

COVER SHEET for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C N 2 0 0 8 0 3 4 3 2

Company Name

M I N D O R O B I O D I V E R S I T Y
C O N S E R V A T I O N F O U N D A T I O N , I N C .

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

G U M A M E L A S T R E E T , B A R A N G A Y S U Q U I
C A L A P A N C I T Y , O R I E N T A L M I N D O R O

Form Type

A F S

Department requiring the report

C R M D

Secondary License Type, if applicable

- - - -

COMPANY INFORMATION

Company's Email Address

info@mbcfi.org.ph

Company's Telephone Number(s)

(02) 8808-4446

Mobile Number

-

No. of Stockholders

9

Annual Meeting (Month/Day)

Every 2nd Thursday of
March

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Apolonia Marie Grace C.
Diamante

Email Address

grace_c_diamante@mbcfi.org.ph

Telephone Number(s)

(02) 8808-4446

Mobile Number

0917-547-1976

Contact Person's Address

Unit 406 Richville Corporate Center Building, Commerce Avenue, Ayala Alabang, Muntinlupa City

Note: 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.



Independent Auditor's Report

To the Board of Trustees of
Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)
Gumamela Street, Barangay Suqui
Calapan City, Oriental Mindoro

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mindoro Biodiversity Conservation Foundation, Inc. (the "Foundation") as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SE).

What we have audited

The financial statements of the Foundation comprise:

- the statements of assets, liabilities and fund balance as at December 31, 2019 and 2018;
- the statements of income for the years ended December 31, 2019 and 2018;
- the statements of changes in fund balance for the years ended December 31, 2019 and 2018;
- the statements of cash flows for the years ended December 31, 2019 and 2018; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation 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.

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

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

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Independent Auditor's Report
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Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)
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In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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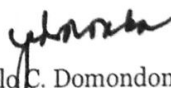
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 12 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.


Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 7, 2020 at Makati City
SEC A.N. (individual) as general auditors 1567-AR-1, Category A; effective until May 27, 2022
SEC A.N. (firm) as general auditors 0009-FR-5, Category A; effective until June 20, 2021
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2019; issued on January 14, 2019; effective until January 13, 2022
BOA/PRC Reg. No. 0142, effective until September 30, 2020

Makati City
March 20, 2020

Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Statements of Assets, Liabilities and Fund Balance
As at December 31, 2019 and 2018
(All amounts in Philippine Peso)

	Notes	2019	2018
<u>ASSETS</u>			
Current assets			
Cash	2	20,404,860	18,703,865
Prepayments and other current assets	3	464,296	522,535
Total current assets		20,869,156	19,226,400
Non-current asset			
Property and equipment, net	4	958,172	1,182,684
Total assets		21,827,328	20,409,084
<u>LIABILITIES AND FUND BALANCE</u>			
Current liabilities			
Accounts payable and other current liabilities	5	1,987,333	999,640
Fund balance			
Prior period accumulated excess of receipts over expenses		19,409,444	20,051,309
Excess (Deficiency) of receipts over expenses during the year		430,551	(641,865)
Total fund balance		19,839,995	19,409,444
Total liabilities and fund balance		21,827,328	20,409,084

The notes on pages 1 to 10 are integral part of these financial statements.

Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Statements of Income
For the years ended December 31, 2019 and 2018
(All amounts in Philippine Peso)

	Notes	2019	2018
Receipts			
Donations, net	7	17,600,000	19,687,325
Interest income	2	31,713	38,448
Total receipts		17,631,713	19,725,773
Expenses			
Program expenses	8	(14,408,066)	(17,805,345)
Operating expenses	9	(2,783,603)	(2,569,476)
Unrealized foreign currency exchange (loss) gain		(9,493)	7,183
Total expenses		(17,201,162)	(20,367,638)
Excess (Deficiency) of receipts over expenses		430,551	(641,865)

The notes on pages 1 to 10 are integral part of these financial statements.

Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Statements of Changes in Fund Balance
For the years ended December 31, 2019 and 2018
(All amounts in Philippine Peso)

	Total
Balance at January 1, 2018	20,051,309
Loss for the year	
Deficiency of receipts over expenses	(641,865)
Balance at December 31, 2018	19,409,444
Income for the year	
Excess of receipts over expenses	430,551
Balance at December 31, 2019	19,839,995

The notes on pages 1 to 10 are integral part of these financial statements.

Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(All amounts in Philippine Peso)

	Notes	2019	2018
Cash flows from operating activities			
Excess (Deficiency) of receipts over expenses		430,551	(641,865)
Adjustments for:			
Depreciation and amortization	4	845,984	874,883
Unrealized foreign currency exchange loss (gain)		9,493	(7,183)
Interest income	2	(31,713)	(38,448)
Excess of receipts over expenses before working capital changes		1,254,315	187,387
Changes in:			
Receivables		-	850,000
Prepayments and other current assets		58,239	(24,858)
Accounts payable and other current liabilities		987,693	(373,819)
Cash generated from operations		2,300,247	638,710
Interest received		31,713	38,448
Net cash provided by operating activities		2,331,960	677,158
Cash flows from an investing activity			
Acquisition of property and equipment	4	(621,472)	(464,774)
Net increase in cash		1,710,488	212,384
Cash at beginning of year		18,703,865	18,484,298
Effect of foreign currency exchange rate changes on cash		(9,493)	7,183
Cash at end of year	2	20,404,860	18,703,865

The notes on pages 1 to 10 are integral part of these financial statements.

Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Notes to the Financial Statements

As at and for the years ended December 31, 2019 and 2018

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information

Mindoro Biodiversity Conservation Foundation, Inc. (the "Foundation") is a non-stock and non-profit organization formed under the laws of Republic of the Philippines. It was registered with the Securities and Exchange Commission on March 19, 2008.

The purpose of the Foundation is: (1) to enable the conservation of Mindoro's unique and threatened environment, biodiversity and natural resources into perpetuity; (2) to establish an integrated and properly structured biodiversity; (3) to promote greater awareness and concern for the environment; (4) to complete and produce/publish relevant information; (5) to strengthen local expertise and capacity with a view to the improved protection, restoration and management of the island's few remaining natural resources; and (6) to recognize and integrate indigenous knowledge, systems and sustainable practices towards more effective resources management.

Its operations are funded mainly by Shell Philippines Exploration B.V., Chevron Malampaya LLC, and Philippine National Oil Company-Exploration Corporation, joint venture partners of the Malampaya Joint Venture. The Foundation also receives contributions from other organizations.

The Foundation is an organization which is operated mainly for the promotion of social welfare as contemplated under Section 30 (g) of the Tax Code, and therefore, exempt from payment of tax on income received by it. However, it is subject to corresponding internal revenue taxes imposed under the Tax Code on its income derived from any of its properties, real or personal, or any activities conducted for profit regardless of the disposition.

The Foundation's registered office, which is also its principal place of business, is located at Gumamela Street Barangay Suqui, Calapan City, Oriental Mindoro. As at December 31, 2019 and 2018, the Foundation has no regular employees.

The financial statements were approved and authorized for issue on March 20, 2020 by the Board of Trustees of the Foundation.

Note 2 - Cash

Cash as at December 31 consist of the following:

	2019	2018
Cash in bank	20,317,400	18,598,138
Cash on hand	87,460	105,727
	20,404,860	18,703,865

Cash in bank earns interest at prevailing bank deposit rates. For the year ended December 31, 2019, interest income earned amounted to P31,713 (2018 - P38,448). Cash in bank includes deposit denominated in foreign currency amounting to USD5,665 (2018 - USD665). In 2019, the Foundation recognized unrealized foreign currency exchange loss amounting to P9,493 (2018 - P7,183 gain).

