

HERITAGE PARK MANAGEMENT CORPORATION
(A Non-stock, Non-profit Organization)

FINANCIAL STATEMENTS
December 31, 2017 and 2016

and

Report of Independent Auditors

HERITAGE PARK MANAGEMENT CORPORATION

Corporate Bldg., Bayani Road, Fort Bonifacio, Taguig City • Tel. No. 845-2483

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

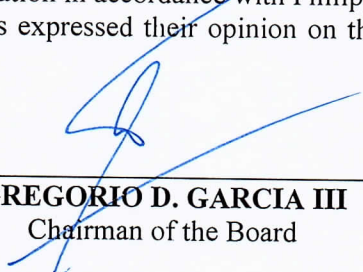
The management of **HERITAGE PARK MANAGEMENT CORPORATION** (A non-stock, non-profit organization) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016 in accordance with the prescribed 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

The **Board of Trustees** is responsible for overseeing the Organization's financial reporting process.

The **Board of Trustees** reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

Perez, Sese, Villa, & Co., the independent auditor appointed by the members, has audited the financial statements of the Organization in accordance with Philippine Standards on Auditing, and in their report to the members, has expressed their opinion on the fairness of presentation upon completion of such audit.



GREGORIO D. GARCIA III
Chairman of the Board



ATTY. MONICO V. JACOB
President



SANTIAGO S. CUA, JR.
Treasurer



Signed this April 2, 2018

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the Las Piñas City Philippines, this APR 19 2018 affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES

COMPETENT

DATE AND PLACE ISSUED

EVIDENCE OF IDENTITY

GREGORIO D. GARCIA III

PASSPORT NO. EC0706222

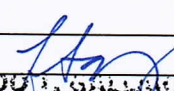
MONICO V. JACOB

PASSPORT NO. EC 772K486

SANTIAGO S. CUA JR.

DRIVERS LIC. NO. N10-72-

015 796



FERNANDO S. GALLANOS JR.

Notary Public for Las Piñas City, Philippines

82 L20 Woodridge Subdivision, Las Piñas City, 1742

My commission expires on 31 December 2019

PTR No. 11438644/Las Piñas City/11 January 2018

IBP Life Member Roll No. 00365/19 July 1995

Attorney's Roll No. 38960/10 June 1992

MCLE Compliance No. VI-0003717/25 October 2017

Doc. No. 445
Page No. 90
Book No. 12
Series of 2018



PEREZ, SESE, VILLA & Co.
CERTIFIED PUBLIC ACCOUNTANTS

**SUPPLEMENTAL STATEMENT
OF INDEPENDENT AUDITORS**


To The Board of Trustees
HERITAGE PARK MANAGEMENT CORPORATION
(A Non-stock, Non-profit Organization)
Bayani Road, Fort Bonifacio,
Taguig City

We have audited the financial statements of **HERITAGE PARK MANAGEMENT CORPORATION** (A Non-Stock, Non-Profit Organization) as of and for the year ended December 31, 2017, on which we have rendered our report, dated April 2, 2018.

In compliance with SRC Rule 68, we are stating that the Organization has no shareholders being a non-stock, non-profit organization.

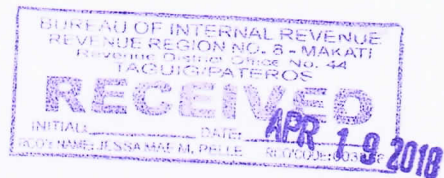
PEREZ, SESE, VILLA & CO.
BOA/PRC Reg. No. 0222, Issued September 18, 2017
Valid until August 20, 2020
SEC A.N. (Firm) 0336-F, Group B Category, Issued January 19, 2017
Valid until January 19, 2020
IC A.N. (Firm) F-2017/008-R, Issued August 30, 2017
Valid until August 29, 2020

For the Firm:


