

# ***SEDPI Foundation, Inc.***

(A non-stock, not-for-profit  
organization)

**Financial Statements**

**As at and for the years ended December 31, 2018 and 2017**

**SEDPI Foundation, Inc.**  
(A non-stock, not-for-profit Organization)

Statements of Financial Position  
December 31, 2018 and 2017  
(All amounts in Philippine Peso)

	Notes	2018	2017
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash	2	151,963	785,250
Receivables	3	387,158	175,449
Financial literacy books	4	708,028	442,962
Other current assets	5	83,708	80,939
Total current assets		1,330,857	1,484,600
<b>Non-current assets</b>			
Investment in shares of stocks	6	3,325,592	3,774,334
<b>Total assets</b>		<b>4,656,449</b>	<b>5,258,934</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>Current liabilities</b>			
Accounts payable	7	137,629	50,396
Due to related parties	15	589,308	1,325,153
Total liabilities		726,937	1,375,549
<b>Fund balance</b>			
General	9	2,490,553	2,894,722
Restricted	9	1,438,959	988,663
Total fund balance		3,929,512	3,883,385
<b>Total liabilities and fund balance</b>		<b>4,656,449</b>	<b>5,258,934</b>

(The notes on pages 1 to 13 are integral part of these financial statements)

**SEDPI Foundation, Inc.**  
(A non-stock, not-for-profit Organization)

Statements of Total Comprehensive Income  
For the years ended December 31, 2018 and 2017  
(All amounts in Philippine Peso)

	Notes	2018	2017
<b>Receipts</b>			
Book sales	10	612,357	1,373,372
Financial literacy training	10	975,406	964,560
Restricted grants, donations and contributions	9	450,296	222,183
Other income	11	763,431	456,293
<b>Total receipts</b>		<b>2,801,490</b>	<b>3,016,408</b>
<b>Expenses</b>			
Program costs	12	1,940,468	1,791,478
Administrative expenses	13	813,165	926,134
Disbursements from restricted funds	9	-	179,000
<b>Total expenses</b>		<b>2,753,633</b>	<b>2,896,612</b>
<b>Excess of receipts over expenses before tax</b>		<b>47,857</b>	<b>119,796</b>
Provision for income tax	14	1,730	18,689
<b>Excess of receipts over expenses for the year</b>		<b>46,127</b>	<b>101,107</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>46,127</b>	<b>101,107</b>

(The notes on pages 1 to 13 are integral part of these financial statements)

**SEDPI Foundation, Inc.**  
(A non-stock, not-for-profit Organization)

Statements of Changes in Fund Balance  
For the years ended December 31, 2018 and 2017  
(All amounts in Philippine Peso)

	General Fund (Note 9)	Restricted Fund (Note 9)	Total
Balances at January 1, 2017	2,836,798	945,480	3,782,278
Comprehensive income			
Excess of receipts over expenses for the year	57,924	43,183	101,107
Other comprehensive income	-	-	-
Total comprehensive income for the year	57,924	43,183	101,107
Balances at December 31, 2017	2,894,722	988,663	3,883,385
Comprehensive income			
(Deficiency) excess of receipts over expenses for the year	(404,169)	450,296	46,127
Other comprehensive income	-	-	-
Total comprehensive (loss) income for the year	(404,169)	450,296	46,127
Balances at December 31, 2018	2,490,553	1,438,959	3,929,512

(The notes on pages 1 to 13 are integral part of these financial statements)

**SEDPI Foundation, Inc.**  
(A non-stock, not-for-profit Organization)

Statements of Cash Flows  
For the years ended December 31, 2018 and 2017  
(All amounts in Philippine Peso)

	Notes	2018	2017
<b>Cash flows from operating activities</b>			
Excess of receipts over expenses before tax		47,857	119,796
Adjustments for:			
Interest income	2	(443)	(1,685)
Dividend income	11	(756,636)	(452,935)
Changes in assets and liabilities			
(Increase) decrease in:			
Receivable	3	(211,709)	597,478
Inventories	4	(265,066)	116,101
Other current assets	5	(2,769)	(34,345)
Increase (decrease) in:			
Accounts payable	7	87,233	(7,234)
Deposit for social investment	8	-	(232,064)
Net cash (used in) from operations		(1,101,533)	105,112
Interest received	2	443	1,685
Income tax paid		(1,730)	(18,689)
Net cash (used in) from operating activities		(1,102,820)	88,108
<b>Cash flows from investing activities</b>			
Purchase of investment in shares of stocks	6	(792,724)	(11,068,170)
Sale of investment in shares of stocks	6	1,241,466	9,858,565
Cash dividends received	11	756,636	452,935
Net cash from (used in) investing activities		1,205,378	(756,670)
<b>Cash flows from financing activities</b>			
Advances from related parties	15	(735,845)	212,475
Net cash (used in) from financing activities		(735,845)	212,475
<b>Net decrease in cash for the year</b>		<b>(633,287)</b>	<b>(456,087)</b>
Cash at beginning of year		785,250	1,241,337
<b>Cash at end of year</b>		<b>151,963</b>	<b>785,250</b>