Note 3 - Prepayments and other current assets

Prepayment and other current assets as at December 31 consist of the following:

	Note	2019	2018
Staff advances		320,142	360,881
Rental deposits	10	139,920	132,420
Prepayments		4,234	29,234
		464,296	522,535

Note 4 - Property and equipment, net

Details of property and equipment and their movements as at and for the years ended December 31 are as follows:

	Leasehold improvement	Furniture and equipment	Computer software and accessories	Total
Cost				
At January 1, 2018	7,700	2,062,909	1,204,050	3,274,659
Additions	-	224,210	240,564	464,774
Disposals	-	(7,628)	(14,900)	(22,528)
At December 31, 2018	7,700	2,279,491	1,429,714	3,716,905
Accumulated depreciation and amortization				
At January 1, 2018	7,700	752,908	921,258	1,681,866
Depreciation and amortization	-	632,536	242,347	874,883
Disposals	-	(7,628)	(14,900)	(22,528)
At December 31, 2018	7,700	1,377,816	1,148,705	2,534,221
Net book value at December 31, 2018	-	901,675	281,009	1,182,684
Cost				
At January 1, 2019	7,700	2,279,491	1,429,714	3,716,905
Additions	-	384,054	237,418	621,472
At December 31, 2019	7,700	2,663,545	1,667,132	4,338,377
Accumulated depreciation and amortization				
At January 1, 2019	7,700	1,377,816	1,148,705	2,534,221
Depreciation and amortization	-	529,240	316,744	845,984
At December 31, 2019	7,700	1,907,056	1,465,449	3,380,205
Net book value at December 31, 2019	-	756,489	201,683	958,172

Depreciation and amortization have been charged in program expenses and operating expenses as follows:

	Note	2019	2018
Program expenses		634,488	656,162
Operating expenses	9	211,496	218,721
		845,984	874,883

As at December 31, 2019 and 2018, there is no impairment charge recorded against the Foundation's property and equipment.

The cost of fully depreciated property and equipment still being used as at December 31, 2019 amounted to P1,059,444 (2018 - P620,751).

Note 5 - Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of the following:

	2019	2018
Accounts payable	186,598	226,771
Accrued expenses	1,615,964	599,106
Payable to government agencies	184,771	173,763
	1,987,333	999,640

Accrued expenses pertain to outside services for the construction of the Mindoro Biodiversity Conservation Center (MBCC), audit fees, and other unpaid program and administrative expenses.

Note 6 - Related party transactions

In the normal course of its operations, the Foundation transacts with companies considered as related parties under Section 26, *Related Party Disclosures*. Transactions with donors mainly consist of (a) funding of expenses and (b) recoveries of expenses for the Foundation's core programs.

In 2019, donations amounting to P17,600,000 (2018 - P20,071,817) were received from Shell Philippines Exploration BV. As at December 31, 2019 and 2018, there were no receivable from donors for the recovery of expenses.

The Foundation does not pay its trustees any compensation, and has no receivable from or payable to them.

Note 7 - Donations, net

Donations, net for the years ended December 31 consist of the following:

	Note	2019	2018
Shell Philippines Exploration BV	6	17,600,000	20,071,817
Less: Grant refund		-	(384,492)
		17,600,000	19,687,325

A partnership project with Philippine Tropical Forest Conservation Foundation (PTFCF) was established in 2016. Upon completion of the project on March 28, 2018, the Foundation issued a grant refund to PTFCF amounting to P384,492, representing unused funds from the partnership project. This was presented as an offset to the donations received in 2018 in the statement of income. There was no such transaction in 2019.

Note 8 - Program expenses

The components of program expenses for the years ended December 31 consist of the following:

	2019	2018
Core programs		
MISSION	2,801,126	7,512,562
CARE	3,722,817	5,482,237
RESEARCH	3,428,068	3,835,747
	9,952,011	16,830,546
Special project		
MBCC	4,456,055	974,799
	14,408,066	17,805,345

(a) Mindoro Island Symbolic Species Icons of Nature (MISSION)

The purpose of this project is to facilitate the formation of community-based biodiversity protection groups who shall take the lead in protecting the different ecosystems, habitats, and threatened endemic species which are symbolic icons of Mindoro Island. This involves development and implementation of intensive biodiversity protection and law enforcement to curtail illegal and destructive activities in conservation priority sites especially in protected areas.

