,861</b>	9,007,354
	<b>P19,393,747</b>	P17,446,872

Cash in banks earn interest at their respective bank deposit rates. Cash equivalents are short-term investments with periods ranging up to three months depending on the immediate cash requirements of the Foundation and earn interest at their respective interest rates.

Interest earned from cash and cash equivalents amounted to P46,019 in 2021 and P202,839 in 2020. Interest rates range from 0.10% to 1.38% and 0.10% to 1.50% in 2021 and 2020, respectively.

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### 4. Receivables

	2021	2020
Receivables from donors	<b>P195,000</b>	P320,000
Rent receivable, net of allowance of P287,375 in 2021 and 2020	<b>68,875</b>	268,875
Advances to officers and employees	<b>18,917</b>	196,771
Other receivables	—	10,000
	<b>P282,792</b>	P795,646

Receivables from donors pertain to funds committed to be received from donors for various projects.

Advances to officers and employees primarily pertain to funds given by the Foundation to its officers and employees for various projects and administrative expenses which are subject to liquidation. Portion of these advances also relate to noninterest-bearing advances to officers and employees that are collectible within a year through payroll deductions.

## 5. Property and Equipment

2021						
	Transportation Equipment	Office Equipment	Showroom	Office Building and Staff Houses	Furniture and Fixtures	Total
<b>Cost</b>						
Beginning balance	P880,743	P677,234	P533,800	P1,743,855	P94,702	P3,930,334
Additions	—	47,545	—	—	—	47,545
Ending balance	880,743	724,779	533,800	1,743,855	94,702	3,977,879
<b>Accumulated</b>						
<b>Depreciation</b>						
Beginning balance	769,493	617,399	533,800	1,718,241	83,269	3,722,202
Depreciation (Note 10)	38,145	51,190	—	7,701	5,681	102,717
Ending balance	807,638	668,589	533,800	1,725,942	88,950	3,824,919
<b>Net Book Value</b>	<b>P73,105</b>	<b>P56,190</b>	<b>P—</b>	<b>P17,913</b>	<b>P5,752</b>	<b>152,960</b>

  

2020						
	Transportation Equipment	Office Equipment	Showroom	Office Building and Staff Houses	Furniture and Fixtures	Total
<b>Cost</b>						
Beginning balance	P880,743	P651,234	P533,800	P1,743,855	P94,702	P3,904,334
Additions	—	26,000	—	—	—	26,000
Ending balance	880,743	677,234	533,800	1,743,855	94,702	3,930,334
<b>Accumulated</b>						
<b>Depreciation</b>						
Beginning balance	707,215	571,000	533,800	1,710,386	69,129	3,591,530
Depreciation (Note 10)	62,278	46,399	—	7,855	14,140	130,672
Ending balance	769,493	617,399	533,800	1,718,241	83,269	3,722,202
<b>Net Book Value</b>	<b>P111,250</b>	<b>P59,835</b>	<b>P—</b>	<b>P25,614</b>	<b>P11,433</b>	<b>P208,132</b>

In 2021, the Foundation received donation from Anscor amounting to P1,500,000 to be used in acquiring a 2,359-sqm lot in Barangay Manamoc, Cuyo, Palawan to be used as a permanent field office base of the Foundation next fiscal year (see Note 11). As of June 30, 2021, the direct costs amounting to P17,500 related to the planned acquisition is recorded under other noncurrent assets.

## 6. Investment Property

Investment property pertains to parcels of land located in Barangay Berong, Quezon, Palawan which was leased out by the Foundation to C. R. Miller Flight Services in 2020. The contract of lease ended on November 30, 2020 (see Note 13).

## 7. Accrued Expenses and Other Payables

	2021	2020
Accrued expenses	P344,622	P689,109
Payables to government agencies	121,652	111,992
Others	10,979	—
	<b>P477,253</b>	<b>P801,101</b>

Accrued expenses pertain to accrual for project reimbursements, unpaid utilities, professional fees and other third-party services.