MA. ALMA C. SESE
CPA Cert. No. 54588
TIN 212-955-173-000
PTR No. 7010225

Issued on January 10, 2018
SEC A.N. (Individual) 1606-A, Group B Category, Issued January 19, 2017
Valid until January 19, 2020
BIR No. 06-002735-001-2017, Issued January 04, 2018
Valid until January 03, 2021
IC A.N. (Individual) SP-2017/009-R, Issued August 30, 2017
Valid until August 29, 2020

Manila, Philippines
April 2, 2018





PEREZ, SESE, VILLA & Co.
CERTIFIED PUBLIC ACCOUNTANTS


**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

To the Board of Trustees
HERITAGE PARK MANAGEMENT CORPORATION
(A Non-stock, Non-profit Organization)
Bayani Road, Fort Bonifacio,
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **HERITAGE PARK MANAGEMENT CORPORATION**, for the year ended December 31, 2017 and have issued our report thereon dated April 2, 2018. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of receipts or income other than contributions and donations, schedule of contributions and donation and schedule of disbursement according to sources and activities for the year ended December 31, 2017, are the responsibility of the organization management. These supplementary schedules are presented for the purpose of complying with Securities Regulation Code (SRC) Rule No. 68, as amended, and are not part of the basic financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

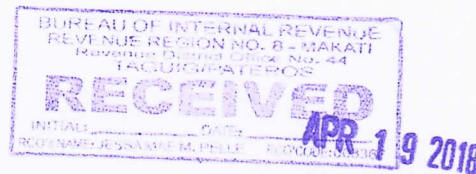
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Manila, Philippines
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PEREZ, SESE, VILLA & Co.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To The Board of Trustees

HERITAGE PARK MANAGEMENT CORPORATION

(A Non-stock, Non-profit Organization)

Bayani Road, Fort Bonifacio,

Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HERITAGE PARK MANAGEMENT CORPORATION** (A non-stock, non-profit organization), which comprise the statement of assets, liabilities, and members' equity as at December 31, 2017 and 2016, and the statements of revenues and expenses, statement of changes in members' equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and members' equity of the Organization as at December 31, 2017 and 2016, and its statements of revenues and expenses, changes in members' equity and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs).

Basis for Opinion

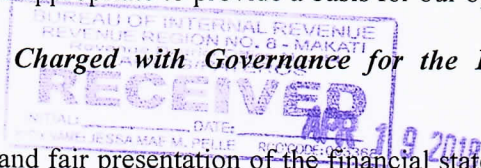
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance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

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 SMEs, 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 Organization's ability to continue as 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 Organization or cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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



Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2017 required by the Bureau of Internal Revenue as disclosed in Note 12 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS for SMEs. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

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For the Firm:


MA. ALMA C. SESE

PARTNER

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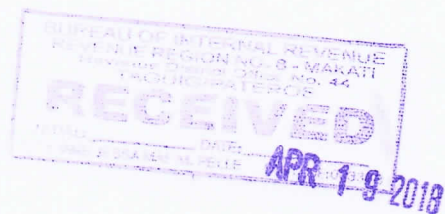
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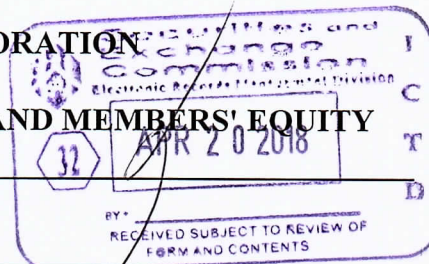


HERITAGE PARK MANAGEMENT CORPORATION

(A Non-Stock, Non-Profit Organization)