(b) Conservation Awareness Raising and Education (CARE)

This program aims to popularize the biodiversity and cultural significance of Mindoro to gain broader support for its protection and conservation from the general public. Various information, education and communication strategies shall be developed and implemented to increase the conservation awareness of the Mangyans, non-Indigenous People communities and other stakeholders.

Program strategies include communication material development, interpersonal approach of communication, conservation events, flagship species campaign, and providing access to information.

(c) Resources, Environment, Species and Ecological Assessment for Responsible Change (RESEARCH)

This program involves project site profiling, habitat and/or species focused research, studies on ecological services and functions and regular biodiversity monitoring. The Foundation explores the possibility of engaging partnership with research and academic institutions and/or other interested and competent organizations in the implementation of this program.

Program strategies entail conservation research and monitoring, species and/or habitat-focused researches, perception survey, project sites profiling, studies on ecological services and function, and regular biodiversity monitoring.

(d) Mindoro Biodiversity Conservation Center (MBCC)

On June 8, 2017, the Board of Trustees authorized the establishment of MBCC. This special project aims to conserve and educate local and the general public of Mindoro's "unspoiled natural beauty" and the importance of Mindoro's unique biodiversity and its impact on society and climate change. The establishment of this iconic center will benefit the present and future generations to remember the symbiotic relationship between the people and the natural resources.

The center will hold several components such as conservation education center, forest restoration and demonstration areas, wildlife and rescue center for endemic species, cultural heritage center (particularly of Mangyan culture) and ecotourism areas.

The Foundation intends to design and implement culturally appropriate and sustainable livelihood that would reduce pressure on natural resources and mitigate threats to Mindoro's biodiversity.

Note 9 - Operating expenses

Operating expenses for the years ended December 31 consist of the following:

	Notes	2019	2018
Staff fees		725,254	599,965
Rental	10	544,135	589,515
Communication, light and water		257,123	252,200
Depreciation and amortization	4	211,496	218,721
Supplies and materials		203,920	199,777
Staff benefits		178,253	131,102
Professional fees		143,766	113,017
Board meetings and planning		117,325	149,448
Staff meeting/workshop		83,476	55,556
Transportation and travel		79,283	96,014
Membership dues		68,398	49,364
Taxes and licenses		45,765	21,899
Miscellaneous		125,409	92,898
		2,783,603	2,569,476

Note 10 - Leases

The Foundation has the following lease agreements with the option to renew, subject to the negotiation of both parties:

- (a) A one-year lease agreement starting January 1, 2015 until December 31, 2015 for San Jose, Occidental Mindoro office. As at reporting date, the lease agreement was renewed and extended until December 31, 2019. Total rent expense amounted to P53,550 (2018 - P54,000), which is shown as part of program expenses.
- (b) Lease agreement entered on March 1, 2016 until February 28, 2017 for its office space in Muntinlupa City. As at reporting date, the lease agreement was renewed and extended until February 28, 2021. Total rent expense and building dues amounted to P400,960 (2018 - P387,520), which is shown as part of operating expenses.
- (c) A one-year lease agreement starting January 1, 2016 until December 31, 2016 for City of Calapan, Oriental Mindoro office and staff house. As at reporting date, the lease agreement was renewed and extended until February 14, 2021. Total rent expense amounted to P89,625 (2018 - P90,000), which is shown as part of program expenses.

The minimum lease payments, gross of withholding tax, on the above leases within 12 months after December 31, 2019 totaled to P67,200 (2018 - P72,000).

As at December 31, 2019, rental deposits of P139,920 (2018 - P132,420) pertaining to the above leases are shown as part of prepayments and other current assets in the statement of assets, liabilities and fund balance.

Note 11 - 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.

11.1 Basis of preparation

In 2018, the financial statements of the Foundation have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) for Small and Medium-sized Entities.