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## 8. Deferred Revenue

	2021	2020
Beginning balances	<b>P9,105,820</b>	P7,634,970
Additions (Notes 11 and 12)	<b>2,907,541</b>	6,362,020
Revenue earned during the year	<b>(2,981,837)</b>	(4,891,170)
	<b>P9,031,524</b>	P9,105,820

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## 9. Restricted General Fund Balance

Restricted general fund balance, which represents amount for the use of the projects, identified by the management team, approved by the BOT and funded by the donors/grantors are as follows:

	2021	2020
SISDEP and other programs	<b>P1,039,704</b>	P2,803,590
Provision for retirement benefits cost	<b>1,132,986</b>	856,640
Restriction for purchase of land	<b>1,500,000</b>	—
	<b>P3,672,690</b>	P3,660,230

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## 10. General and Administrative Expenses

	2021	2020
Salaries and other benefits (Note 14)	<b>P1,354,610</b>	P1,320,528
Taxes and licenses	<b>401,474</b>	362,671
Depreciation (Note 5)	<b>102,717</b>	130,672
Professional fees	<b>166,160</b>	115,255
Rent	<b>68,957</b>	68,694
Insurance	<b>58,436</b>	70,987
Communication, light and water	<b>56,805</b>	52,989
Entertainment, amusement and recreation	<b>42,000</b>	39,000
Repairs and maintenance	<b>19,256</b>	7,857
Transportation and travel	<b>17,838</b>	17,417
Supplies	<b>12,393</b>	8,774
Others	<b>23,138</b>	20,669
	<b>P2,323,784</b>	P2,215,513

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Employees' salaries are rationally distributed to various project expenses depending on the type and magnitude and time spent on workload performed.

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## 11. Donations

The Foundation, as Corporate Social Responsibility arm of Anscor, received from the latter cash donation amounting to P8,000,000 in 2021 and P6,000,000 in 2020. This is to support primarily the Foundation's overhead and administrative expenses and some projects and activities. The Foundation also received donation from Anscor amounting to P1,500,000 in 2021 to be used in acquiring a 2,359-sqm lot in Barangay Manamoc, Cuyo, Palawan as a permanent field office base of the Foundation (see Note 16).

In 2020, the Foundation also received donation from Anscor amounting to ₱1,000,000 to support the relief efforts for the earthquake victims from the Municipality of Makilala, North Cotabato in Mindanao and an additional ₱500,000 to support the relief efforts in Batangas at the height of Taal Volcano eruption (see Note 16).

Phelps Dodge Philippines Energy Products Corporation (PDP) donated cash amounting to ₱1,000,000 both in 2021 and 2020 to support the Foundation's overhead expenses and various programs (see Note 16).

The Foundation received in-kind donations from Pamalican Resort, Inc. (PRI) amounting to ₱191,649 in 2020 representing the round-trip airfare of Foundation staffs, resource experts invited to conduct technical trainings and several partners and donors who were invited to see the projects they have funded. Various Amanpulo guests also donated cash amounting to ₱167,644 and ₱870,220 in 2021 and 2020, respectively. The unspent portion of the donations amounting to ₱728,444 and ₱805,594 as of June 30, 2021 and 2020, respectively, is recorded in the "Deferred revenue" account (see Note 8).

The Foundation also received a donation for its various islands' projects from Ms. Camila Soriano amounting to ₱807,718 in 2020. The unspent portion of the donations amounting to ₱721,900 and ₱795,302 as of June 30, 2021 and 2020 is recorded in the "Deferred revenue" account (see Note 8). The Foundation also received donations from Mr. Andres Soriano III amounting to ₱100,000 in 2021 for the Christmas Party of the Children in Manamoc and in-kind donation of one unit laptop for use by the Asst. Executive Director amounting to ₱58,500.

In 2021, the Foundation received a cash donation from Mrs. Carmen Menchaca Soriano amounting to ₱100,000, intended for Solid Waste Management. The whole amount is recorded in the "Deferred revenue" account as of June 30, 2021 (see Note 8).

In 2021, the Foundation received in-kind donation from Mariposa Foundation pertaining to one (1) laptop for program manager's use amounting to ₱29,999.

#### *The Foundation's COVID 19 Pandemic Response*

In 2020, the Foundation received donations from Anscor and Mr. Andres Soriano III amounting to ₱1,500,000 and ₱500,000, respectively in support to the Foundation's initiatives on providing relief goods to displaced workers due quarantine lockdowns and medical supplies, and personal protective equipment (PPEs) to various village health centers, rural health units, district hospital and other public hospitals both in Manila and in Palawan. As of June 30, 2021 and 2020, the unspent portion of the fund amounting to ₱57,948 and ₱228,307, respectively is included in "Deferred revenue" account (see Note 8). The Foundation also received in-kind donations pertaining to health kits and face shields from Johnson & Johnson amounting to ₱113,592 in 2020.

The Foundation also received donations in kind amounting to ₱42,901 for the medicine and various medical supplies of Quiniluban health centers from DOH – Region MIMAROPA.

In 2021, the Foundation received an in-kind donation of seven (7) units of brand new laptop from Philam Foundation amounting to ₱242,550 for use by Cancer Institute oncologists, for its telemedicine in an effort to curve the spread of COVID-19 among consulting patients, doctors and other front line health workers.