(The notes on pages 1 to 13 are integral part of these financial statements)

**SEDPI Foundation, Inc.**

(A non-stock, not-for-profit Organization)

Notes to the Financial Statements

As at and for the years ended December 31, 2018 and 2017

(All amounts in Philippine Peso)

**Note 1 - General information**

The SEDPI Foundation, Inc. (the “Foundation”) is a non-stock, not-for-profit organization duly organized and existing under and by virtue of the laws of the Republic of the Philippines. It was registered with the Securities and Exchange Commission on January 2, 2013 under SEC Registration No. CN201223660.

The Foundation is governed by a Board of Trustees (BOT), and its operations are funded primarily through donations from donors who may be individuals or organizations.

The Foundation is exempt from income tax under Section 30(g) of the National Internal Revenue Code. However, income from any activities conducted for profit regardless of the disposition made of such income shall be subjected to tax.

On November 5, 2015, the Foundation filed with the Bureau of Internal Revenue (BIR) their application of the tax exemption ruling and the issuance of tax certificate. As at May 16, 2019, the Foundation is awaiting the tax exemption ruling from the BIR.

The Foundation’s registered office, which is also its principal place of business, is at Unit 303 Loyola Heights Condo 23 F. Dela Rosa St., Brgy. Loyola Heights, Quezon City.

These financial statements were approved and authorized for issuance by the Foundation’s BOT on May 16, 2019.

**Note 2 - Cash in banks**

Cash with banks earn interest at the prevailing bank deposit rates. Interest income from cash in banks amounted to P443 for the year ended December 31, 2018 (2017 - P1,685).

**Note 3 - Receivables**

The account consists of:

	Note	2018	2017
Due from SEDPI Social Enterprise Ventures, Inc. (SSEVI)		24,189	-
Due from SEDPI Development Finance, Inc. (SDFI)		-	5,551
Advances to officers and employees		346,633	153,562
Dividends receivable	6	16,336	16,336
Total		387,158	175,449

Advances to officers and employees are normally liquidated within the next financial year.

No receivables have been pledged as a security for liabilities.

**Note 4 - Financial literacy books**

The books are sold by the Foundation for fund raising activity to fund the conduct of financial literacy trainings to marginalized sectors which was authorized by the Department of Social Welfare and Development (DSWD) effective November 2016. Following the expiration in November 2017, the Foundation applied for its renewal last October 2018. As at May 16, 2019, the Foundation is awaiting approval for its renewal application.

Inventory is stated at cost as of December 31, 2018 and 2017. There were no allowances for inventory write-down as at December 31, 2018 and 2017.

**Note 5 - Other current assets**

This account consists of:

	2018	2017
Creditable withholding taxes	50,463	45,964
Income tax credit	32,875	34,605
Overpayment of expanded withholding taxes	370	370
Total	83,708	80,939

Creditable withholding taxes are taxes withheld by the withholding agents from payments to the Foundation which can be applied against the income tax payable. These arise from book sales to Department of Education, National Bookstore and Fully Booked.

**Note 6 - Investment in shares of stocks**

This account pertains to the Foundation's investment in the preferred shares of SEDPI Development Finance, Inc. (SDFI) as follows:

	2018	2017
Beginning	3,774,334	2,564,729
Investments during the year	792,724	11,068,170
Withdrawals during the year	(1,241,466)	(9,858,565)
End	3,325,592	3,774,334

This investment is measured at cost less impairment, if any.

SDFI is a company incorporated and registered in the Philippines engaged in general financing business of extending credit facilities to consumers and to industrial, commercial or agricultural enterprises.