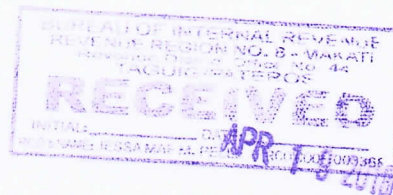
STATEMENTS OF ASSETS, LIABILITIES AND MEMBERS' EQUITY

December 31, 2017 and 2016



	Notes	2017	2016
ASSETS			
Current Assets			
Cash	3,5	₱309,264	₱113,325
Investment in trust	3,6	28,767	28,767
Other current assets	3,7	1,860,534	1,817,262
Total current assets		2,198,565	1,959,354
TOTAL ASSETS		2,198,565	1,959,354
LIABILITIES AND MEMBERS' EQUITY			
Current Liabilities			
Payables	3,9	1,669,798	1,430,587
Fund held in trust	3	28,767	28,767
Total current liabilities		1,698,565	1,459,354
Members' Equity	3,10	500,000	500,000
TOTAL LIABILITIES AND MEMBERS' EQUITY		₱2,198,565	₱1,959,354

(See accompanying Notes to Financial Statements)



HERITAGE PARK MANAGEMENT CORPORATION

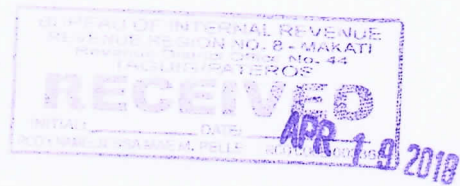
(A Non-Stock, Non-Profit Organization)

STATEMENTS OF REVENUES AND EXPENSES

For The Years Ended December 31, 2017 and 2016

	Notes	2017	2016
REVENUES			
Appropriated operating fund	3	₱400,669	₱435,991
Interest income	3,5	169	296
Total revenues		400,838	436,287
EXPENSES			
	3,11	400,838	436,287
NET INCOME		₱-	₱-

(See accompanying Notes to Financial Statements)



HERITAGE PARK MANAGEMENT CORPORATION

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

For The Years Ended December 31, 2017 and 2016

	Notes	2017	2016
MEMBERS' CONTRIBUTION	3,10	₱500,000	₱500,000
FUND BALANCE			
Beginning		-	-
Revenues	3	400,838	436,287
Expenses	3,11	(400,838)	(436,287)
Ending		-	-
MEMBERS' EQUITY		₱500,000	₱500,000

(See accompanying Notes to Financial Statements)



HERITAGE PARK MANAGEMENT CORPORATION

(A Non-Stock, Non-Profit Organization)

STATEMENT OF CASH FLOWS

For The Years Ended December 31, 2017 and 2016

	<i>Notes</i>	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		₱-	₱-
Adjustment to reconcile net income to net cash provided by operating activities:			
Interest income	<i>3,5</i>	(169)	(296)
Operating loss before changes in working capital		(169)	(296)
Changes in operating assets and liabilities:			
Increase in other current assets	<i>3,7</i>	(43,272)	(47,717)
Increase (Decrease) in payables	<i>3,9</i>	239,211	(418,316)
Cash generated from (used in) operating activities		195,770	(466,329)
Interest received	<i>3,5</i>	169	296
Net cash generated from (used in) operating activities		195,939	(466,033)
NET INCREASE (DECREASE) IN CASH		195,939	(466,033)
CASH AT THE BEGINNING OF THE YEAR		113,325	579,358
CASH AT THE END OF THE YEAR		₱309,264	₱113,325

(See accompanying Notes to Financial Statements)

HERITAGE PARK MANAGEMENT CORPORATION

(A Non-stock, Non-profit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 1 - GENERAL INFORMATION

HERITAGE PARK MANAGEMENT CORPORATION (the Organization) is a non-stock, non-profit organization established to manage and maintain the Memorial Park known as Heritage Park situated at Fort Bonifacio, Taguig, Manila as a premium, multi- use memorial and public park complex. The Organization was incorporated and registered with the Philippine Securities and Exchange Commission on April 28, 1999 with SEC Registration No. A199905731 and, started commercial operation on April 1, 2000.