Accordingly, the Foundation adopted the PFRS for Small Entities (the "Framework") as approved by the Financial Reporting Standards Council, Board of Accountancy, and Securities and Exchange Commission (SEC) on the mandatory effective date of January 1, 2019 as allowed by the standard itself and the existing rules and regulations based on reported assets and liabilities that are within the threshold limits. Qualified companies are those with total assets or total liabilities between P3,000,000 and P100,000,000. There are no adjustments made related to the Foundation's first time adoption of the Framework.

These financial statements have been prepared under the historical cost convention.

11.2 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 has no complex financial instruments.

Basic financial instruments

The Foundation's basic financial instruments as at December 31, 2019 and 2018 are composed of cash (Note 2), rental deposits (Note 3) and accounts payable and other current liabilities (except payable to government agencies) (Note 5).

(a) Initial recognition and 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 instrument.

(b) Subsequent measurement

Basic financial instruments are subsequently measured at amortized cost using the effective interest rate method.

(c) 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 amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in statement of income.

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.

(d) Derecognition of financial assets

The Foundation 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.

(e) Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation is discharged, cancelled or has expired.

11.2 Cash

Cash includes cash on hand and cash in bank. Cash in bank pertains to deposits held at call with banks. These are carried in the statement of assets, liabilities and fund balance at face amount or at nominal amount.

11.3 Receivables

Receivables are recognized initially at the transaction price and subsequently measured at amortized cost using effective interest method, less any provision for impairment. A provision for impairment of 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 receivables.

11.4 Prepayments and other current assets

Prepayments, which are carried at cost, are expenses paid in cash and recorded as assets before these are used or consumed, as the service or benefit will be received in the future. Prepayments expire and are recognized as expense either with the passage of time or through use or consumption.

Other current assets are recorded at cost and include assets that are realized as part of the normal operating cycle and are expected to be realized within 12 months after the reporting period. Otherwise, these are presented as non-current assets.

11.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, which comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which these are incurred.

Depreciation is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives (in years), as follows:

Computer software and accessories	3 years
Furniture and equipment	3 years
Leasehold improvements	Shorter of 3 years or lease term

The estimated useful lives and depreciation method are reviewed annually based on expected asset utilization to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the receipts section of the statement of income. Fully depreciated assets are retained in the account until these are no longer in use.

11.6 Impairment of non-financial assets

Property and equipment and other non-financial assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Property and equipment and other non-financial assets that are subject to depreciation and amortization 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 costs 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 than the carrying amount that was recognized in the prior years.

11.7 Accounts payable and other current liabilities

Accounts payable and other current liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Foundation is established. These are measured at the transaction price and subsequently measured at amortized cost using effective interest method.

11.8 Fund balance

Fund balance includes current and prior years' excess (deficiency) of receipts/donations over actual expenses incurred. There are no permanent or temporary restrictions imposed by the donor, law, or Board of Trustees on the Foundation's fund balance.

11.9 Donations and interest income

(a) Donations, net

Donations are recognized as receipts in the period received and measured at fair market value. These are presented net of issued refunds in the statement of income.

(b) Interest income

Interest income is recognized on a time proportion basis, taking account of principal outstanding and effective rate over the period to maturity when it is determined that such income will accrue to the Foundation.

11.10 Foundation expenses

Foundation expenses are expensed when incurred and measured at the amount paid or payable. Such are classified as program or operating expenses.

11.11 Foundation is the lessee

Leases of field and administrative offices are classified as operating leases where a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to operations in the statement of income.

11.12 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Philippine Peso, which is the Foundation's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Outstanding foreign currency denominated monetary assets are translated at the exchange rate prevailing at reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets denominated in foreign currencies are recognized in the statement of income through excess of receipts over expenses.

11.13 Related party relationships and transactions

Related party relationships exist 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 relationships also exist between and/or among donors with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, trustees, or its stakeholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

11.14 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.