**Note 7 - Accounts payable**

This account pertains to amounts payable to various third party vendors for program costs and administrative expenses. Details of this account are as follows:

	2018	2017
Accounts payable	111,701	49,252
Withholding tax payable	24,860	-
Payable to other government agencies	1,068	1,144
	137,629	50,396

These are non-interest bearing and are normally settled within the next financial year.

**Note 8 - Deposit for social investment**

SDFI has partnered with various Overseas Filipino Workers and the Foundation in connection with Social Welfare Protection Program (SWePP). SwePP aims to promote the economic welfare and improve the quality and health of its members. The members of the Foundation pay membership dues along with other assessments to fund the benefits provided by SWePP. These benefits include, but are not limited to, death, accident, hospitalization and fire assistance.

Proceeds from these programs are used to acquire preferred shares of SDFI.

Details of this amount are as follows:

	2018	2017
Proceeds received	1,843,644	1,730,784
Less: Amount invested in preferred shares	(1,843,644)	1,730,784
Net investment	-	-

**Note 9 - Fund balance**

*Restricted funds*

Restricted funds are endowment funds received by the Foundation for specific purposes and are subject to certain restrictions imposed by donors, namely Leadership, Financial Literacy and Social Entrepreneurship consortium (LSE), SDFI and Social Enterprise Development Partnerships, Inc. (SEDPI).

Restricted funds amounting to P222,360 (2017 - P222,360) pertain to proceeds from literacy trainings held under LSE programs.

Restricted funds include funds held in trust to the Foundation by the Overseas Filipinos Society for the Promotion of Economic Security (OFSPES). These are earmarked for the LSE which is a consortium of Ateneo de Manila University (ADMU), SEDPI and OFSPES. The term of this joint partnership is five years starting from January 1, 2014 to December 31, 2019.



The LSE aims to uplift the socio-cultural, political and economic well-being of Overseas Filipinos and their families through:

- a. Training and building capacities of Filipinos on leadership, financial literacy and social entrepreneurship skills in a migrant context;
- b. Enabling the trainees to undertake their social enterprises aimed at improving their situation, their families and communities; and
- c. Providing a mentoring support especially for the youth to assist and guide the implementation of their social enterprises.

The Foundation started conducting LSE trainings in 2015.

As of December 31, 2018 and 2017, no withdrawals were made on the funds held in trust.

Disbursements for restricted funds in 2017 amounting to P179,000 pertain to additional investments in the preferred shares of SDFI.

#### *General fund*

This represents the year-end cumulative balance of the Foundation's General Fund over its administrative and other general expenses. The fund sources are all unrestricted receipts and surpluses as well as the retained excess of grants, which were agreed to be converted as part of the Foundation's working fund.

#### **Note 10 - Receipts**

This account comprises receipts of funds from sale of books, training for financial literacy, grants, donations and contributions from various individuals and other income.

On November 2016, a certification was issued to the Foundation by Department of Social Welfare and Development to conduct fund raising campaign per DSWD Authority/Solicitation Permit No. DSWD-SB-SP-0024-2016, the purpose of which is to fund the conduct of financial literacy trainings to marginalized sectors. The solicitations are done through distribution of letters of appeal/invitation for training and book sale.

#### **Note 11 - Other income**

This account consists of:

	2018	2017
Dividend income	756,636	452,935
Interest income	443	1,685
Miscellaneous	6,352	1,673
Total	763,431	456,293

**Note 12 - Program costs**

This account consists of:

	2018	2017
Personnel	864,114	320,082
Travel and transportation	567,666	791,598
Professional fee	271,944	130,000
Cost of books	174,934	311,101
Meals and lodging	48,705	189,160
Supplies and photocopy	6,702	31,075
Communications	403	2,390
Miscellaneous	6,000	16,072
Total	1,940,468	1,791,478

**Note 13 - Administrative expenses**

This account consists of:

	2018	2017
Marketing and advertising	415,561	440,482
Meals and lodging	109,739	31,210
Sponsorship	100,000	-
Travel and transportation	47,195	131,735
Taxes and licenses	46,362	16,722
Audit fee	27,500	-
Dues and fees	15,520	4,000
Selling expense	10,993	17,899
Sales commission	3,904	7,880
Communication	1,937	-
Supplies and photocopy	1,927	40,346
Freight	552	92,423
Royalty fee	-	63,991
Miscellaneous	31,975	79,446
Total	813,165	926,134

**Note 14 - Income tax**

As discussed in Note 1, the Foundation is exempt from income tax under Section 30(g) of the National Internal Revenue Code. However, income from any activities conducted for profit regardless of the disposition made of such income shall be subjected to tax.