In 1994, a Pool Formation Trust Agreement was entered into among Bases Conversion and Development Authority (BCDA), Public Estate Authority (PEA) and Philippine National Bank (PNB) as principal proponent (project owner), project manager and trustee, respectively, to develop a parcel of land, owned by BCDA (with total area of 105 hectares), into a memorial park (Heritage Park) and sell rights to perpetual use and care of memorial lots in order to generate funds for Comprehensive Bases Conversion Program of BCDA. The Agreement states that BCDA, PEA, and PNB's role will enforce until the completion of Heritage Park and turnover of the Heritage Park and the remaining funds to the Board of Trustee (BOT) and duly appointed park administrator. Upon incorporation, the Organization (Heritage Park Management Corporation) was appointed as trustee of the Heritage Park and is responsible for the management and long-term maintenance of the Heritage Park.

The Organization's registered office, which is also its principal place of business, is located at LMO Building Bayani Road, Fort Bonifacio, Taguig City, Metro Manila.

The financial statements of the Organization for the year ended December 31, 2017 were approved and authorized for issue by the Board of Trustees on April 2, 2018.

NOTE 2 - FINANCIAL REPORTING FRAMEWORK

Statement of Compliance

The financial statements of the Organization have been prepared in accordance with the *Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs)* issued by the International Accounting Standards Board (IASB) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

Basis of Preparation

These financial statements have been prepared on the historical basis unless otherwise indicated.

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Organization operates. All amounts are rounded to the nearest peso, except when otherwise indicated.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

The Organization classifies its financial instruments as either basic financial instruments or other financial instruments. Financial instruments are recognized only when the entity becomes a party to the contractual provisions of the instrument.

Basic Financial Instruments

The Organization's basic financial assets and liabilities are measured initially at transaction price including transaction costs except for those that are measured at fair value through profit or loss.

Basic financial instruments at amortized cost

The Organization's long term debt instruments that are not publicly traded are measured subsequently at amortized cost less impairment.

The amortized cost of a financial instrument at the end of each reporting period is computed as the net of the amount at which the financial instrument is measured at initial recognition, minus any repayments of the principal, plus or minus the cumulative amortization using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

As at end of the reporting dates, the Organization does not have financial instruments classified under this category.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability. The effective interest rate is determined on the basis of the carrying amount of the financial asset or liability at initial recognition.

Under the effective interest method, the amortized cost of a financial asset (liability) is the present value of future cash receipts (payments) discounted at the effective interest rate; and the interest expense (income) in a period equals the carrying amount of the financial liability (asset) at the beginning of a period multiplied by the effective interest rate for the period.

Basic financial instruments measured at undiscounted amount

Short term debt instruments that are not publicly traded or whose fair value cannot be determined reliably without undue cost or effort are measured at undiscounted amount.

Cash and payables except for government imposed liabilities are included in this category.

Basic financial instrument measured at cost

Equity instruments that are not publicly traded or whose fair value cannot be determined reliably without undue cost or effort are measured at cost less accumulated impairment.

The Organization has no basic financial instruments carried at cost at the end of each reporting periods.

Basic financial instruments at fair value through profit or loss

The Organization's investments in non-convertible and non-puttable preference shares and non-puttable ordinary shares that are publicly traded or whose fair value can be measured reliably are subsequently measured at fair value. Gains or losses arising on re measurement are recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of revenue and expenses.

If a reliable measure of fair value is no longer available for an asset measured at fair value, its carrying amount at the last date the asset was reliably measurable becomes its new cost. The entity shall measure the asset at this cost amount less impairment until a reliable measure of fair value becomes available.

Investment in trust and fund held in trust are included in this category.

Other financial instruments

At the end of each reporting period, the Organization measures other financial instruments at fair value and recognizes changes in fair value in profit or loss, except for any equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments shall be measured at cost less impairment.

If the reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date the instrument was reliably measurable is treated as the cost of the instrument. The entity shall measure the instrument at its cost amount less impairment until a reliable measure of fair value becomes available.

The Organization has no financial instruments categorized as other financial instruments at the end of each reporting period.

Derecognition of financial assets

The Organization derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Organization, despite having retained some significant risks and rewards of ownership, 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 Organization derecognizes the asset and recognize separately any rights and obligations retained or created in the transfer.