In 2020, the Foundation also received a donation from Hands on Manila amounting to ₱500,000 to support the needs of Cancer Institute, UP-PGH in protecting both the frontline health workers and the patients. As of June 30, 2021, unspent portion in 2020 amounting to ₱314,605 intended for COVID-19 was already fully expensed while the remaining grant amounting to ₱28,778 intended for other purposes

is recorded in the “Deferred revenue” account (see Note 8).

*Annual Health Caravan*

In 2020 the Foundation received various in-kind donations as project’s counterpart from community stakeholders and project beneficiaries amounting to ₱296,641.

The Foundation also received various donations, which are restricted for use in the conduct of their specific projects:

*SISDEP and Other Projects*

In 2020, the Foundation tapped Jollibee Group Foundation and Anihan Technical School (TS) for girls to sponsor 11 senior high school (SHS) graduates from the island to study the course on “Quick Service Restaurant” at Anihan TS in Laguna. The sponsorship enabled the Foundation to receive in-kind donation amounting to ₱1,634,160 inclusive of the students’ 12-month tuition and laboratory fees, board and lodging and transportation allowances.

The Foundation received additional donation for Academic Scholarship from St. Joseph Foundation, Inc. (sister company of Almavida Holdings, Inc.) amounting to ₱300,000 both in 2021 and 2020. The unspent portion related to these donation as of June 30, 2021 and 2020 amounting to ₱104,005 and ₱89,661, respectively, are recorded in “Deferred revenue” account (see Note 8).

In 2021, the Foundation also received ₱4,000 from anonymous individual as donation for the education program.

In 2018, the Foundation established a new partnership and benefactor with Mr. & Mrs. Philip and Lulette Monbiot, a Pamalican Villa Owner who committed to support one academic scholar from the island starting school year 2018-2019. The Foundation received ₱141,656 for school year 2019-2020. The unspent portion of these amounts as of June 30, 2020 amounting to ₱22,045 recorded in “Deferred revenue” account (see Note 8) was spent fully in 2021. In 2021, the Foundation received additional donation amounting to ₱114,469 for the same purpose. The total unspent amount as June 30, 2021 amounting to ₱11,000 is recorded in the “Deferred revenue” account (see Note 8).

In 2019, the Foundation received a donation amounting to ₱300,000 from Aboitiz Foundation for its continuing support for the Technical-Vocational Scholarship Program for senior high school (SHS) graduates and out-of-school youth from the small islands. The unspent portion of the donation as of June 30, 2021 and 2020 amounting to ₱178,591 and ₱179,716, respectively, is recorded in “Deferred revenue” account (see Note 8).

In the prior years, the Foundation received donations in cash and in-kind from various donors (i.e., Anscor, Les Folatieres Holdings, Inc., and other companies and individuals) totaling to ₱10,805,136 for the victims of typhoon Yolanda. Majority of the proceeds were used to rebuild the houses of the victims. As of June 30, 2021 and 2020, unspent fund amounting to ₱547,891 is recorded in the “Deferred revenue” account (see Note 8).

In 2018, the Foundation received a donation from Amanpulo guests (Mr. Allan Camaisa and Paul Ettlinger) amounting to ₱331,880, which is particularly allocated for medical equipment to be donated to Manamoc Barangay Health Station. As of June 30, 2021 and 2020, the unspent portion of the donation amounting to ₱71,275 is recorded in the “Deferred revenue” account (see Note 8).

In 2021, the Foundation received a donation from Luxtrade Corporation amounting to ₱500,000 to support the medical equipment requirement needed by the new Rural Health Unit of Manamoc initiated by Department of Health (DOH) Region 4-B and Cuyo local government unit (LGU). As of June 30, 2021, the whole amount is still unspent and is recorded in the “Deferred revenue” account (see Note 8).

#### *Cancer Program*

The Foundation received cash donations from Rufo Colayco amounting to ₱650,000 both in 2020 and 2021. These are specifically designated for the Foundation’s Chemo Fund in partnership with Cancer Institute, UP-PGH. All of the donations were spent in 2021 and 2020. In 2021, the Foundation also received ₱100,000 from Southridge Student Council for its cancer program.

As of June 30, 2021, the Foundation has a standby fund for treatment of indigent cancer patients, through the donation made from prior years by Ms. Nancie Villaflor amounting to ₱74,946. The total amount remained unspent and is recorded in the “Deferred revenue” account as of June 30, 2021 and 2020.