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020 unless earlier lifted or extended. These measures have caused disruptions to businesses and economic activities, and its impact on business continues to evolve.

The Foundation considers the events surrounding the outbreak as non-adjusting subsequent events which do not impact its financial position and performance as of and for the year ended December 31, 2019. However, the outbreak could have a material impact on its 2020 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Foundation can't determine at this time the impact to its statement of assets, liabilities and fund balances, statement of activities and cash flows. The Foundation will continue to monitor the situation.

Note 12 - Supplementary information required by the Bureau of Internal Revenue (BIR)

The following information is presented for purposes of filing with the BIR as required by Revenue Regulation (RR) No. 15-2010 and is not a required part of the basic financial statements.

(a) Other local and national taxes

All other local and national taxes paid for the year ended December 31, 2019 and presented under operating expenses consist of:

Business permit and registration fees	31,348
Barangay clearance and community tax	8,785
Others	5,632
	45,765

Other local taxes paid pertains to registration fees for 2019 and penalty for late filing of tax returns.

(b) Withholding taxes

Expanded withholding taxes paid and accrued as at and for the year ended December 31, 2019 are as follow:

Paid	833,087
Accrued	160,296
	993,383

(c) Tax assessments and cases

The Foundation is neither a party to any tax assessments nor involved in tax cases under preliminary litigation and/or prosecution in court or bodies outside the BIR as at December 31, 2019.

All other requirements of RR No. 15-2010 are not applicable because the Foundation is a non-profit organization.

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eafs@bir.gov.ph

to JEN, P. VELOVA

Hi MBCFI,

Valid files

- EAFS006984563AFS2019.pdf
- EAFS006984563ITR2019.pdf

Invalid file

- <None>

Transaction Code: **AFS-2019-NYWT1TY307C9G9JG7P5VMT23R07B89CC95**
 Submission Date/Time: **Jun 11, 2020 10:32 PM**
 Company TIN: **006-984-563**

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

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June 11, 2020

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of Mindoro Biodiversity Conservation Foundation Inc. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2019 and 2018, 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 (Trustees) is responsible for overseeing the Company's financial reporting process.

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

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



Sabino L. Santos
President

Ramon D. Del Rosario
Trustee

Apollonia Marie Grace C. Diamante
Executive Director

Signed this 11th day of June 2020

Mindoro Biodiversity Conservation Foundation Inc.

Muntinlupa Office: Unit 406, Richville Corporate Center, 1314 Commerce Ave., Madrigal Business Park, Ayala Alabang, Muntinlupa City, Philippines
Calapan Office: Gozar Street, Brgy. Camilmil, Calapan City, Oriental Mindoro, Philippines
Telephone: Muntinlupa - (02) 808 4446; Calapan - (043) 288 2326 | Email: info@mbcfi.org.ph | www.mbcfi.org.ph



June 11, 2020

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FOR FINANCIAL STATEMENTS**

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

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



Sabino L. Santos
President



Ramon D. Del Rosario
Trustee




Apofonia Marie Grace C. Diamante
Executive Director

SUBSCRIBED AND SWORN BEFORE ME A NOTARY PUBLIC, **AMA, CAVITE**
ON 11 JUN 2020 AT PTP NO. 3082381 CITY/VIS/HER DTC/GOVERNMENT
NO. 55902 BR. CAVITE

Signed this 11th day of June 2020

Mindoro Biodiversity Conservation Foundation Inc.
Muntinlupa Office: Unit 406, Richville Corporate Center, 1314 Commerce Ave., Madrigal Business Park, Ayala Alabang, Muntinlupa City, Philippines
Calapan Office: Gozar Street, Brgy. Camilmil, Calapan City, Oriental Mindoro, Philippines
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ATTY. CEASAR S. SOLIS
NOTARY PUBLIC
IUCN Member
PTP NO. 3082381
IBP LIFE TIME NO. 011212 CAVITE
MCLE COMPLIANCE NO. VI-0011386
PASIG CITY, VALID UNTIL APRIL 14-2022
ROLL NO. 55902