Any difference between the consideration received and the amounts recognized and derecognized shall be recognized in profit or loss.

Derecognition of financial liabilities

Financial liabilities are derecognized only when it is extinguished or when the obligation specified in the contract is discharged, is cancelled or expires.

Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed shall be recognized in profit or loss.

Impairment of Financial Assets Measured at Cost or Amortized Cost

At the end of each reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately.

Objective evidence that a financial asset or group of assets is impaired includes:

- significant financial difficulty of the issuer or obligor.
- a breach of contract, such as a default or delinquency in interest or principal payments.
- the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider.
- it has become probable that the debtor will enter bankruptcy or other financial reorganization.
- observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

For an instrument 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. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For an instrument 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 if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the entity shall reverse the previously recognized impairment loss either directly or adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset (net of allowance account) that exceeds what the carrying amount would have been had the impairment not previously recognized. The entity shall recognize the amount of reversal in profit or loss immediately.

Other Current Assets

Other current assets represent assets of the Organization which are expected to be realized or consumed within one year or within the Organization's normal operating cycle whichever is longer. Other current assets are presented in the financial statements at cost.

Property and Equipment

Property and equipment are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the

asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, the cost and their related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized for the period

Any addition in the estimated life of the property and equipment would decrease the Organization's recorded direct cost and operating expenses and increase non-current assets.

The useful lives and depreciation are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Fully depreciated and fully amortized assets are retained by the Organization as part of property and equipment until their disposal. Further change in depreciation is made with respect to these assets.

Impairment of Non-financial Assets

At each reporting date, non-financial assets such as property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Revenue and Expenses Recognition

Revenues are recognized to the extent that it is probable that the economic benefits will flow to the Organization and it can be reliably measured. The following specific recognition criterion must also be met before revenues are recognized:

- a) Appropriated operating funds – the Organization receives funds equivalent to actual expenses not to exceed 0.75% of all investment under trust, including Perpetual Care Fund, to defray its operating expenses.
- b) Interest income from cash in bank - interest is recognized as the interest accrues taking into account the effective yield of the asset.

Expenses are recognized in the statement of revenue and expenses when incurred.

Members' Equity

Members' equity comprise of members' contribution and fund balance pertains to the accumulated excess of revenues over expenses.

Income Tax

Income tax expense represents the sum of the current tax and deferred tax expense.

Current Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of revenues and expenses because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Association's current tax liability is calculated using 30% regular corporate income tax (RCIT) rate or 2% minimum corporate income tax rate, whichever is higher.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Association expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Related Parties

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its 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.

Subsequent Events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide

additional information about conditions existing after period end (non-adjusting events) are disclosed in the notes to the financial statements.

NOTE 4 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with *Philippine Financial Reporting Standards for SMEs* requires the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which will cause the assumption used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Judgments

In the process of applying the Organization's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Classification of Financial Instruments

The Organization classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the Statements of Assets, Liabilities and Members' Equity.

Estimating Useful Lives of Property and Equipment

The Organization estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets and residual values are reviewed, and adjusted if appropriate, only if there is a significant change in the asset or how it is used.

The Organization's office equipment have useful lives of 3 years which are used in depreciating the assets.

As at December 31, 2017 and 2016, the Company's property and equipment are fully depreciated but still serviceable.

NOTE 5 - CASH

The Organization's cash in bank amounts to ₱309,264 and ₱113,325 in 2017 and 2016 respectively. The Organization's cash in bank generally earns interest based on daily deposit rates. Interest income from the bank deposit amounts to ₱169 and ₱296 in 2017 and 2016 respectively.

NOTE 6 - INVESTMENT IN TRUST

In 2000, the Organization and PNB-TBG (Philippine National Bank-Trust Banking Group) executed an agency and custodianship agreement wherein PNB-TBG will manage the remaining funds transferred to the Organization as Trustee of Heritage Park. This fund consists of General Fund, Marketing and Promotional Fund and Development Fund amounting to ₱746, ₱27,330 and ₱691 respectively. Moreover, PNB-TBG serves as the custodian and transfer agent of the documents for the certificates issued in accordance with the agency and custodian agreement.