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## **12. Grants**

#### *SISDEP*

In 2018, the Foundation embarked on a full-scale construction project of Manamoc National High School-Senior High School Technical-Vocational Laboratories in partnership with various donors and partners. For the maintenance of laboratory buildings after the construction, the Foundation received donations from various donors in 2018. The unspent portion of these donations as of June 30, 2021 and 2020 amounting to ₱1,365,098 and ₱1,428,675, respectively, is recorded in the “Deferred revenue” account (see Note 8). This will be used for the continuing overhead and maintenance requirement of the laboratory buildings and landscaping, continuing education of tech-voc teachers and as needed, review workshop on Tech-Voc curriculum.

The Foundation received a grant from Share Foundation amounting to ₱1,725,428 and ₱1,552,298 in 2021 and 2020, respectively. These grants were used and will be used to fund continuously various healthcare, education and environment-related projects in Manamoc and Agutaya islands in Palawan. As of June 30, 2021 and 2020, the remaining unspent balance amounting to ₱4,260,296 and ₱4,050,199, respectively, which also includes grants received prior to 2020, is recorded in the “Deferred revenue” account (see Note 8).

#### *The Foundation’s COVID 19 Pandemic Response*

The Foundation received a grant from Johnson & Johnson amounting to ₱1,000,000 for the procurement of PPEs for frontline health workers of various public hospitals in 2021.

#### *Cancer Program*

In 2021, the Foundation received a cash grant from Philippine Good Work Mission Foundation amounting to ₱1,000,000. This grant is allocated specifically for the chemotherapy treatment of cancer patients admitted particularly at the Cancer Institute, UP-PGH. The grant was fully spent in 2021. In 2021 and 2020, the Foundation received grants from pharmaceutical companies for Medical Oncology Fellowship Program and continuing medical updates in partnership with Cancer Institute and Section of Medical Oncology at UP-PGH: a) AstraZeneca Pharmaceuticals amounting to ₱340,916 and

₱183,000, respectively; b) Good Fellow Pharma amounting to ₱333,000 and ₱335,000, respectively; c) United Laboratories, Inc. amounting to ₱90,000 and ₱383,000, respectively; and d) Accord Pharma amounting to ₱90,000 and ₱183,000, respectively. In 2020, the Foundation received grants for the same undertaking from: a) Macro Pharma amounting to ₱166,000; b) Pascual Laboratory amounting to ₱165,000; and c) Fresenius Kabi Philippines, Inc. amounting to ₱10,000.

In 2020, the Foundation received a grant from Pfizer, Inc. in partnership with the Cancer Institute to fund a Tuberculosis/Lung Study amounting to ₱421,785. The study was completed in June 2020.

In 2019, the Foundation signed an Educational Grant Agreement with Johnson and Johnson (Philippines), Inc. amounting to ₱300,000 representing the latter's support to the Foundation's campaign and advocacy on cancer prevention through scientific cancer lectures. The first tranche amounting to ₱150,000 was received in 2019 while the second tranche for the remaining amount was received in 2020. As of June 30, 2021 and June 30, 2020, the unspent portion pertaining to such grant amounting to ₱11,167 and ₱148,081, respectively is recorded in the "Deferred revenue" account (see Note 8).

In 2019, the Foundation has a grant receivable from the Philippine Cancer Society amounting to ₱456,000 in support of the Foundation's cancer care initiatives such as "Alay sa Chemo" project and Cancer Lecture. The grant was received in 2020 and as of June 30, 2021 and 2020, the remaining unspent fund amounting to ₱270,184, is recorded in the "Deferred revenue" account (see Note 8).

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### 13. Rental Income

The Foundation, through the donated shares of WestPal, is the ultimate beneficial owner of the rights and interest of certain parcels of land located in Barangay Berong, Quezon, Palawan which were acquired by the Philippine Government (the Government) under its Comprehensive Agrarian Reform Program. The compensation payment of the subject parcels of land was successfully negotiated by the Foundation with the Government.

In October 2012, the Foundation entered into a five-year lease agreement with C.R. Miller Flight Services. This lease contract was renewed for a period of one year in 2020.

Rental income amounted to ₱181,500 in 2020 (nil in 2021).

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### 14. Retirement Benefits Cost

The Foundation recognized the amount of retirement benefits for its qualified employees following the requirements of the benefit Retirement Plan, using accrual approach.

The Foundation's retirement plan is non-contributory and of the defined benefit type which provides a retirement benefit equal to one-month salary for every year of service multiplied by retirement rate plus conversion into cash of allowable accumulated vacation and sick leave credits.