Provision for income tax pertains to minimum corporate income tax (MCIT) for the year ended December 31, 2018 amounting to P1,730 (2017 - P18,689).

The reconciliations of provision for income taxes at the statutory income tax rate to provision for income taxes on the Foundation's excess of receipts over expenses before tax for the year ended December 31, 2018 are as follows:

	2018	2017
Provision for income tax at the statutory income tax rate of 30%	(120,731)	22,984
Add (deduct) effects of:		
Interest income subjected to final tax	(89)	(339)
Non-taxable income	(226,990)	(136,382)
Net operating loss carry-over	347,810	113,737
MCIT	1,730	18,689
	1,730	18,689

The Foundation did not recognize the deferred tax asset on NOLCO and MCIT since management believes that the Foundation may not have sufficient future taxable profits available to allow all or part of the NOLCO and MCIT to be utilized in the future or prior to its expiration.

The details of the Foundation's NOLCO and MCIT which can be claimed as deductions from regular corporate taxable income at December 31 are as follows:

*NOLCO*

Year loss was incurred	Year of Expiration	2018	2017
2018	2021	709,222	-
2017	2020	379,123	379,123
		1,088,345	379,123
Tax rate		30%	30%
Unrecognized DIT on NOLCO		326,504	113,737

*MCIT*

Year MCIT was incurred	Year of Expiration	2018	2017
2018	2021	86,501	-
2017	2020	934,465	934,465
		1,020,966	934,465
Tax rate		2%	2%
Unrecognized DIT on NOLCO		20,419	18,689

**Note 15 - Related party transactions**

The following are the transactions with related parties:

	2018		2017	
	Transactions	Outstanding payable	Transactions	Outstanding payable
Advances from related parties				
Affiliates	520,190	520,190	1,301,987	1,301,987
Member	69,118	69,118	23,166	23,166
Total	589,308	589,308	1,325,153	1,325,153

The balance is collectible in cash and are due generally within 30 days. These are non-interest bearing and are not covered by any security.

#### **Note 16 - Critical accounting estimates, assumptions and judgments**

The Foundation makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates, assumptions and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed hereafter.

##### *Recoverability of receivables*

In determining the recoverable amount of the Foundation's receivables, management considers the historical experience of unexpected losses established for these receivables based on the ageing analysis. In this case, management uses judgments based on the best available facts and circumstances, including but not limited to their payment history. An evaluation of the receivables, designed to identify potential charges to the provision, is performed on a continuous basis throughout the year. If any such evidence exists for receivables, changes in those estimates and judgments could have a significant effect on the carrying value of receivables and the amount and timing of recorded provision for any period.

##### *Impairment of investment in shares of stocks*

The Foundation's equity investments are carried at cost. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes in those judgments could have a significant effect on the carrying value of investments and the amount and timing of recorded provision for any period.

As at reporting date, management believes that there are no indications of impairment or changes in circumstances indicating that the carrying value of its equity investments may not be recoverable.

##### *Determination of net realizable value of inventories*

The Foundation provides for inventory write-down whenever the net realizable value of the inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Any allowance for inventory write-down is reviewed at least annually to reflect accurate valuation in the financial records.

The Foundation assesses that none of the inventory items are identified to be obsolete and inventory is appropriately stated at cost as at reporting dates.

## **Note 17 - Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

### **17.1 Basis of preparation**

The financial statements of the Foundation have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs) and under the historical cost convention.

The preparation of financial statements in conformity with PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 16.

### **17.2 Changes in accounting policy and disclosures**

There are no amendments to PFRS for SMEs effective for the financial year beginning on or after January 1, 2018.

The Financial Reporting Standards Council (FRSC) has approved on December 13, 2017 the adoption of PFRS for small entities (PFRS for SEs) for use by small entities as defined by the Philippine Securities and Exchange Commission. Small entities should adopt PFRS for SEs for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

The Foundation will adopt PFRS for SEs on January 1, 2019 as it meets all of the criteria of being a small entity defined by the SEC. Management assesses that there is no material impact of the adoption of this framework on the Foundation's financial statements.

### **17.3 Cash**

Cash includes cash on hand and with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of up to three months or less from dates of acquisitions and that are subject to an insignificant risk of change in value.