The balance of the funds as of December 31, 2017 and 2016 are as follows:

	2017	2016
General fund	₱746	₱746
Marketing and promotional fund	27,330	27,330
Development fund	691	691
Total investment in trust fund	₱28,767	₱28,767

No additional contribution and withdrawal from the fund was made in 2017 and 2016. No income was recognized from these investments in year 2017 and 2016.

NOTE 7 - OTHER CURRENT ASSETS

This account consist of:

	2017	2016
Input VAT	₱1,859,022	₱1,817,262
Advances to officers	1,512	-
	₱1,860,534	₱1,817,262

The Organization has assessed that the excess input taxes will be used in the future.

Advances to officers are cash advances to officers for various expenses of the Organization. This account is reversed upon submission of the necessary liquidation documents.

NOTE 8 - PROPERTY AND EQUIPMENT

An analysis of the movement in property and equipment account follows:

	Office Equipment
Costs	
December 31, 2016	₱143,983
Additions	-
Retirement	-
December 31, 2017	143,983
Accumulated Depreciation	
December 31, 2016	143,983
Depreciation expense	-
Retirement	-
December 31, 2017	143,983
Carrying amount	
December 31, 2016	₱ -
Carrying amount	
December 31, 2017	₱ -

Fully depreciated serviceable assets are retained as part of property and equipment until their disposal. The Company believes that no further change in depreciation is necessary with respect to these assets.

NOTE 9 - PAYABLES

This account consists of:

	2017	2016
Advances from PCFT	₱1,450,048	₱1,125,717
Accrued expenses	219,750	304,870
	₱1,669,798	₱1,430,587

Advances from PCFT pertain to the funds still payable to Heritage Park Project - Perpetual Care Fund Trust for the maintenance of the park.

Accrued expenses represent accrual for maintenance expenses of the park and professional fees.

NOTE 10 - MEMBERS' CONTRIBUTION

Members' contribution represents the paid up capital amounting to ₱500,000 from the original members of the Organization.

NOTE 11 - EXPENSES

This account consists of the following:

	2017	2016
Professional and consulting fees	₱348,000	₱228,000
Office supplies	12,772	12,230
Volunteers and helper's meal	10,870	19,262
Transportation	700	5,709
Taxes and licenses	500	500
Repair and maintenance	-	169,643
Miscellaneous	27,996	943
	₱400,838	₱436,287

NOTE 12 - INCOME TAXES

The Organization as Non-stock, Non-profit Organization is exempted before to income tax under Section 30 of the Tax Code. In year 2013, the Bureau of Internal Revenue issued Memorandum Order No. 20-2013 requiring NSNPs to file application for tax exemption rulings in order to continuously enjoy its income tax exemption. The Organization has not yet filed application for the tax exemption ruling.

**NOTE 13 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF
INTERNAL REVENUE UNDER REVENUE REGULATION NO. 15-2010
AND 19-2011**

The following information is presented for purposes of filing with the BIR and is not a required part of the basic financial statement:

Revenue Regulation 15-2010

Value-added Tax

The Organization is a non-stock, non-profit corporation organized mainly to manage and maintain a memorial park, hence the transaction reflected in the VAT returns were only for the accounting of input taxes.

Reconciliation of the carrying amounts of VAT input is as follows:

	Amount
Balance, January 1, 2017	1,817,262
Additions	41,760
Balance, December 31, 2017	1,859,022

Tax Assessments and Cases

The Organization has no outstanding Letter of Authority from the Bureau of Internal Revenue as of the reporting date.