The movement in the account during the years ended June 30 are as follows:

	2021	2020
At beginning of year	<b>₱856,640</b>	₱909,982
Retirement benefit expense (income) (Note 10)	<b>276,346</b>	(53,342)

At end of year	<b>P1,132,986</b>	P856,640
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Net retirement liability as of June 30, 2021 and 2020, respectively, is as follows:

	<b>2021</b>	2020
Retirement liability	<b>P4,169,641</b>	P3,845,552
Retirement plan assets	<b>3,036,655</b>	2,988,912
Net retirement benefits liability	<b>P1,132,986</b>	P856,640

## 15. Income Tax

- a. The Foundation's provision for income tax in 2020 pertains to the tax effect of the rental income.
- b. On March 26, 2021, Republic Act No. 11534, otherwise known as CREATE, was signed into law effective July 1, 2021. Among the salient provisions of CREATE include changes to the Corporate Income Tax (CIT) as follows:
  - Reduction in CIT rate for domestic corporations effective July 1, 2020 as follows:
    - i. Those with assets amounting to P100,000,000 and below, and with taxable income equivalent to P5,000,000 and below will be subjected to a 20% tax rate;
    - ii. Those with assets above P100,000,000 or those with taxable income amounting to more than P5,000,000 will be subjected to a 25% tax rate.

- Effective July 1, 2020 until June 30, 2023, the MCIT rate shall be one percent (1%).

Effectively July 1, 2020, the income tax rate of the Foundation is at 20% instead of 30%.

- c. The reconciliation of the provision for income tax computed at statutory tax rate of 20% and 30% in 2021 and 2020, respectively, to the provision for income tax shown in the profit or loss for the years ended June 30 is shown as follows:

	<b>2021</b>	2020
Provision for (benefit from) income tax computed at statutory income tax rate of 20% in 2021 and 30% in 2020	<b>P297,670</b>	(P287,909)
Adjustments for:		
Net loss (income) exempted from income taxes	<b>(288,466)</b>	297,928
Interest income subjected to final income tax	<b>(9,204)</b>	(60,852)
Movement of temporary difference for which deferred income taxes were provided with valuation allowance	—	54,463
Provision for income tax	<b>P—</b>	P3,630

- d. Excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) in 2020 amounting to ₱54,463 can be applied as deduction against RCIT due until 2023 while the excess of MCIT over RCIT in 2019 amounting to ₱3,643 can be applied as deduction against RCIT due until 2022.

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## 16. Related Party Transactions

A related party is a person or entity that is related to the Foundation. A person or a close member of that person's family is related to the Foundation if that person is a member of the key management personnel of Foundation or of the parent, has control or joint control or significant influence or voting power over the Foundation.

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions.

The Foundation's transactions and account balances with Anscor, PRI, Island Aviation, Inc. (IAI) and PDP, entities under the common control of some BOT members, are as follows:

Nature of transaction	Amount of Transaction	
	2021	2020
Donations (Note 11)		
Anscor	<b>₱9,500,000</b>	₱9,000,000
PDP	<b>1,000,000</b>	1,000,000
Andres Soriano III	<b>100,000</b>	500,000
PRI	—	191,649
IAI	—	3,780
	<b>₱10,600,000</b>	₱10,695,429

The Foundation received donations in cash and in-kind from Anscor, PRI, IAI and PDP to assist the former's various programs. As of June 30, 2021 and 2020, no portions of these donations remain unspent.

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## 17. Supplementary Information Required Under Revenue Regulations 34-2020 and. 15-2010

### Revenue Regulations 34-2020

The Foundation is not covered by the requirements and procedures for the related party transactions under Section 2 of Revenue Regulations (RR) 34-2020.

### Revenue Regulations 15-2010

In compliance with RR No. 15-2010 issued by the BIR on November 25, 2010 mandating all taxpayers to include information on taxes, duties and license fees paid or accrued during the taxable year, presented below are the taxes paid and accrued by the Foundation.

#### a. Value-added Tax

The Foundation, as a not-for-profit institution, is exempt from value-added tax.

b. Details of taxes and licenses in 2021 are as follows:

Real property taxes	₱351,015
Business permit	11,466
Others	38,993
	<u>₱401,474</u>

c. Details of withholding taxes in 2021 are as follows:

Withholding taxes on compensation and benefits	₱506,680
Expanded withholding taxes	36,184

The Foundation has outstanding withholding taxes payable on compensation and benefits and expanded withholding taxes amounting to ₱47,221 and ₱1,152, respectively, as of June 30, 2021.

d. As of June 30, 2021, the Foundation has no tax deficiency assessment or tax case under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.