### **17.4 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 does not have financial instruments classified as complex.

## **Basic financial instruments**

### *Initial measurement*

On initial recognition, a basic 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*

Basic financial instruments are subsequently measured at amortized cost using the effective interest rate method, except for investments in non-convertible and non-puttable preference shares and non-puttable ordinary shares that are publicly traded whose fair value can otherwise be measured reliably. Such investments are subsequently measured at fair value with changes in fair value recognized in profit or loss.

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

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

For financial assets measured at amortized cost, 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. Where an asset is measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset in a sale at the reporting date.

### *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;
- The entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset; or
- It has retained some significant risks and rewards but has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. The asset is therefore derecognized, and any rights and obligation created or retained are recognized.

### *Derecognition of financial liabilities*

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

### **17.5 Receivables**

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables.

### **17.6 Inventories**

Inventories are valued at the lower of cost and estimated selling price less costs to sell. Cost of inventories includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. An entity shall include other costs in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

### **17.7 Creditable withholding taxes**

Creditable withholding taxes are recognized as assets in the period such excess income tax payments become available as tax credits to the Foundation and carried over to the extent that it is probable that the benefit will flow to the Foundation. These are derecognized when there is a legally enforceable right, as prescribed by the applicable laws, to apply the recognized amounts against the related income tax due.

Creditable withholding taxes are included in current assets, except when the related benefits are expected to be received more than twelve (12) months after the reporting period, which are then classified as non-current assets.

### **17.8 Trade payables**

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

### **17.9 Provisions**

Provisions are recognized when: the Foundation has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

## **17.10 Related party relationships and transactions**

### *Related party relationship*

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### *Related party transaction*

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## **17.11 Fund balance**

Unrestricted fund balance generally results from donations, contributions and other income that are derived from the Foundation's regular operations unless the receipts are limited by donor-imposed restrictions.

The expenses of the Foundation are reported as decreases in unrestricted fund balance.

Restricted fund balance pertains to fund appropriated and managed by the Foundation for specific purposes and are subject to certain restrictions.

## **17.12 Receipts recognition**

The Foundation recognizes receipts when: the amount of receipts can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Foundation's activities, as described below.

### *Financial literacy training*

Financial literacy training fees are recognized when services are already rendered by the Foundation.

### *Book sales*

Book sales are recognized when the Foundation has delivered books to the customer; the customer has accepted the products thereby transferring the significant risks and rewards; and collectability of the related receivables is reasonably assured. Provisions for sales discounts are made at the time of sale. Sales returns are recognized upon actual return of books by the customers.



### *Grants, donations and contributions*

Project grants, donations, support and contributions are recognized as receipts when actually received. However, grants and donations that are subject to conditions/restrictions are preserved exclusively for the purposes for which they were bestowed and are recognized as part of the fund balance shown as “Restricted funds” under the statement of financial position, otherwise they are recorded as “Grants, donations and contributions” in receipts and expenses.

### *Other income*

Other income are recognized only upon collection or accrued where there is reasonable degree of certainty as to its collectability.

### **17.13 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 decreases in fund balance. Costs and expenses are recognized in receipts and expenses upon utilization of the service or in the dates they are incurred.

### **17.14 Events after the reporting date**

Post year-end events that provide additional information about the Foundation’s 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 the financial statements when material.

**Note 18 - Supplementary information required by the BIR**

The Foundation is exempt from payment of income tax as set forth in Section 30(g) of the National Internal Revenue Code otherwise known as “Exemption from Tax on Corporations”.

The information required by RR No. 15-2010 for the year ended December 31, 2018 is presented below.

(i) *Local and national taxes*

Local and national taxes paid for the year ended December 31, 2018 consist of:

	Amount
Local registration fees	500
Business permits	45,862
	46,362

The above payments are presented in taxes and licenses under administrative expenses in the statement of total comprehensive income.

(ii) *Withholding taxes*

Expanded withholding tax paid and accrued for the year ended and as at December 31, 2018 amounts to P30,088 and P24,218, respectively.

Accrued withholding taxes is included within accounts payable in the statement of financial position.

(iii) *Tax assessments and cases*

As at December 31, 2018, taxable years 2015, 2016 and 2017 remain open. As at December 31, 2018, there are no outstanding assessments and tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

(iv) *Other information*

The Foundation did not have transactions that are subject to value-added taxes, custom duties, tariff fees and excise taxes for the year ended December 31, 2018.