Revenue Regulation 19-2011

The schedule and information of exempt income and expenses taken are as follow:

	Exempt
Revenue:	
Appropriated operating funds	₱400,669
Expenses:	
Professional and consulting fees	348,000
Office supplies	12,772
Volunteers and helper's meal	10,870
Transportation	700
Taxes and licenses	500
Miscellaneous	27,996
Total expenses	₱400,838

Republic of the Philippines
City of Taguig

SWORN STATEMENT

We, **Atty. Monico V. Jacob** and **Santiago S. Cua, Jr.**, the president and treasurer, respectively of the **Heritage Park Management Corporation** with business address at LMO Building Bayani Road, Fort Bonifacio, Taguig City, Metro Manila hereby depose and state that:

In compliance with SEC Memorandum Circle No. 4 Series of 2013 dated March 7, 2013, we are stating the following information that relates to the preceding calendar year 2016 to wit:

HERTAGE PARK MANAGEMENT CORPORATION

For the year ended December 31, 2017

Schedule of Receipts and Income Other Than Contributions and Donations

	Amount
Appropriated operating fund	₱400,669
Advances from PCFT	324,331
Interest income	169
	₱725,169

Schedule of Contributions and Donations

Please see Annex A


Schedule of Disbursements According to Sources and Activities

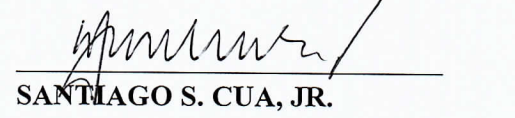
	Amount
Professional fees	₱474,880
Office supplies	12,772
Volunteers and helpers' meals	10,870
Advances to officers	1,512
Professional and consulting fees	700
Taxes and licenses	500
Miscellaneous expenses	27,996
	₱529,230

All the disbursements came from the operating fund and for general and administrative expenses.

We hereby certify that this Sworn Statement is executed to attest the truth of the foregoing and for whatever legal purposes it may serve.


In witness thereof, we have hereunto affixed our signatures this APR 20 2018 day of _____ 2018 at CITY OF PASAY, Philippines.


ATTY. MONICO V. JACOB
President
ID No./ CTC No. PASSPORT NO. EC 77 22 486
Place of Issue _____
Date Issued _____


SANTIAGO S. CUA, JR.
Treasurer
ID No./ CTC No. DRIVERS LIC. NO. N-10-70-045796
Place of Issue _____
Date Issued _____

Subscribed and sworn before me, a Notary Public for and in CITY OF PASAY City, on APR 20 2018 affiants personally appeared, exhibiting their respective competent evidence of identification card.

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Series of 2018


ATTY. HENARES
NOTARY PUBLIC CITY OF PASAY
UNTIL DECEMBER 31, 2018
NOTARIAL COMMISSION 17-23
KNIGHT OF RIZAL BLDG.,
GROUND FLOOR BESIDE PASAY CITY HALL
IBP NO. 032813 / 01/01/018 T.019
PTR NO. 5826607 / 05/03/2013 R.T.
MCLE COMPLIANCE NO. VI-0002800 - 2/14/2022
ROLL OF ATTORNEYS NO. 29679
© TIN: 172-528-620-000

SCHEDULE OF CONTRIBUTIONS AND DONATIONS

Name of Foundation/Organization Heritage Park Management Corporation	SEC Registration No. A199905731
For year ended December 31, 2017	

PART I	Contributors/Donors
---------------	----------------------------

No.	Name and address	Nationality	Total Contributions	Type of Contribution
1	NA	NA	NA	Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
5				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
6				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
7				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
10				Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
11	Others (aggregate of all contributions which are individually below P100,000.00) - by nationality			Cash <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

SCHEDULE OF CONTRIBUTIONS AND DONATIONS

Name of Foundation/Organization Heritage Park Management Corporation	SEC Registration No. A199905731
For year ended December 31, 2017	

PART II	Noncash Property
----------------	-------------------------

No. from Part I	Description of noncash property given	Fair Market Value (or estimate)	Date Received
1	NA		
2	NA		
3	NA		
4	NA		
5	NA		
6	NA		
7	NA		
8	NA		
9	NA		
10	NA		
11	Others (aggregate of all contributions which are individually below P100,000.00) - by nationality		